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THE ANALYSIS AND OPTIMIZATION OF STRATEGIES FOR CORPORATE SOCIAL RESPONSIBILITY BY THE OIL INDUSTRY IN NIGERIA

UNIVERSITY OF OULU ABSTRACT OF THE MASTER'S THESIS
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Abstract

This study examined Corporate Social Responsibility (CSR) by multinational (MNC) and transnational corporations (TNC) of the oil industry in Nigeria. In contrast to much of the existing literature, this study approached the subject from a macro (inclusive) context. The objective was to provide a possible optimization of future CSR strategy for the oil industry.

The methodology was derived from an inductive research process. First, a structured literature review was conducted, which established the theoretical framework. Next, the qualitative method of a thematic analysis engaged the outcome of the literature review. The analysis looked for clues into any possible patterns or themes in the data regarding the challenges affecting CSR strategy by the oil industry in Nigeria.

The results indicated the need for an internal analysis by the MNC's and TNC's on their current CSR activities across all regions of their global operations, so that they can identify and further capitalize on proven CSR activities, in addition to the formation of a sharing committee across other global industries that have operations in or near their extractive sites, in an attempt to exchange best practices and learn from the failures of past CSR activities from these sharing committee members'. This in turn, can optimize their own CSR strategy, integrating efficiencies, while eliminating inadequacies.

The conclusions highlighted the continuing need for the conceptual definition of CSR to encompass the externalities currently existing outside the perceived term with little to no representation. This finding is represented as '*the paradigmatic mindfulness of CSR in Africa*' concept with the externality dimension of CSR, represented as " x " or *CSRx*. A final discovery was made with theoretical implications into the research process of CSR. This finding is represented as the '*mechanisms* and *explanations* in a *system* of CSR analysis'. This research construct creates value for the researcher through the formation or clarification of the *relational and sequential* nature among the many research methodologies engaging CSR.

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1 INTRODUCTION

The technology powering the expanse of globalization around earth has spawned a rapacious demand for oil, from controversial extractive techniques such as hydraulic fracturing, to territorial claims in the Arctic that see a national flag planted in the seabed. The economies of the world, however connected or separate they may be from one another, need continued access to sources of energy. This spirit of growth in modern civilization has created a precarious challenge for the oil industry, one that has forced the multinational and transnational oil corporations into new environments to meet these demands. These demands have fomented difficult situations in the oil producing regions of earth.

Actions by companies who have a presence outside their nation state can no longer mask the effects of their work. If something duplicitous and tragic occurs, hiding it from the World Wide Web and the interested participants in the global community is a fantasy. The advancement and ubiquity of technology, like cellular technology have provided people in these regions to record and share their experience living in extractive communities. Now more than ever, people across the planet are becoming aware of oil spills or social atrocities in real time. Reiterating similar contentions, Spence (2011) states that the mistakes by oil companies may not be on the mainstream news, at least not right away, but they are immediately on the Internet for the world to see.

The intention of this thesis is to explore the world of corporate social responsibility (CSR), searching for any insight of its inadequacies when implemented by the oil industry in the country of Nigeria, the most populated country in Africa. CSR is an aspect of business that addresses the old ways of doing business and as (Musfar 2012) notes, CSR is about shelving the old paradigm of business aims, like profit above all else and placing an importance on elevating the community in which a company has operations. This new paradigm seeks to give representation to all of the stakeholders.

CSR is an integral component of the oil industry's overall business strategy due to the global nature of their operations, which places them in foreign communities across the globe. CSR addresses the needs of these communities by ensuring their business actions have a positive impact within the community. Directing their actions to abide by a code that understands the citizens in these communities are stakeholders *outside* the firm. Even the land can be a stakeholder. The end goal being to increase the daily life of all participants and not just aiming to increase profits for the company. (Hopkins 2012: 10-12)

Focusing on the current CSR approaches by the multinational companies (MNC) and transnational oil companies (TNC) in Africa and the most recent scientific journals, which have examined these CSR activities, allows the research to be in a position to identify specific challenges afflicting them. Directing the research in this manner allowed the analysis to factor in all of the relevant data, the goal being, to end up in a substantiated position to theorize on the subject, putting forth some constructive observations for future CSR strategies, a sort of *optimization* essentially. Currently in Africa, there are a plethora of CSR initiatives by the multinational oil companies. However, prior and current research has shown that they are struggling and unproductive in their ability to allow for long-term sustainable development to take root. This master's thesis focused solely on the CSR strategies in one African nation, aiming to benefit from a narrower and targeted analysis confined within the country of Nigeria.

This master's thesis develops in this order; first, a working characterization of CSR is shaped from an examination of the three main components constituting the current state of CSR, which are social, environmental and economic in composition. The theoretical exposition then illustrates that culture, history and the very progression of the concept of CSR in Nigeria, are variables influencing the overall outcome of CSR strategy by the oil industry. This occurs in chapter three. Next, the research tests the theoretical framework through a *structured literature review* of reputable research journals and other equally viable material, visiting their conclusions as to why current CSR initiatives have been ineffective. Succeeding this review is a *thematic analysis*, which was conducted to uncover any patterns or themes. This analysis was

observant to the context of these earlier research journals, to ensure the selection and inclusion of substantive material to the tenets of this master's thesis.

The subsequent findings of this process allowed the author to arrive in a substantiated position to prognosticate on possible optimizations for future CSR strategy by the oil industry MNC's and TNC's in Nigeria. This is a form of *inductive* research, which is commonly aligned to qualitative research (Gabriel 2006). This process is detailed below in figure 1.

Gather data   ⟶   Look for patterns   ⟶   Develop theory

Literature Review   Thematic Analysis   Formulate findings
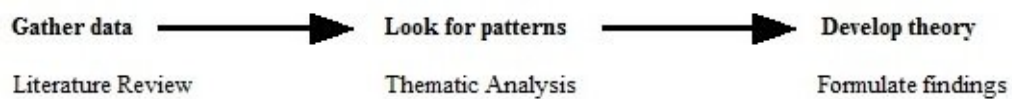
Figure 1. Theoretical process in this master's thesis (adapted from Blackstone 2012).

The end result of creating the theoretical framework in this manner, offered a contextual environment where the inadequacies of current CSR strategy could be identified. Once this is complete, the author is in a justifiable position to deliver a possible optimization that builds upon the current knowledge of CSR strategy in the African country of Nigeria.

1.1 Description of Issue

Corporate Social Responsibility is an emerging concern for companies to not just address, but to operate successfully, especially by an economy steeped in technology with a keen focus on environmental and social accord. Corporate Social Responsibility is evolving into a strategic issue for businesses, becoming something to embrace and utilize when competing with firms in their prospective industries. A 'changing of the guard' per se, alluding to the stakeholder primacies being reorganised by a new common denominator expressed as the needs of all those affected by a company's actions or lack thereof. (Porter & Kramer 2006)

CSR is not a business concept that MNC's or TNC's are thinking about addressing, it is an economic reality where they are deciding on the degree in which they can and

should address CSR related issues through policy and strategy. CSR policy must be initiated, not by the intent to avoid damaging the social fabric of a community or a disaster that pollutes the environment, but to recalculate who the participants are and how to address their needs. (George 2014)

The sustainability enigma has plagued CSR for some time. The accountability to the sustainable development of a nation should be shared by the various stakeholders within CSR, not to exclude the MNC's and TNC's operating within the country. How do host countries share the responsibility with the MNC's and TNC's in a synergistic effort? This division of duty between the oil companies in Nigeria, the local/regional government and the communities is a critical issue that many researchers have tried to address. A successfully implemented CSR program by any MNC or TNC within a Nigerian community may also serve to remove a level of burden from the local government. (Frynas 2005: 596)

Furthermore, the country of Nigeria was selected because of its impact on the history of African oil production. Nigeria is also the most populated country and according to Magnowski (2014) the Nigerian economy eclipsed the economy of South Africa to become the largest economy on the entire African continent with oil extraction and production activities at the heart of this economic milestone. There are many MNC's and TNC's that have extensive operations in Nigeria, but regarding CSR initiatives, the oil industry stood out among other industries with having a larger eco footprint in the country. These variables and others, combined to make the selection of Nigeria as the focus in this master's thesis.

1.2 Goals and Purpose of Study

This master's thesis observes past research, however it focuses thoroughly on the exploration of the current research findings into the inadequacies of CSR programs via the strategies implemented by oil companies operating inside Nigeria. The recent state of CSR ineffectiveness is so great that Joseph, Spence and Agboluaje (2013) found that current CSR strategies could be viewed as CSI, Corporate Social Irresponsibility. The goals and the objectives of the author were to conduct an

extensive *literature review* of the current material on the state of CSR. This objective seeks to identify the similarities or patterns via thematic analysis of the challenges and problem areas that earlier research uncovered.

It is important that this master's thesis has a focus with a scientific bearing and depth that earlier researchers and journals have not necessarily set as their guiding coordinates. Earlier researchers, such as the famed Archie B. Carroll (1991) approached the observation and examination of CSR from an organizational and ranking perspective in regards to *the priorities of the internal stakeholders*. Another eminent researcher, Jedrzej George Frynas (2009) closely examined the CSR issue with an emphasis placed on the *social challenges* and even Wayne Visser (2006) with his African *cultural* perspective of Carroll's CSR Pyramid. Not forgetting, that these beacons of early work illuminated the path of CSR research, this thesis strives to manoeuvre the research in a manner that provides the greatest opportunity for the findings to contribute and build upon earlier scientific voyages into the realm of CSR, specifically, in the African nation of Nigeria. It endeavours to achieve this objective in the final stage of this thesis (see figure 1 above) by coalescing elements of any themes and patterns that result from the thematic analysis. During this final stage, where the findings are formulated or theorized on, any substantiated optimization is proposed to advance CSR strategy and research.

Focusing on the recent material that examined the state of CSR strategies in Nigeria by the oil industry via the structured literature review and the subsequent thematic analysis which scrutinized the information for possible patterns and themes, permitted the research gap to address the extent of the issue, that CSR strategies by the oil industry MNC's and TNC's have not been effective and have yet to achieve their development potential. A few of the key actors involved are the oil companies, the local/regional governments and the communities where the CSR efforts are focused.

It must also be explained why the author selected the qualitative method of a thematic analysis over many other more common qualitative research methods. The author based this decision on the fact that there seemed to be a plethora of

information produced from the scholarly community on the subject of CSR. Even though the research gap was narrowed by the parameters of this study, which center on the oil industry in Nigeria, with another level of focus applied towards uncovering the causes of inadequacies in current CSR strategy by MNC's and TNC's.

However, upon the initial inquires there still appeared to be enough information that was applicable to the nature of this master's thesis (to a degree), that the author deemed it necessary to choose a qualitative research method that could operate from a macro contextual perspective. The thematic analysis was chosen for this reason. This type of inductive research could engage the information from the literature review to simplify the current state of CSR research into patterns or themes.

According to Boyatzis (1998) a thematic analysis encodes the information, labelling it with relevant words. When patterns or themes are uncovered, a thematic analysis offers a flexible movement into the direction of the intended research. Operating in this manner, the author foresaw a thematic analytical approach as bringing simplifications to the current state of CSR research and thus providing a substantial possibility to uncover clues into the causes of CSR strategy ineffectiveness by the oil industry in Nigeria. Furthermore, the current state of literature on CSR is replete with a focus more keenly to specific factors and variables, which is very important. However, there seemed to be a dearth of research journals concentrated from an inclusive, macro context, analytical vantage point. This, coupled with the fact that there was an ample quantity of research on the subject, steered the focus of the research in a macro-contextual direction.

In doing so, the objective of providing, not only clarity to why present CSR actions have been ineffective, but to also allow for the immersion of any thoroughly investigated observation or finding that can improve upon the future CSR strategies of the oil companies in Nigeria would be possible. A guiding and investigative principle focused acutely on the 'sustainability' aspect being present among the research findings of CSR programs and policies. The sustainability of CSR involves the search for and examination of a number of areas; the utilization of assets within the community, *scope*; if the efforts are mutually addressed or spearheaded by the

local or state governments of Nigeria, surmised *cost* of such a strategy and the amount of *time* necessary for the strategy to be integrated and operable within the community.

Recognizing these areas allowed for the objective quantification of key variables imbedded in the most current analyses of CSR strategy by the research community. The final goal was directed at the findings to optimize current CSR strategy from a *synthesis* of the most prevalent elements among the patterns and themes formed from the thematic analysis. In continuation, the exact research question is:

What observations from a macro context analysis of research on CSR strategy by oil companies in Nigeria can be made to optimize the current state of applied strategy?

An additional and supportive question is: *What order in the state of CSR research can be made to more efficiently engage the CSR literature for the discovery of any optimization to the applied strategy?* Taken together, the resulting *structured literature review*, in adherence to the two questions via the qualitative method of a *thematic analysis,* may propose findings that address the current challenges of CSR strategy.

It must also be stated, that the supportive question may be a probable, but insentient outcome, alluding to an understanding that when discoveries are made, a researcher is in a position to not only discuss the results, but dualistically *reflect* on the journey that paved the way to those very results. Establishing the supportive question in this manner allowed for a keen sense of awareness to be deployed throughout the reading and research process. The objective being, to reflect on the engagement of material during this process and discern any connections, simplifications or efficiencies in the order of current CSR research, with the goal in mind to provide an optimization to applied CSR strategy, as the main research question targets.

1.3 Definition of Key Concepts

The research journals, non-governmental organization (NGO) publications, articles from international institutions, industry reports, and other forms of literature utilized for the examination of CSR involved the usage of the key concepts listed below. These key concepts were ubiquitous during the researching of this thesis. They are listed below with a working definition that is applicable to the nature of this master's thesis.

Corporate Social Responsibility

Definitions of CSR abound within contemporary business literature. The United Nations Industrial Development Organization (UNIDO) considers CSR to be the notion of factoring in an awareness of the environmental and social impacts from a company's actions. This awareness provides the opportunity for companies to achieve an equilibrium, beneficial to stakeholders, internal, i.e. the company and external, i.e. the community. (UNIDO 2014) Nonetheless, CSR strategies, policies and actions do vary by industry and the industry in the context of CSR in this master's thesis is the oil industry.

Community Relations

Desatnick (2001) notes that community relations refer to the many methods of companies utilized to create and operate the eventual sustainable relationship with the host communities their business is located within.

Extractive industry

According to the BusinessDictionary.com (2014) the extractive industry is "any processes that involve the extraction of raw materials from the earth to be used by consumers." In the context of this thesis, extractive industry was used in reference to the multinational and transnational oil companies oil extraction activities in Nigeria.

Multinational Corporation

According to the Encyclopaedia Britannica online (2014) a multinational corporation is "any corporation that is registered and operates in more than one country at a time. Generally the corporation has its headquarters in one country and operates wholly or partially owned subsidiaries in other countries." The term multinational corporation and transnational corporation are sometimes used interchangeably in business literature. In this master's thesis, the abbreviations MNC and TNC reference both corporations, sometimes using only one abbreviation.

Niger Delta

In the context of this thesis, the Niger Delta is a strategic oil-exporting region in the nation of Nigeria with a sordid history of conflict.

Non-Government Organization

A non-governmental organization is an entity that is not governed by the host government it operates in. The operations of NGO's are very broad. They can take action to support human-rights issues, focus on infrastructure needs of a region or even be available to address disaster relief tasks. NGO's can act as an alternative for citizens to utilize in a push for change, allowing for an equilibrium to manifest between government policies and the rights of the people. (Johnson 2009)

Sustainable development

This can be accurately defined by "...three parameters: 1) growth of endogenous productive capacities, especially the capacity for innovation; 2) improvement in the environmental performance of industry; and 3) improvements in living standards and a reduction of inequality." (Gallagher & Zarsky 2004: 4) Sustainable development is often divided or analysed by the research community via the same three categories of CSR; economy, environment and society.

Stakeholder

According to BusinessDictionary.com (2014) a stakeholder is "a person, group or organization that has interest or concern in an organization. Stakeholders can affect or be affected by the organization's actions, objectives and policies." Stakeholders are sometimes labelled as external or internal. Internal stakeholders are aligned with

a company, where external stakeholders are typically found within the community and the external environment outside the company.

1.4 Structure and Methodology of Research

This master's thesis is composed of six areas. These six areas are the introduction, followed by a detailed synopsis of the phenomenon of CSR, including an historical understanding of the oil industry in Nigeria (in essence, the conflict in the Niger Delta in relation to how it connects with the goals and objectives of this work), then in chapter four an examination of the key publications and journals by the research community is conducted. Also, a look into the methodology employed by this thesis is presented in chapter five, followed by the conclusion; where the applicability of the research is discussed in conjunction with the restrictions of the research findings and research process. Ideas and suggestions for future research that stem from the discoveries made in this master's thesis are also presented in the final chapter, chapter six.

The structure of this master's thesis was *designed* from inception to employ a methodology of a qualitative bearing. There are many modes to qualitative research. The author chose to initiate the thesis with a structured literature review. Fischer and Parmentier (2010) stated "interviews and observations are fine materials with which to build contributions to research, there are burgeoning opportunities for making greater use of archival data for this purpose…we argue that there is also an increasing case to be made for the necessity of drawing on archival data as one primary resource."

The two researchers go on to state that utilizing past literature and data as a practical resource is based on the development that the ubiquitous nature of technology in our society has allowed for the boundless opportunity to access information and have it available. It is in their estimation that there is a tsunami of literature and data to access and utilize. (Fischer & Parmentier 2010) Being aware of this shifting attitude towards the extent of past, viable and reputable research, this master's thesis was planned not to be one that collected empirical data through a rudimentary interview

or basic survey to meet the minimum requirements, but to engage the vast reservoir of past literature regarding CSR policy and strategy from the oil companies in Nigeria.

Regarding the utilization of surveys for this master's thesis or the capturing of empirical data by this method, Célestin Monga who attended the 2013 Governance and Economic Growth conference in the Democratic Republic of Congo, stated "People are often mistaken when asked to identify the true constraints that affect even their most important activities and welfare." (Monga 2013) With that said, the use of surveys or interviews would severely limit the depth and impact of this thesis to investigate and identify the true nature of ineffective CSR programs in Nigeria by the oil industry, so a qualitative route was decided on.

Based on a thorough investigation into the existence of literature regarding CSR policy and strategy within the African country of Nigeria, this study is constructed from an imperious repository of material. These sources are the scientific journals and other forms of professional literature emanating from within the international and Nigerian scholarly communities who have produced vast amounts of information from 'boots on ground' style exploration of the oil industry record in Nigeria.

The second source of material, which was utilized to specifically engage the theoretical framework and context of the thesis are the international and African based NGO's, who publish their findings as formal studies, articles, and scientific journals. They have assembled huge amounts of information. Guiding and operating the master's thesis to encompass these two reservoirs of literature provided the greatest opportunity for the findings to address the research question of this thesis, which again is,

What observations from a macro context analysis of research on CSR strategy by oil companies in Nigeria can be made to optimize the current state of applied strategy?

Thus, any findings or discoveries that result are fabricated from the extensive structured literature review followed by the qualitative method of a thematic

analysis, through the lens of the above research question, culminating in a proposed optimization that may allow the discoveries to assist in the creation of practical CSR applications by the oil industry in Nigeria. A basic illustration of the current paradigm of CSR is presented below in Figure 2.
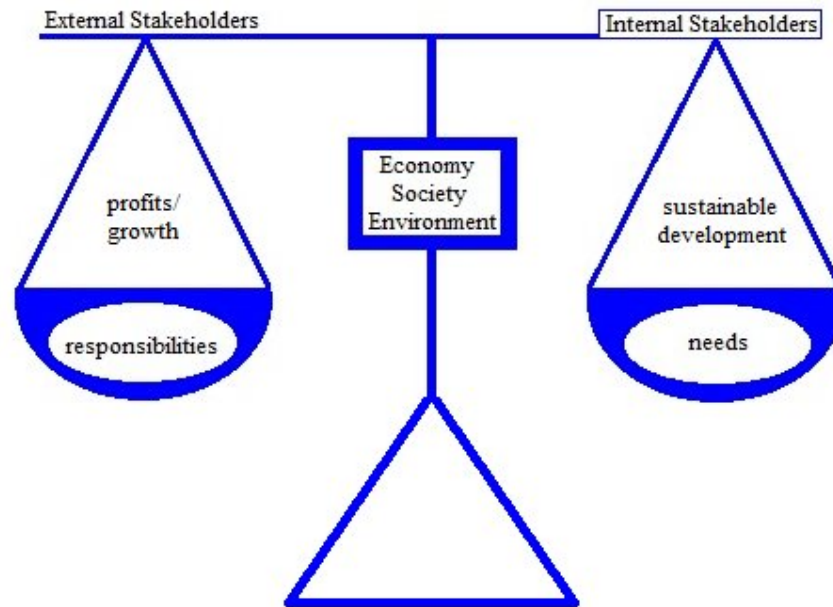
Figure 2. Basic illustration of the current paradigm of CSR.

In addition, it was decided to initiate this research with an observation of the author's earlier work in the bachelor's thesis, which assisted the process to begin anew and further investigate the concept of CSR by multinational oil companies in Africa. Furthermore, the research area and direction is now concentrated more precisely by focusing on the country of Nigeria with a more specific methodology.

2 THE PHENOMENON OF CORPORATE SOCIAL RESPONSIBILITY

The aim of this chapter is to present the phenomenon that is Corporate Social Responsibility (CSR). CSR is broken down into its three main components, which are economical, environmental and social in nature. Directly following is a summarization of sustainable development, which is a growing concept in relation to the role CSR plays in achieving it. The subsequent chapter, chapter 3 builds off the foundation constructed in this chapter by providing a synopsis of the oil industry in Nigeria.

There are many available definitions for CSR. According to the European Commission's Directorate General for Enterprise and Industry (2014), CSR is a set of accountabilities that companies address through their actions for the betterment of the community. CSR involves the inclusion and participation of many stakeholders. It is a commitment from these stakeholders. It is an awareness of actions that bring the business, investment and community needs together. Displayed below in Figure 3 are the most prevalent stakeholders (internal and external) and the intermediaries associated to the concept.

Internal	Connected	External
Directors Managers Employees	Shareholders Customers Suppliers Advisers Consultants Competitors	Government Local Community Pressure groups Media

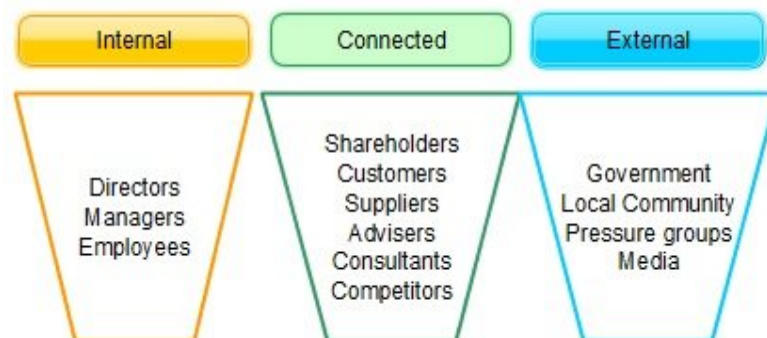Figure 3. Various stakeholders fundamental to CSR (Riley 2012).

It must be noted that *environment* is not listed in the above figure. Nonetheless, it can be viewed as part of the community and therefore would be an external stakeholder. However, environment is the major focus among recent strategists who believe CSR should be shifted to a concept known as CSI (Corporate Social Investment). CSI

proponents emphasize the necessity to focus heavily on environmental sustainability within CSR actions (Kingsley 2013). The environment is becoming a major component of CSR, which is discussed in subchapter 2.2.

CSR has become an emergent issue for companies, especially for those who have taken their business operations globally, in essence multinational and transnational companies. Interest in the issue has continued as well. Below, in Figure 4, are the results of a survey conducted from students in MBA programs across Canada and the U.S. by an organization called Net Impact. According to Net Impact (2006), the young business professionals were asked about their interest in a variety of social issues affecting contemporary business. A strong majority expressed their desire in learning more about CSR and as the figure illustrates, similar subjects of study garnered a great deal of attention.
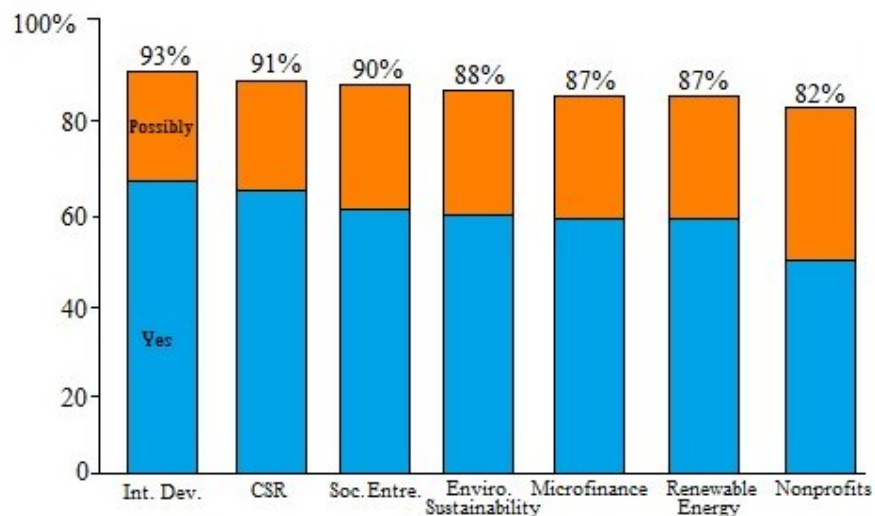
Figure 4. Continued interest in CSR by young business professionals (Net Impact 2006).

The three main components of CSR are discussed in the following subchapters. A first look is provided for arguably the most influential component of CSR, the economic component. The author then touches on the environmental or ecological component of CSR. This part of CSR is considered to be an emerging area, gaining in visibility over the past decade. Finally, the social aspect of CSR is discussed, demonstrating the significance of the external stakeholders in relation to the whole of CSR.

2.1 Economics

Economics of CSR can be examined from a fiscal perspective of the MNC or TNC. This part of the thesis in chapter 2 seeks to identify the economic realties experienced by the company due to the deployed CSR policy in the community where the extraction of resources is taking place. In doing so and in conjunction with a topical analysis of two other community specific expanses of deployed CSR policy; ecology and social issues, the reader then has an encompassing foundation to accurately launch a mental inquiry into the findings of this thesis once they are presented.

How is the expense of operating a CSR strategy impacting the competitiveness of a firm's product or service? Are the additional costs being recaptured in the resulting state of affairs? Are there valuable, intangible benefits created in the process for the MNC or TNC? Margolis, Elfenbein and Walsh (2007) state that over the past 40 years, researchers have been analysing the connection (in essence, relationship) between successfully implemented CSR strategies and positive financial impacts for the company.

According to Margolis et al. (2007), one area in which an integrated CSR program can impact the financial performance of an MNC is the prevention of possible fines. This can result from the MNC or TNC adhering to the stipulations stated within their CSR policy, where the lack of such policy may have instigated a costly penalty. In addition, other research has focused on quantifying the benefits MNC's or TNC's experience due solely from their perceived CSR actions by investors and the market as a whole. This supposition highlights the potentiality of charitable and sustainable behaviour from a company (think CSR programs), attracting customers to their product or service.

Furthermore, it has been found that CSR programs can stimulate innovations for a firm, providing an opportunity to integrate the discoveries into their products (Little 2006). An example of one such innovation that was created by DuPont is their product called Tyvek, which is now a key insulation material within the construction

industry (Asongu 2007). The company strived to reduce the energy required to heat a home and operating with this frame of mind, they created a material that efficiently captures heat.

Overall, "the impact of CSR on economic performance seems to be dependent on the individual company strategy." (Weber 2008) All things being equal with a CSR program, if company A has a reckless strategy, where company B has an apt strategy, the CSR program emanating from company A, may fall short of achieving any success. Nevertheless, it is of prime importance for the MNC and TNC to focus on their economic responsibility as Archie Carroll distinctively indicated in his famed *Pyramid of Corporate Social Responsibility* in 1991 shown below in Figure 5, where economic responsibility sits at the foundation of the CSR pyramid among three other essential responsibilities.

Figure 5. Pyramid of Corporate Social Responsibility (Carroll 1991).

2.2 Ecology

Ecology (the environment) is another realm of science that CSR programs aim to address. In a CSR context, the fundamental ecological factors are focused on resolving the environmental consequences of the business actions, including "the

duty to cover the environmental implications of the company's operations, products and facilities; eliminate waste and emissions; maximize the efficiency and productivity of its resources; and minimize practices that might adversely affect the enjoyment of the country's resources by future generations." (Mazurkiewicz 2004: 2) From an environmental perspective, areas that CSR confront, deal not only with the aftermath of MNC and TNC operations, but addressing the actions beforehand, inserting elements of efficiency and sustainability, to mitigate the degree of ecological reverberation that is experienced by the communities in the years that follow.

As indicated in the above quote, the environmental aspect of CSR can be very extensive with the range of issues it attempts to address. Particularly, in regards to the extractive industry, their actions in or around the communities where the extraction of resources take place can severely impact the environment. MNC's and TNC's who are involved in extracting resources have adopted CSR programs just from the sheer liability of possibly losing their ability to work in a particular region. Extraction based operations were some of the early participants in the filing and reporting of environmental documents (Guenther, Hoppe and Poser 2007). Comparative to various industries that have an equally or similar far-reaching expanse to their global operations (in essence the telecommunications industry, financial industry, materials industry and agriculture industry) it can be easily deduced that MNC's and TNC's from the oil industry would be one of the first industries to begin composing documents relating to the state of the environment where their operations are based.

A per year count of reports issued
across all sectors and countries
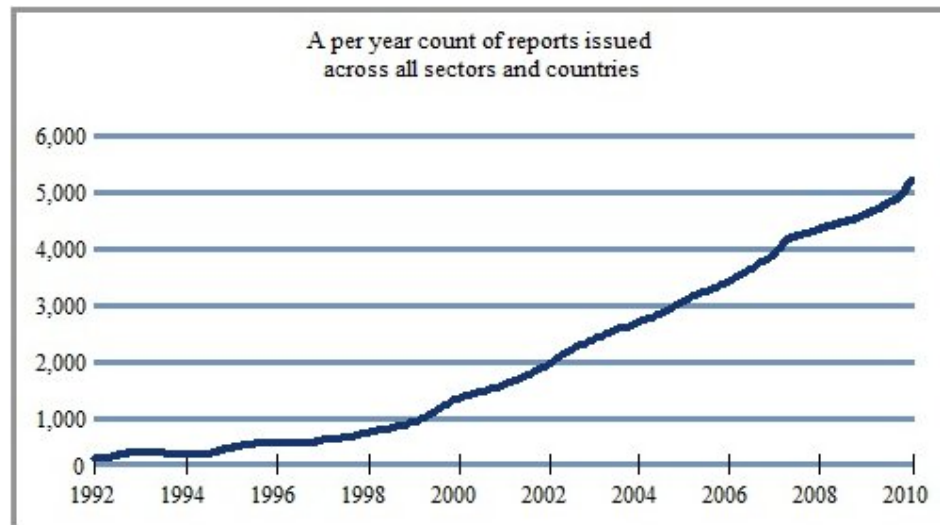
Figure 6. Rise in CSR reporting (Corporate Register 2010 via Brickinridge 2011).

Above, in figure 6, the chart confirms the rise in CSR reporting from companies between the years 1992 to 2010. The indication of the environment needing to be a stakeholder that an MNC addresses within its CSR strategy is no longer in its infancy phase. The environment or the science of ecology as a whole, being one of the three core areas has been established within the realm of CSR.

2.3 Social Issues

MNC's and TNC's have become increasingly aware of the 'social aspect' of CSR. This growing awareness can stem from uneasiness due to the instability of local governments where the MNC's activities are based or even due to internal stakeholder concerns. (Epstein, M. J. 2008) The social issues that are of concern deal with the quality of life from those living in the community where the MNC has operations. Additional social issues address specific areas such as safety & security and the education of the community.

A framework was developed that focused on giving value to and the mapping of socially accountable behaviour by corporations. The creator dubbed it the *virtue matrix*. It was created to understand the motives of the integration process. (Martin 2003 via Tsoutsoura 2004) Bringing attention to a large majority of the exact and not

so exact actions that MNC's are responsible for doing (or not doing) in a community can provide structure to the overall CSR strategy as a whole.

However, research has shown that if there is ineffective regulation, the social, environmental and economical impact and the community-MNC relationship may be minimal. Equipped with an essential understanding of the three main components of CSR, one may conclude that without an extensive regulatory mechanism, challenges can be created for an MNC or TNC to successfully address environmental and social matters. (Kolk & Van Tulder 2010)

It must also be noted that research has investigated the rate or level of social accountability that is achieved in a community by the actions of an MNC according to the foreseen vulnerability and exploitability nature of the specific developing country. This research demonstrated a link that showed an MNC or TNC would take advantage of less developed countries by limiting their engagements for the achievement of social accountability in the community. (Belal, Cooper & Robin 2013)

2.4 Community Expectations of CSR

In certain estimations, the community is the core external stakeholder, so it is essential for CSR strategies by MNC's to directly address their concerns and expectations. If an MNC or TNC is to be aware of and fully comprehend the perspective of the community regarding CSR expectations, there must be increased communications between the two sides. According to Jonker and Nijhof (2006) discovering the expectations from both stakeholder positions in the beginning can provide a greater opportunity for collaborative work to occur later on. This approach lends efficiencies to the process as well.

However, taking a step back, before engaging in these communications, Shyama Shankara (2014), a reputable writer on business and corporate management, states that this process starts by first ensuring a company has a responsible value system in place. There may be logic to this analysis, which is specifically addressed by this

question; How can an MNC enter communications with external stakeholders to understand their expectations, if they haven't first ensured they are operating with a mutually beneficial and conscientious system of their own? His value system is displayed in figure 7 below.
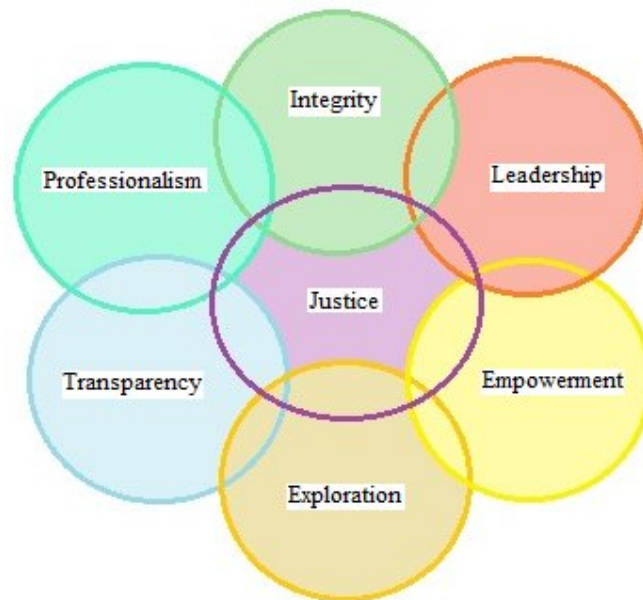
Figure 7. An illustration of a set of values for a company (Shankara 2014).

The example of such targeted analysis brings to light, the many areas on the path of researching CSR that become visible, and alone, possess the characteristics that may compel future researchers to consider further inquiry. Nonetheless, this thesis is attempting to uncover patterns and themes (via thematic analysis) of existing challenges within the CSR strategy in Nigeria that have been implemented by multinational and transnational oil companies, with the purpose of providing an optimization that springs from the latest examined areas of research. With that said, as the author provides a macro overview of these key variables, observations may occasionally be made like this one, which reveal an opportunity for future investigative research.

Expectations from the community may be numerous and difficult to comprehend. Earlier researchers, Jonker and Nijhof (2006) devised a method that would cross-reference the company expectations with the community expectations of the

proposed CSR. Their model was actually a simpler model stemming from the SERVQUAL methodology by Zeithaml, Parasuraman & Berry (1990). The two groups of researchers were, in a simplified sense, showing the differences between the expectations and actual needs of the involved stakeholders. Therefore, it is constructive to the overall CSR process, *if the stakeholders remain aware of their potential differences in expectations*.

Consequently, if an MNC implements an aggressive CSR strategy in the community they are operating in, anticipating that it is communicating to the community their sincere intentions, it could backfire. The principles of our current economic system have been scrutinized heavily. It appears that the increase in action by an MNC or the business community as a whole to implement a CSR strategy into their operations, the more it is then targeted for being the instigator for a communities problems. The validity and trust of business operations have decreased to record lows. (Porter and Kramer 2011) This finding may be evidence that a *gradual approach* can fair better than an aggressive CSR approach.

MNC's must tread carefully when they initiate their CSR strategy based on the construed expectations of the community, so their activities do not become a target for the flawed actions of the past, whether or not those past actions were directly caused by them or another MNC or TNC operating in the region. According to Eweje (2007) the intended CSR actions by the MNC's may actually be a preemptive measure to avoid sanctions by the external stakeholders, either by important community members or representatives of the local or state government. Overall, the identification, comprehension and management of community expectations are vital to the CSR strategy of an MNC or TNC.

2.5 Sustainable Development

A key aspect of CSR action and strategy is the realization of sustainable development. There are many estimations, good and bad, on the lasting effects of CSR. Specifically regarding the *developmental* prospects of CSR strategy, but more data is needed (Newell & Frynas 2007: 671). Sustainable development can be viewed

by "...three parameters: 1) growth of endogenous productive capacities, especially the capacity for innovation; 2) improvement in the environmental performance of industry; and 3) improvements in living standards and a reduction of inequality" (Gallagher *et al.* 2004). Below in figure 8, the three primary aspects that have historically shaped CSR are shown, which closely align with areas described by Gallaher and Zarsky in reference to sustainable development. However, is there an additional group, area or variable (*x*) that demands similar status as these historic three areas, which could further progress the concept of CSR?
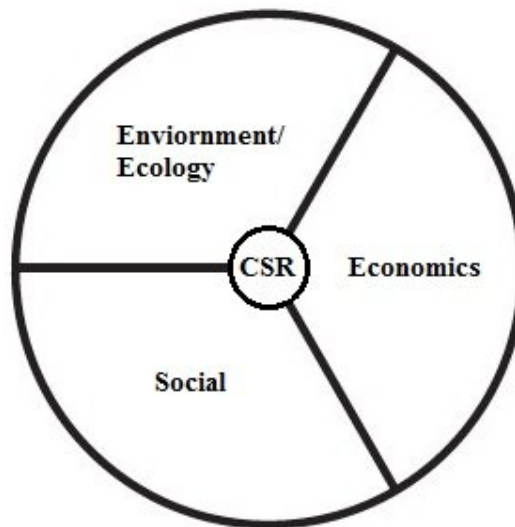
Figure 8. Three primary aspects that have historically shaped CSR.

Sustainable development can be addressed by many actors, such as non-governmental organizations (NGO's), local communities (regional and local municipalities) and specific development agencies in conjunction with the support from MNC's and TNC's. According to Kolk and van Tulder (2010) the commitment by the MNC's to address the sustainable development conundrum may be just a public relations play and not an earnest pledge. Researchers do agree that achieving sustainable development through effective CSR strategy may be a PR ploy. Where is CSR found within the departments of an MNC or TNC? It is found within corporate, community or external affairs. CSR is not found in a division of a company that is rooted throughout the organization. It is operated from the periphery, from the fringes of a company. (Frankental 2001)

Nevertheless, additional challenges exist. One in particular is that there is not a standard set of rules. A definition of sustainable development does not permeate across industries. One company may interpret development in a strict sense, where another may construe sustainable development more loosely. (Smith & Sharicz 2011) If there were internationally recognized definitions and standards for sustainable development, would CSR strategies of MNC's and TNC's be contested to meet or exceed the standards?

3 OIL INDUSTRY IN NIGERIA

The aim of this chapter is to provide a synopsis of the oil industry's presence and impact in Nigeria, via an examination into the "Conflict in the Niger Delta" (*historical component*), a concise presentation (Visser 2006) of the African perspective of Carroll's CSR Pyramid (*cultural component*) and lastly, a synopsis of the progression of CSR as an applied concept by the oil industry in Nigeria (economic component). Doing so, continues to build the contextual framework to better understand the thematic analysis conducted after the structured literature review on the most recent findings of CSR strategy in Nigeria and their limitations in the following chapter.

According to Dobers and Halme (2009) the countries in Africa have an extensive record of receiving support for their development from Western nations. Aid has not only come from the governments of Western nations though, it also originates from MNC's and TNC's operating in the oil industry via CSR programs. The oil industry has an overriding presence in Nigeria. To comprehend the magnitude of their presence in Nigeria, the Nigerian National Petroleum Corporation – NNPC (2015) stated there are "606 oil fields in the Niger Delta area, 355 are on-shore while the remaining 251 are offshore." There is no other industry with such physical presence operating within the country of Nigeria. The scope of their operations span across a large part of the country.

This type of ubiquitous presence by the oil industry in Nigeria supplies ample opportunity for conflict to arise, but also the opportunity for targeted CSR action by the MNC's to address the pressing issues within the communities they operate in or nearby. One specific MNC, which has been a focus of the international community, is the Shell Oil Company and their CSR programs targeted to the towns and villages in which they have operations (Tuodolo 2009). The oil industry's presence has also exacerbated deep-rooted cultural tensions among various ethnic and tribal areas and even the relationships between Nigerian citizens and their local or regional governments. According to the eminent researcher and author Michael Watt in his

research article, *Resource Curse? Governmentality, Oil and Power in the Niger Delta, Nigeria* (2004) the country of Nigeria was a British Colony for a majority of the 20th century, comprised from a state of many ethnicities. The transition from a colonial rule to the new system of government was not a fluid process. MNC's and TNC's have encountered the remnants of this transition and this is another example of the historical complexity to which the CSR concept engages.

3.1 Conflict in the Niger Delta

In any attempt to understand the current state of CSR strategy in Nigeria, a summation of the *Conflict in the Niger Delta* (as it was dubbed then and is referred to now), must be provided. Possessing this additional information illustrates more of the contextual framework to then support a thorough evaluation of the findings from the thematic analysis presented in subsequent chapters. The conflict in the Niger Delta is entwined with CSR strategy by MNC's and TNC's in Nigeria because the main actors involved in it were the ethnic groups and the regional government (both external stakeholders) in Nigeria and the MNC's and TNC's within the oil industry and their internal stakeholders.

According to Ikelegbe (2001) the Niger Delta is steeped in conflict and unrest due to the sheer strategic nature of the area in producing oil revenue for both the government of Nigeria and the MNC's and TNC's operating within the country. The conflict in the Niger Delta transpired in the 1990's. The Shell Oil Company was the primary MNC at the center of the conflict. It must be noted that the Shell Oil Company is a subsidiary of the parent company, Royal Dutch Shell, which is headquartered in The Hague, Netherlands. In figure 9 below, statistics are provided that confirms the significance of Nigeria's oil industry in accordance with the influence and role the Shell Oil Company plays within it.

Nigeria, Oil and Shell
- Revenue from oil activities account for the bulk of the wealth of Nigeria
- 92% of foreign exchange earnings
- 80% of government's annual revenue
- 14% of GDP
- Shell has the largest area of operation in Nigeria
- Accounts for about half of the total oil production
- It produces about 1m barrel of oil per day
- Produces about 1,652 million standard cubic feet of gas per day
- It's operating units include: 100 oil fields, 87 flow stations, 2 oil terminals 6200km of flowlines and pipelines, and several gas stations
- In 2006, Shell paid $3.5 billion in taxes and royalties to the Nigerian government

Figure 9. Data on Shell & the oil industry in Nigeria (Tuodolo 2009 via IMF 2006, SPDC 2007).

In 1956, oil was discovered in the district of Oloibiri, which resides in the Niger Delta. Even within the first year of this discovery, an MNC in the oil industry produced and began the logistical work of moving it to necessary markets. This MNC was Shell-BP, an entity that exists now under the guise of Shell Oil Company. (Omofonmwan & Odia 2009) After nearly four decades of oil extraction, production and other phases that oil exploration brought to the Niger Delta, the situation was exhibiting many signs of stress.

According to Imobighe (2004) the communities in the Niger Delta who lived through and experienced this period, felt that the Nigerian government did not hold up to their end of the deal by dispensing and sharing the revenue created by the oil in the region, which they had stated would be the case. Even after just two decades of oil exploration, a civil war ensued from 1967 to 1970 (Oyefusi 2008). Ten years later in 1979 changes in the constitution were made which further alienated the ethnic minority tribes in the Niger Delta. A specific revision altered the distribution of royalties from the oil. The key denominator that decided *who* received a larger percentage of revenue was no longer *where* the oil was extracted, but changed to be appropriated based on the *size* of a population within a city/state and the equality level within them. (Quaker-Dokubo 2000)

This further exacerbated the situation for the ethnic minorities in the region. The Ogonis felt that they had suffered more than the communities in non-extraction locations. Their land was either re-appropriated from them or morphed into an ecological disaster zone from the MNC's and TNC's continuous operation. Nevertheless, they were now receiving fewer monetary reimbursements for their suffering due to the fact they did not have the population numbers than other cities possessed.

The conflict in the Niger Delta culminated when nine representatives from the Movement for the Survival of the Ogoni People (MOSOP) where killed by way of hanging in the fall of 1995. The killings were followed by international outrage and the formal suspension from various international circles. Ambassadors from the European Union (EU) were removed. In addition, sanctions were levied on the country, specifically targeting officials within the military and various areas of the government (Obi 1999). According to (Onduku 2001) this specific incident forced the door open to the global community, epitomizing the extent of corruption and atrocities occurring in the Niger Delta.

The actions perpetuated by the Nigerian military, particularly with this incident had the opposite effect that was desired. The forceful clampdown of the Ogoni people did not bring the anticipated control of the region to manageable levels. Instead, it incited further violence. More ethnic communities began protesting and the MNC's, state government and the Nigerian military became shrouded in conflict, which then had the effect of bringing about more violent counter action from their camp (Ibeanu 2000). There was a two-year period that followed the killing of the MOSOP activists, which was steeped in conflict.

Accordingly, it was becoming explicitly clear that "oil based state-community, state-civil society, civil society/community-MNOC conflicts have emerged as the most serious threat to Nigeria and its new democracy." (Ikelegbe 2001: 438) The conflict in the Niger Delta is an example (albeit a violent one) of such a threat. Ultimately, the conflict in the Niger Delta fits impeccably into the nature of this master's thesis because of the key actors involved, in essence, Shell Oil Company, Nigerian

government and the Ogoni ethnic group, which can all be classified into external and internal stakeholder areas within CSR. These conflicts exacerbated the progress and development of the communities near the extraction sites.

3.2 CSR Pyramid: African Perspective

The pyramid of corporate social responsibility put forth by Archie Carroll in 1991 continues to influence research on CSR and to this day is cited frequently. Researchers have taken it and applied its information to the context of culture, whether the context is a specific country's culture or the culture of a group of countries (think continent). Visser (2006) noted that a European perspective of Carroll's CSR pyramid was examined by Dirk Matten and Andrew Crane in their 2004 research paper *Business ethics: A European perspective. Managing corporate citizenship and sustainability in the age of globalisation.* Furthermore, Burton, Lih-Farh and Hegarty (2000) indicated that the culture of a country influences which values are most and least important. Therefore, it was essential to ensure that the material selected in the structured literature review factor in the unique culture of a place or people being studied. Wayne Visser endeavoured to do this with his research in 2006. His re-ordering of responsibilities or African perspective of Carroll's CSR Pyramid is shown below in figure 10**.**
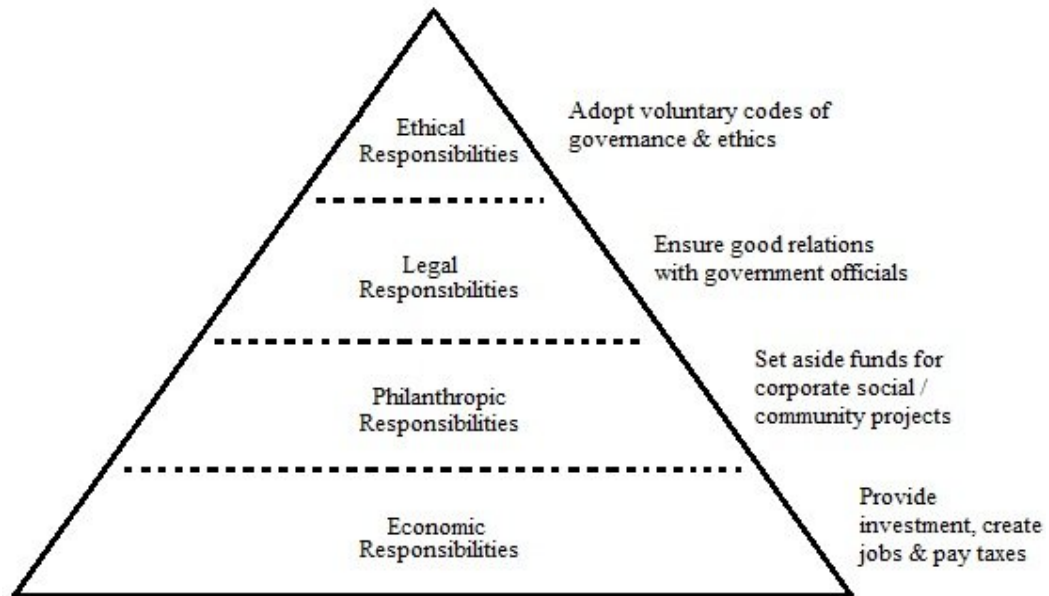
Figure 10. A reordering of Carroll's CSR pyramid, an African perspective (Visser 2006).

Visser (2006) examined Carroll's CSR Pyramid to realize a culturally specific ordering of the primary tenets that shape CSR in the continent of Africa. Carroll's CSR Pyramid was the vehicle that fostered this targeted examination. The data from Vissor's research revealed a reordering of the four areas of responsibilities that constitute the CSR pyramid by Carroll. According to Visser (2006), economic responsibilities are still the most important. The modification of the ordering of responsibilities happens, when the philanthropic responsibilities have primacy over legal responsibilities, which his data found to be the case.

Visser discusses a few reasons why CSR, from an African perspective, prioritizes philanthropy to such an extent. The first reason that he stated focused on the immense needs of the communities and people in Africa. Their needs are so great that acts of philanthropy by MNC's or TNC's are anticipated. (Visser 2006) In step with that first reason, Alkire and Housseini (2014) found that from just twenty-four sub-Saharan African countries, more than 200 million people live in a state of poverty and destitution. One can begin to understand that MNC's and TNC's in the extractive industry, that operate in Africa, are almost expected to be charitable with their engagements of local communities. An additional reason stated by Visser

(2006) is the observation that CSR is not yet fully mature in Africa, where CSR is still commonly construed as acts of charity or philanthropy.

It is necessary to include a concise summary of Visser's research on the analysis of Carroll's CSR Pyramid from an African perspective, so that additional context can be provided to support a thorough evaluation of any finding presented a the conclusion of this master's thesis. An awareness of the effects that culture may have over the ordering of value is needed, particularly with a research topic that largely deals with the situation when two diverse cultures interact with each other. Even twenty years ago, modern academic research was emphasizing the influence of culture on the ethics of a people in an economic context; Singhapakdi, Vitell and Leelakulthanit (1994) stated that culture is understood to be a prime influence on the moral hierarchy of peoples.

3.3 The progression of the concept of CSR in Nigeria

The idea or concept of CSR by the oil industry in Nigeria has transformed over the years. It has taken on new meanings and added or discarded various elements to its definition. In conjunction with the earlier sub-chapters, which exemplified the potential impact of history and culture, this final subchapter examines the progression of the idea of CSR in Nigeria toward its current characterization. A characterization according to Eweje (2007) that is replete with concern due to the gap between the CSR plan that is communicated to the people at the start and the tangible realities within the communities from the implemented CSR programs after the fact. These past dealings affect the current state of CSR effectiveness.

The context of this investigation begins around the time oil was discovered in Nigeria during the early 1960's, the start of oil and CSR intertwining with each other. When Nigeria achieved its independence from the United Kingdom (UK) in 1960, the economy at that point was predominantly agrarian based with half of its GDP originating from that sector. In just a decade's time, early into the 1970's, oil became the dominant share of economic production, surpassing the agriculture sector. (Amaeshi, Adi, Ogbechie & Amao 2006) The operations of the oil industry

MNC's and TNC's were the machines behind this immense transformation of the economy in Nigeria.

According to Amaeshi *et al.* (2006) the record of structured CSR in the country of Nigeria originates from the oil industry operations. Keeping that in mind, plus the metaphysical analysis that Visser (2006) observed, it is rather evident that the basic needs of the communities and their people were so vast, that charitable actions by companies were almost assumed. When connecting these considerations, one can recognize that the transformation of charitable actions from a culturally imbedded attitude in Nigeria, to an economically, socially and environmentally theorized concept that is CSR today, would be rather apparent. How did this happen though? What were the drivers?

The data demonstrates that this transformation into the present concept of CSR in Nigeria occurred during the same time period that the economy transformed from one steeped in agriculture into an economy dominated by the operations of oil industry MNC's and TNC's. According to the CIAWorld Factbook (2014) the country of Nigeria boasts the biggest economy in all of Africa with $502 billion dollars reported as their GDP in the year 2013. Oil production maintains the largest piece of this GDP. In conjunction with the economy morphing into one based in oil, so did the concept of CSR morph into its current characterization; one that use to be an anticipated, societal, charitable act into an evermore measurable, defined unit through environment, economic and social facets.

This awareness, that *the culture* of a **region**, *the history* of a **people** and *the progression* of the **concept** (in essence, its applied reality and status) of CSR by the oil industry in Nigeria are key variables that influence realities today, is imperative. Its reflexion provides a further attempt at understanding the challenges in present day CSR strategy. Directing the *structured literature review* in this manner was central to the qualitative method of a *thematic analysis*, which employed an expansive perspective, in search of patterns and themes within the material, striving to not only comprehend concepts, but to then locate and consider any commonalities among them, where as, other studies may start narrow and then get even more narrow to

target their research gap. The theoretical framework being latitudinous on both the proverbial X & Y axis, in relation to both the breadth and depth of the material.

This may appear to be paradoxical, to form the research gap and its eventual realization via a latitudinous construct, but the research gap is based on this methodology, which permeates throughout the entire exploration of this master's thesis, thus creating a unique and specific set of coordinates, leading to where any possible findings may exist, to conceivably answer the precise research question discussed in chapter 1 and stated below,

What observations from a macro context analysis of research on CSR strategy by oil companies in Nigeria can be made to optimize the current state of applied strategy?

4 DYNAMIC COURSES FOR CSR STRATEGY

In the previous chapters, information was presented to supplement the core portion of the *structured literature review* that takes place in this chapter. This chapter is part of the overall process of an extensive research journey, which meticulously examined research journals, industry reports, NGO publications and articles from international institutions, dealing with the present state of CSR strategy in Nigeria by the oil industry MCN's and TNC's. This modus operandi culminated in two discoveries from the qualitative methodology of a thematic analysis on the findings from this chapter as to the inadequacies in current CSR strategy.

In chapter three particularly, information was presented that supported the theoretical exposition that *culture* (Visser 2006), *histories* (Ibeanu 2000) with their specific events (in essence the Conflict in the Niger Delta) and Amaeshi et al. (2006) that the *concept* of CSR has progressed through the decades via the indirect influence of oil industry operations are all stimuli with some degree of impression to the overall success of CSR strategies by oil industry MNC's and TNC's. In chapter two, the phenomenon of CSR was examined. Its analysis observed the three core elements, which are commonly used in describing CSR today. They are the environmental, economic and social characteristics of CSR. The statements below summarize this preceding analysis,

- *The macro understanding of the three core elements of CSR; economic, social and environment presented in Chapter two.*
- *Followed by the macro-analysis of "Conflict in the Niger Delta"*
- *The macro-understanding of Visser's African Perspective of the CSR Pyramid*
- *The progression of the CSR concept in Nigeria by the oil industry*

Overall, the information presented in the first and second chapters, allows for the fluid segue into the literature review of this chapter, which is structured to look into the various approaches for the study of CSR, directed at understanding the inadequacies of current CSR strategy by the oil industry.

4.1 Challenges Influencing CSR

There have been many attempts made at identifying the challenges of CSR in Nigeria by the oil industry. A great many start narrow (which is the appropriate and standard approach in many contexts). However, this standard template essentially is not able to attach and continue with the sufficient cognizance of the wide-ranging, embedded variables influencing CSR before the research is guided right down the quickly approaching, axiomatic research gap of any specific thesis. If some examinations within the multitude of thesis research can walk the halls of their research gap with a continual awareness of the macro-observed variables affecting the outcomes of their results (a macro perspective), it may create the coordinates to an opportunity that realize a contribution to the current state of research and in this thesis, it is the optimization of CSR strategies by oil industry MNC's and TNC's in Nigeria.

The words of Chris Newsom (2011) state, "Too often, outsiders to the Niger Delta focus on cyclical manifestations of area conflict rather than deeper trends." This short, but powerful quote by a leading researcher and strategist for the Stakeholder Democracy Network (SDN) highlights the need for more researchers to partake in the investigation from the proverbial 'top floor' with its latitudinous angle for observation. The author of this thesis strived to navigate the creation of the theoretical framework in this manner. Referring back to the SDN, according to their website (2015), they are a non-profit organization focused on helping the communities impacted by the oil industry in the Niger Delta.

If optimal CSR strategy were being implemented by the oil industry in Nigeria then a delicate balance among economic, philanthropic, ethical and legal responsibilities would be reached. However, the research has shown that this balance does not exist. In a quest for understanding and explanation, the research community has endeavoured to analyse the subject. Early observations by some prominent researchers in the field led to a modification of the word 'responsibility' to 'responsiveness', a hypothetical interpretation that fixated on the property of action with a tinge of accountability in the word 'responsiveness', over the feeling of obligation within the word 'responsibility'. (Carroll 1991) This modification to the

term may allow for the more precise understanding of CSR in the academic realm, but how does it change the outcomes for the various stakeholders up and down the spectrum in real-life? Are theoretical misconceptions of CSR at the root of the problem?

Furthermore, research journals have given a slightly different modification, one that explains the need to switch out 'responsibility' for the word 'investment', CSR to CSI. This transition occurred when analysts and experts realized that there was a value created for the company by its reputation being bolstered from the CSR activities. This quantification of value instigated the theoretical desire to use the word investment, over the word responsibility. However, this realization and the usage of the re-defined term of CSI from CSR is not necessarily new to all entities because some have advanced this approach over the past few decades. (Kingsley 2013)

The research by Van Marrewijk (2003) showed that the one size fits all approach to CSR is not effective and that there needs to be modifications to CSR strategy and implementation, tailored to the characteristics of the company and its people. This analysis was unique in that it attempted to highlight the need to abandon such rigidness in applying CSR in a one-dimensional application. In addition, the observation that shifting the definitions of CSR to achieve more precision may be appropriate in academic and research circles, but can change very little to the applicability of CSR in the field, is exemplary of the level of awareness that is necessary to investigate the realities of CSR ineffectiveness.

Investigations from the scholarly community have utilized many theories to explain the appropriate methodologies for successful CSR. Garriga and Melé (2004) examined the multitude of theories, mapping out the overall territory where they lay, to bring clarity to their similarities and differences. Below in table 1, a summarization is provided as to the key groups of theories that establish their territory map.

Corporate social responsibilities theories and related approaches

Types of theory	Approaches	Short description
Instrumental theories (focusing on achieving economic objectives through social activities)	Maximization of shareholder value	Long-term value maximization
	Strategies for competitive advantages	Social investments in a competitive context
		Strategies based on the natural resource view of the firm and the dynamic capabilities of the firm
		Strategies for the bottom of the economic pyramid
	Cause-related marketing	Altruistic activities socially recognized used as an instrument of marketing
Political theories (focusing on a responsible use of business power in the political arena)	Corporate constitutionalism	Social responsibilities of business arise from the amount of social power that they have
	Integrative Social Contract Theory	Assumes that a social contract between business and society exists
	Corporate (or business) citizenship	The firm is understood as being like a citizen with certain involvement in the community
Integrative theories (focusing on the integration of social demands)	Issues management	Corporate processes of response to those social and political issues which may impact significantly upon it
	Public responsibility	Law and the existing public policy process are taken as a reference for social performance
	Stakeholder management	Balances the interests of the stakeholders of the firm
	Corporate social performance	Searches for social legitimacy and processes to give appropriate responses to social issues
Ethical theories (focusing on the right thing to achieve a good society)	Stakeholder normative theory	Considers fiduciary duties towards stakeholders of the firm. Its application requires reference to some moral theory
	Universal rights	Frameworks based on human rights, labor rights and respect for the environment
	Sustainable development	Aimed at achieving human development considering present and future generations
	The common good	Oriented towards the common good of society

Table 1. Varying theories to approach the study of CSR (Garriga and Melé 2004 via Babalola 2012).

These groupings by Garriga and Melé (2004) were categorized as instrumental theories, political theories, integrative theories and ethical theories. Approaching the CSR challenge in Africa via theory is a necessary task. There are many elements that constitute CSR in Africa and establishing theory is an all-encompassing approach that may permit the realization of their credence in the debate.

The mapping of the predominant CSR theory started with the conceptual division of 'social reality' into four separate properties; ethics, economics, politics and social integration. Economic properties were prevalent in the instrumental group of theories. The economic valuation of the exchanges between society and business were the guiding consideration. The political aspect of 'social reality' organized the second group of theories, forming the political theories group. Theories mapped into this group concentrated on the corporations' duty in the political realm as it relates to society and business. The third group, given the label of integrative theories, were steeped in the awareness that business growth originates from the demands of society and therefore should adhere to societal needs. The final group was mapped with the ethical properties of social reality in mind, designated as the ethical theories group. Theories replete with the awareness that business and society have deeply held ethical values fall into this group. (Garriga and Melé 2004)

Further research into CSR strategy by oil industry MNC's has focused on the specific application of one particular mechanism or vehicle to achieve successful CSR. A partnership is an example of one such mechanism. Idemudia (2007) examined the forming of a 'partnership' between oil industry TNC's and the local government or an organization. These partnerships are sometimes referred to as Community Development Partnership (CDP). Partnerships can be a strategic method for MNC's and TNC's in determining *who* benefits from the collaboration and *how* do they benefit from the collaboration.

A relatively recent example in 2010 was the establishment of a CSR Centre within the Lagos Business School (LBS) located in the most populous metropolitan city in Africa, the city of Lagos. The telecommunications company Etisalat (a TNC) partnered with the LBS to establish an obligatory CSR course for the students pursuing an MBA. The centre was created to act as a vehicle to guide CSR sentiments among the young professionals. (Mubadala Development Company PJSC June 2010, Joseph *et al.* 2013) Keeping true to form, by the realization of benefits for both the internal and external stakeholders, this mechanism served a key operating role for MNC and TNC employee training and advanced a business school program for the aspiring youth across Nigeria.

The implementation of CSR activities is an important aspect of the overall process. It considers elements such as; the exact location where the operations of the MNC or TNC take place, the pinpointing of viable activities within the specific community to fund, the continued awareness and response to disasters that impact the community (man made or natural) and an overall balanced approach to the development of a communities needs. (Adeyanju 2012) The implementation aspect of CSR has been examined at length by the research community because of the significance that it has on the overall process. If the implementation of a specific CSR plan is misguided, it can quickly unravel the entire process.

CSR by the oil MNC's and TNC's have also been researched from the perspective of *reactive strategy* verse *proactive strategy* with an objective to enhance the overall effectiveness of CSR. Proactive strategy focuses on CSR actions immediately after a disaster occurs, while a reactive strategy references the CSR actions that eventually take place months or years after a disaster. A reactive strategy allows negative sentiment to take root over time, whereas a proactive strategy confronts the disaster almost immediately to ensure that any undesirable sentiment has the least likelihood of surfacing. (Ibe, Wang, Kwek & Yii 2015)

The shift towards proactive strategies that foster more effective CSR outcomes continues to develop. An example was the creation of the Clean Nigeria Association (CNA). More than 10 oil companies in Nigeria, not to exclude the large MNC's and TNC's, formed this association. The intended purpose of the association was to combine the various resources of the multitude of firms, so that a more effective response to a disaster could take place, mitigating the circumstances that foment negative sentiment to take root. (Nwilo & Badejo 2006) CSR is a complex and multifaceted concept, which demands strict attention to detail, from the start (planning and implementation) to the very end (aftermath and maintenance). Any deviation away from this rigorous detail can inject inefficiencies into the overall outcome of the CSR strategy.

There are many examples of specific mechanisms (in essence strategy) being added to already existing CSR policy by the oil industry. A Joint Investigation Visit (JIV) is

one such example. According to the former Managing Director of The Shell Petroleum Development Company of Nigeria Limited, Mutiu Sunmonu (2014) the process of formalizing the responsibilities of NGO's and other external stakeholder groups during these visits has started. These JIV's are like a formal delegation of external stakeholders to the location of an oil spill after they occur. In year's prior, the spill sites would be quarantined by the MNC or TNC via the limits of their authority. This behaviour would prevent external stakeholders such as NGO's, local civil authorities and organizations and representatives from various media outlets to get an 'eyes on' account of the extent of an oil spill, to gauge its potential impact on the environment.

Conducting their response behaviour in this manner also had the effect of limiting the potential of the TNC's CSR programs within the region or community around the extractive operations. How could a TNC or MNC in the oil industry communicate their commitment to external stakeholders through CSR programs, if on the other hand they operate with a degree of iniquity when an oil spill occurs? Succeeding in the implementation of sustainable CSR initiatives has prompted the MNC's and TNC's to examine all of their actions and reactions in their operations. This may be an admission to the realization that even if one shortcoming or inadequacy is not addressed in the entirety of the CSR process, it can create major challenges for the successful operation of CSR strategy.

A major CSR strategy, arguably one of the most widespread, was the creation of Global Memorandum of Understanding (GMoU) model, which SPDC initiated in 2005, though, it was based on an earlier approach from the Norwegian oil giant, Statoil. The GMoU model was engineered to operate from the bottom-up. First, you have cities, towns and villages *sign* a memorandum, which is an act or pledge between SPDC and the communities, each of the member communities have their own *community trust*, which are staff positions filled by citizens within the prospective areas and finally you have the Cluster Development Boards (CBD) which have representatives from the community trusts, local and regional governments, NGO's and SPDC. (Zabbey 2009)

The GMoU model was implemented on the basis of its inclusive approach to the varying stakeholders involved in CSR. It was a model that focused on collaboration and representation. Yet, after hundreds of millions of dollars in committed funding to the hundreds of projects since the inception of the program, many challenges plague the strategy and are becoming more visible. The stated challenges to the GMoU model dealt with the reality that the projects within the communities were not being looked after and properly taken care of after they were complete. The second challenge was with the operation of the Cluster Development Boards (CDB) in that the appointment of members to the board was mired in duplicity and greed. (Alfred 2013)

Why were the projects not being maintained after their completion? Is there an *externality* that is not being perceived with the community aspect of this challenge to CSR strategy? Was the lack of continued interest and support by the community, indicative to the ineffectiveness of the GMoU model? According to Kiikpoye (2011, 2012 via Alfred 2013) the headwind that the GMoU model encountered in Nigeria originated from an essentially absentee government, one that lacks any real leadership that can lead to sustainable development or the improvement of people's lives and without this crucial leadership component to support the actions of the other actors (in essence, the MNC's and TNC's, NGO's, and the communities) in one mass collaborative effort, the GMoU model may be relegated to obscurity. There are many positions as to the source of the challenges with this specific CSR strategy. Discerning the core, fundamental causes of these challenges are where the difficulties lie. Nonetheless, this leads to a fluid segue into the next sub-chapter, which closely examines the collaborative variable among CSR participants.

4.2 The challenges of collaboration with CSR strategy

Furthermore, the examination into the balance of responsibility and the appropriate level of involvement in CSR among the Nigerian government (state), the oil industry MNC's and TNC's (business) and civil society (people) has been a highly contested debate in the search for a successful and sustainable approach to CSR. According to Ijaiya (2014) the World Business Council for Sustainable Development (WBCSD)

has been a strong advocate for the collaboration of governments and companies on addressing issues within impacted communities, championing a shared responsibility among them. Figure 11 below, illustrates the old dichotomy between government, business and civil society, alongside the present day reality that is morphing these three groups closer together in recognition of the need and the value of achieving an equitable balance, one that factors in the strengths and weaknesses of each group.
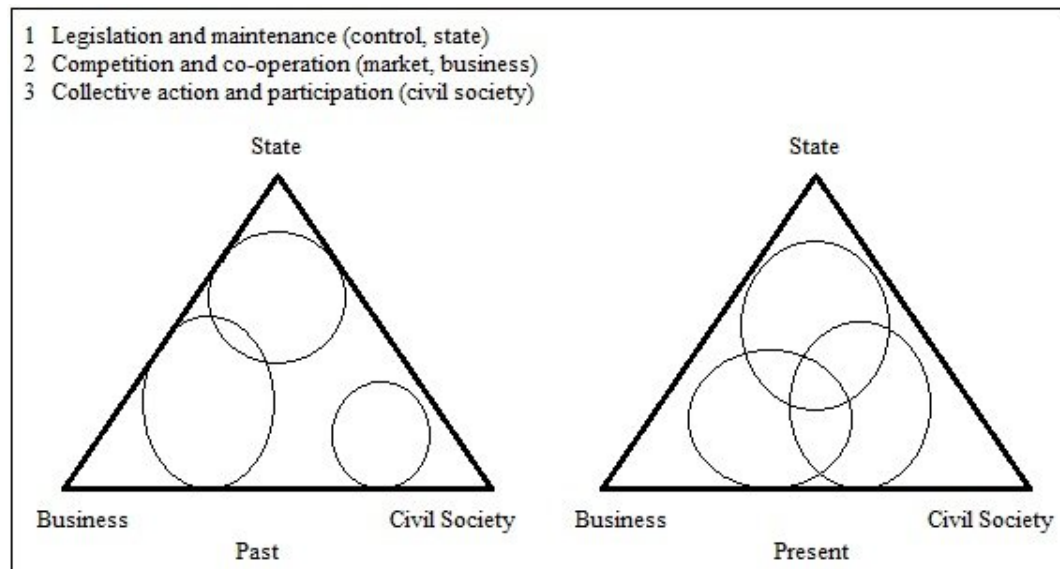
Figure 11.   The transforming collaboration of the state, civil society and business (Van Marrewijk 2003 via Idemudia 2010).

Over the years, growing attraction has shifted the three groups to areas where shared responsibilities have been understood. The difficulties lie in maintaining an effective balance of representation when actors from each group collaborate to achieve CSR programs. Challenges surface due to the lack of a defined role of each group and the implied expectations of the groups. According to Helg (2007) the Nigerian National Planning Commission (NNPC) set out to define the role of business in an effort to bring greater clarity to the interactions of these three groups. The research has showed that they are collaborating more than years earlier.

To express the significance of and the need for sustainable development in Nigeria, a small deviation can be made to illustrate the reality that can transpire when a government depends to heavily on the unsustainable extraction of natural resources.

Firstly, in table 2, research by Deutsche Bank (2014) shows that the price of a barrel of oil needs to average around 122 USD during 2015 for the Nigerian government to balance the recent budget projections. However, the current price of a barrel of oil is nowhere near the 122 USD price.

Fiscal break-even price (Brent, USD bbl)

	2006	2007	2008	2009	2010	2011	2012	2013	2014f	2015f
GCC	32.5	43.1	43.8	70.3	68.4	78.8	73.3	83.6	89.0	94.0
Bahrain	57.9	66.9	80.0	82.9	103.9	118.1	127.1	134.4	136.2	138.1
Kuwait	26.4	32.6	42.1	47.0	45.7	47.4	53.6	68.3	75.5	78.4
Oman	80.7	99.3	96.4	69.9	80.2	112.3	112.5	106.5	100.7	110.0
Qatar	43.4	41.8	49.1	27.2	61.7	80.1	65.5	60.5	71.3	76.8
S. Arabia	38.7	52.7	47.0	72.6	70.6	84.5	80.9	93.1	99.2	104.4
UAE	18.3	24.5	43.7	105.7	86.3	94.6	77.3	82.7	80.2	80.8
Nigeria	56.3	75.1	79.9	125.3	105.3	128.5	112.3	141.7	126.2	122.7
Russia	21.4	28.1	59.7	109.5	116.7	102.8	112.0	113.9	100.1	105.2
Venezuela	81.7	76.9	134.2	140.7	194.4	145.7	151.5	149.9	162.0	117.5
Brent price	65.4	72.7	97.7	61.9	79.6	111.0	111.7	108.9	106.5	103.3

Table 2. Nigeria's current budget breakeven threshold (Deutsche Bank 2014).

Sustainability is an objective for the internal and external stakeholders from the CSR strategy. The oil industry MNC's and TNC's recognize the dependence their extraction and production activities present to the Nigerian government. This recognition can be found in the latest sustainability reports that have been released on 2013 data. Secondly, in figure 12, a snapshot is provided that reflects the volatility of the price of a barrel of oil within a 13-month period; January 2014 to January 2015. Brent and WTI are the two oil trading classifications depicted below, which influence a majority of crude oil prices around the world.

Figure 12. Volatility of the price of oil over a 13-month period (Kristopher 2015 via NYMEX, ICE 2015).

This data reflects an immediate need for the Nigerian government to deviate from an economy that is supported by oil industry operations into a more diversified economic system with tax contributions and jobs coming from a multitude of industries. Adjusting CSR partnerships and projects with the oil industry MNC's and TNC's to assist in the establishment of a manufacturing sector of the economy with the goal being to depart from the entrenched *extractive* industry operations to a more *productive* manufacturing base of operations. The Center for International Private Enterprise (CIPE), an American NGO has been working on joint projects with Nigerian based personnel on projects to make this a reality. (Joseph *et al.* 2013) These projects have been at the core of CSR strategy as of late.

Contemporary research has also uncovered that the lack of proper regulation is an area that is undeveloped, and if advanced, could lead to more successful CSR programs by the oil industry MNC's and TNC's. This shortage of guiding and regulatory rule impedes the interaction and understanding between the business and societal aspects. According to Frynas (2012) the major difference between CSR and regulations are that CSR originates from a volunteer perspective and regulations are obligatory. Studies have expressed the need to achieve a beneficial balance among

the actions weighed in an obligatory sense by the MNC's and TNC's and the actions weighed in a voluntary sense (think CSR). Where can that effective balance be found?

Still further, researchers have directed the challenges of contemporary CSR strategy on the lack of effective legislation that actually enforces these very obligatory regulations. How effective is a set of regulations if there is no additional legislation to ensure that the MNC's and TNC's follow them? Ideally, the creation of such laws would involve the participation of the main stakeholder groups; business, government and the community. Mzembe and Meaton (2014) recognized that the situation needs to ensure a healthy balance of corporate and community participation in the laws that are created to enforce the regulations. Hatler (2011) states that developing indicators to measure the progress of CSR actions is important from the very beginning.

The researchers were not suggesting the implementation of draconian laws, but the establishment of an understanding via the creation of laws that address the regulations already in place, so to encourage the MNC's and TNC's to follow the mutually crafted and agreed upon regulations. As stated in chapter 2, the strength of the environmental, economical and social influence of a CSR program between community stakeholders and MNC's may be more effective in the presence of regulation that acts as an indirect force guiding the specific program or policy.

Approaching this challenge from an obtuse angle via a *cultural construct* brings light to another layer with its own set of constraints. The many challenges that abound within Nigeria, which directly impact the effective implementation of CSR strategy can be viewed, according to Joseph (2009) as the 'toll-gate society' construct, an observation that refers to the incalculable corruption that is transacted on a daily basis. This chicanery alleged to occur at all levels of business, government and community interaction has a diminishing effect on the outcomes of CSR efforts. This concern is multifaceted, but the businesses, government and citizens of both the international and Nigerian communities are culpable. However, an embedded cultural construct is a complex issue to address. Regarding the breadth of culture, the

eminent anthropologist Edward B. Taylor stated it to be "that complex whole which includes knowledge, belief, art, law, *morals*, custom, and any other capabilities and habits acquired by man as a member of society". (via O'Neil 2006)

Eweje (2007) directed his entire study with a focus aimed to understand the basis for host communities in Nigeria to be sceptical of CSR programs by oil industry MNC's and TNC's. The study strived to understand the rationale behind this scepticism? The task of finding the causes of CSR strategy ineffectiveness is very complex. It can be approached from many different angles. However, the discoveries in this study led to the understanding that if communities believe the CSR activities are lacking in any real sustainability, then the people in the communities will continue to push for change. An extensive study by Aguinis and Glavas (2012) found the existing research of CSR to be very splintered with the many conceptual orientations by the research community to be the reason.

A collaborative approach to deploying CSR by the oil industry has been explored as well. The reality of oil industry MNC's and TNC's collaborating on joint projects was examined, but also the collaboration between the oil industry and local NGO's among other local organizations on projects dealing with the development within impacted communities. The intricate dealings between MNC's/TNC's and these organizations and institutions was one objective. Basically, the nature in which these corporations interact with local organizations was sought. (Gullbrandsen & Moe 2005) This approach was unique in that a portion of the research looked for variances in CSR strategy within countries where oil exploration activities have recently commenced.

In summation, the phenomenon of CSR has been examined in the contextual environment of oil industry operations inside Nigeria by the MNC's and TNC's. The thematic analysis searched for clues to any patterns or themes as to the cause of inadequacies in CSR strategy by the oil industry. These hypothetical coordinates were guided by the considerations that CSR strategy has been ineffective to a degree and is not exercising its potential to achieve sustainable development within the communities impacted by its operations, with objective value implicit to all stakeholders, internal and external. Concomitantly, the study focused on its pursuit

to address the main research question that guided the qualitative method of a thematic analysis. The research question being,

What observations from a macro context analysis of research on CSR strategy by oil companies in Nigeria can be made to optimize the current state of applied strategy?

The literature review involved material that was analysed from a qualitative approach. The approach steered away from providing another quantitative survey or speech to the annals of CSR research, prospecting to conduct a thematic analysis following the structured literature review and by the conclusion, be in a position to offer a potential optimization for CSR strategy by the MNC's and TNC's in Nigeria (see chapter 5 for the results). It critically pursued the shortcomings (if any) of earlier analysis.

This review of material included the work of leading scholars on CSR exploration, past and present. In addition to these scientific journals, industry sustainability reports and articles from NGO's were examined. The review and analysis of research included the scrutiny of not just theory, but of specific mechanisms and new conceptual definitions that the research community has observed as being agents of influence on the overall success of CSR in Nigeria. The analysis endeavoured to achieve an effective balance in source material (X axis), but also the degree of focus (Y axis) on the material, guided to be in a substantiated position to contribute to the current state of CSR strategy.

In addition, the research journals and other periodicals referenced in this chapter were chosen because of the varying angles (in essence the variability) that they engaged the goal of the research question, doing so, in a way that did not deviate from the contextual framework set forth in this master's thesis. The author felt this would give strength and substantiality to any findings that resulted when the master's thesis process completed. In pursuit of a discovery during research, the approach and process must be adjusted or changed from earlier research or else there is a great possibility that the results are close to the earlier studies. The challenge that the author continually faced was the degree in variation and the amount of change

operated in this study, as to not disrupt the strict observance to the contextual reality of this study.

5 METHODOLGY

The aim of this chapter is to present the research method that the author chose to employ when diving into the realm of CSR literature, in an attempt to justify the particular plan and overall strategy of research in the thesis. This chapter also highlights the realities of a *structured literature review* and its dependability. This is followed by an evaluation of the complexities of this review and the information collected. Lastly, the results are presented from the qualitative position of a *thematic analysis* based on the structured literature review on CSR strategies by the oil industry MNC's and TNC's in Nigeria.

5.1 Strategy for research

The application of an effective and objective strategy to the research was imperative. The thesis aimed to discover a trend, pattern or dominant theme among the inadequacies of current CSR strategy by the oil industry in Nigeria according to the literature, past, but mostly present. According to (Boyatzis 1998:8) a strategic form of qualitative research is a thematic analysis whereby commonalities and patterns of data are located, examined and recorded. This thematic analysis of the literature review findings was conducted to put forward a possible optimization of an existing (*applied*) strategy or even a new finding(s) from the theoretical *macro view* of the research process. The author learned from both, the analysis of the information and from the theoretical framework that the analysis was contained in; lessons and knowledge gained together, from the subject and the study process. The experience provided insight into the strengths and limitations of the overall research process.

First, the author decided to conduct the research from a qualitative approach involving a *structured literature review* on CSR. A structured literature review concentrates on a research question, attempting to achieve a thorough organization and summarization of information on the subject of study. This involves a critical analysis of this information, culminating in a review of the present state of the topic at hand. (Mangal & Mangal 2013: 254) The author wanted to deviate from the

platitudes of quantitative research with their typical interview or survey as a means to achieve the production of empirical data. Moreover, there is an emerging sense among the research community that a qualitative approach (think thematic analysis) to a structured literature review can be the key source of information, supplying a thesis with a treasure trove of opportunity to go beyond the creation of context, delving into theory and concept generation. (Fischer and Parmentier 2010)

As the ranks of the universities grow and with the advancement in technology to effortlessly create and catalog information (image, audio or video), the annals of research have expanded, creating new opportunities to revisit earlier work, in a quest for new findings from a qualitative methodology. Employing a qualitative bearing did not bring about a path void of any challenge. According to Krefting (1991) beyond just the realization of accurate and dependable sources of qualitative data, the methods of qualitative research employed need to also be scrutinized to secure proper conclusions. The author had to operate with the knowledge, that in addition to navigating the collection of reliable sources of information, the methods of the specific qualitative research were similarly valuable to execute properly.

In reference to the unique methodical approach; before entering the realm of CSR literature to uncover reasons for the inadequacies of current CSR strategy by the oil industry in Nigeria, it was established that a continual awareness of the indications from the initial macro-analysis in chapter three remain. In essence, that the culture of a region, the specific history of peoples and their communities and the very perception of how the concept of CSR has progressed in Nigeria, are wholly vital to achieve an accurate analysis of the literature review in chapter four. A course of such nature placed the author in a substantiated position to aptly address the main research question of the thesis.

5.2. Dependability of the structured literature review

The utilization of factual and objective information is imperative to the legitimacy of this thesis. The author strived to ensure that the historical research, in essence, the works of Carroll (1991), Frynas (2005 – 2012), Visser (2007) and others were

observed, in conjunction with the main focus on current, but similarly dependable forms of research material. This involved the reading and analysis of key research journals, accounts from Nigerian-focused NGO's such as the SDN and additional sources of information from articles, formal studies, independent researchers such as Richard Joseph who operates the research blog AfricaPlus.com and data from conventional industry institutions such as the United Nations Industrial Development Organization (UNDP), World Bank, the Nigerian National Petroleum Corporation (NNPC), Shell Petroleum Development Company (SPDC), CIA World Factbook and the European Commission to name a few. The literature review and analysis was very extensive.

As the author judiciously selected (in essence, operating with contextual objectivity) and reviewed the literature within the annals of CSR, efficiencies were gained in scrutinizing sources for data dependability. Additionally, a more refined skill to locate sources of information was slowly acquired. A supplemental aptitude was emerging throughout the course of the research from the author learning more about the thesis writing process as well. An example was when the author compared various sources of material in chapter three to ensure the exclusion of research journals that did not correctly cite or paraphrase their information, realizing that if one source in a particular journal was mistakenly cited, then the dependability of the overall study may be of concern.

The author found the research journal by Elisabet Garriga and Dome Domenec Melé to be very instructive with its mapping of the territory where various CSR theories reside in order to view the overlapping areas (if any), illuminating the similarities and differences. The organization of theories into exploratory groups by this criterion assisted the overall research process of this thesis. The end result achieved an appropriate ratio among the selected sources of research literature. It was apparent that one way for a researcher to make a discernment on a particular research journal (or other sources of material) was by the number of other peer-reviewed publications that cited its content. This is useful, but also a rudimentary method to employ. If a rating system existed that offered a more unequivocal assessment of journals and

articles, it would have been helpful and may allowed for even greater literature dependability to be achieved.

5.2.1 Complexities of the structured literature review

It was vital to operate with an objective bearing amid the selection and analysis of the literature, to fuel the research composition of the thesis. There is not one specific definition of CSR that is universally accepted by the research community, so difficulties arose when deciding what actions comprise CSR pursuits, referring mainly to the literature review in chapter four and the presentation of the resulting thematic analysis in chapter six, which was based on the current findings among research journals on the challenges of CSR strategy in Nigeria by the oil industry MNC's and TNC's.

Specifically, when researching the Conflict in the Niger Delta the author focused on sources of data, such as (Quaker-Dokubo 2000) that originated more closely to the actual events. These source accounts of the event supported the formation of a solid foundation that later investigations sprang from when examining the Conflict in the Niger Delta. Furthermore, the research journals located by Google Scholar via the Nelli system presented a reservoir of industry data to pull from. However, there were challenges to continuously maintain the analytical capacity to examine the many sources of material, in search for their proximity to the study at hand, understanding that first, the context of their research must be properly aligned with the intended focus of the authors research question, followed by a cognizance of its credibility as an information source.

It may also be practical for the future of CSR research in Nigeria to entail more of a practical collection and analysis of data. The definition of qualitative data according to Roberts (2012) involves sensory input; such as tastes, appearances and textures. The 21st century zetetics understand that when one relies on a *screen* for information, whether it be a computer screen, television screen or cell phone screen, the information can be manipulated. A similar level of realism could be said of the qualitative approach conducted by the author who was not able to travel to Nigeria to

soak in the elements of a qualitative experience. Future CSR research in Nigeria could benefit from a much greater degree of proximity to the CSR topic of study.

5.3 Results

The outcome of the literature review generated clarity to what the author considers to be observations into the inadequacies of CSR strategy by the oil industry in Nigeria. Firstly, a very brief tie-in of the work from Archie Carroll and Wayne Visser, which contributed to the framework and analysis in this thesis, must be presented. The concise summation of their work supports the presentation of the results.

Carroll's CSR Pyramid created an ordered classification (vertical rank), into four levels, labelling them 'responsibilities'. This ordering was structured to support an understanding of what corporations remain conscious of in their operations. It was effective at synthesizing and organizing the state of CSR research at that point in time. Subsequent research by Visser's metaphysical visit to Carroll's CSR Pyramid produced a re-ordering of responsibilities via the application of an African cultural analysis. It was appropriate for Visser to demonstrate these influential properties of culture on the ordering of the 'responsibilities'. However, there may need to be a concerted effort by the scholarly and academic community to synthesize the continuation of research that has followed Carroll's work in the 60's (and everything afterward), doing it in a way that may allow for an updated and equally simplistic CSR classification to be prognosticated.

Again, Carroll was factual in that there needs to be an organizing and hierarchal aspect to the primacies within CSR. Visser was right in that culture is a variable that must be adequately represented when creating such order. Nevertheless, are there not more dynamics influencing the hierarchal order of responsibilities, potentially with an equal or stronger influence on the research than just culture? Could we not break down Visser's explanation of culture into refined mechanisms? Discovering that this one particular divisible and quantifiable part of culture is responsible for 80% of the influencing capacity of culture in and of itself? If so, what is it?

Scientists have elected to examine African culture by specific country, region or time period. Did Visser factor in and quantify all cultures in Africa as a whole? Did his generalized quantification of the cultural responsibility leanings proceed with a modern construal of African culture? A tour de force in African cultural interpretation and classification, Owen Alik Shahadah stated, "Any study of antiquity must take into account that Africa 5 minutes ago, 50 years ago, 500 years ago and Africa 5000 years ago is not static". His statement highlights another dimension, time; to the varying expositions that can be emphasized via theoretical framework at this research topic. How ever divisible and explainable the nature of African culture may be, with each part having a quantifiable degree of influential capacity, future research may need to factor in such a rigorous level of discernment. Would this not bring greater clarity to the field of CSR research?

Resulting practical strategy

This result was from the *thematic analysis* after the *structured literature review* took place, which recognized patterns or themes in the information, specifically CSR mechanisms by MNC's and TNC's, which could be used as a denominator to find and link similarities in industry CSR stratagem. This approach may allow the personnel working for the MNC's and TNC's to be conscious of the systematic nature of their CSR actions. An example was the use of the partnership mechanism by Etisalat, one of the largest TNC's in the global telecom industry. Joseph *et al*. (2013) described at length, the CSR Centre that was established at the Lagos Business School in Lagos, the capital city of Nigeria, which the oil industry utilizes for employee training as well.

Upon further investigation the research uncovered the same pattern of CSR action within many of the countries that Etisalat provides their telecommunications services to. Etisalat formed partnerships with the business programs at United Arab Emirates University (UAEU), the American University of Sharjah, the American University of Cairo and the Simon Page Business School in Ghana (to name just a few) with each partnership including courses and training on CSR related concepts. According to the United Arab Emirates University (2013) the Etisalat Academy is considered to be the most extensive education and training facility in the entire Middle East region.

This result lends credence to the idea that MNC's and TNC's must implement an *internal analysis* of their current CSR actions across all regions of their global operations, so that they can identify and further capitalize on these existing CSR actions (think mechanisms like the above example of partnering with reputable university business schools). The strategic significance being, that the MNC's and TNC's can initiate the effective deployment of these various CSR mechanisms that have generated positive CSR outcomes separately. The internal analysis would entail the identification of the reasons to these mechanisms achieving successful CSR outcomes. MNC's and TNC's could also form a *sharing committee* across other global industries that also have operations in or near their extractive sites, in an attempt to exchange best practices and learn from the failures of past CSR actions from these sharing committee members and in turn, optimize their own CSR strategy.

6 CONCLUSIONS AND APPLICABILITY OF THE STUDY

Through the course of this examination into the current challenges affecting CSR strategy by the oil industry in Nigeria, a substantiated awareness of the topic resulted. In this chapter the core discoveries are stated, as practical or theoretical in nature they may be. The restrictions of the research findings and the research process are addressed. In addition, a sub-chapter pays homage to the challenging nature of a standard masters thesis research process in the context of a *qualitative approach* encompassing a *structured literature review* followed by a *thematic analysis* of the topic at hand. It also details some of the known limits and restrictions of the research findings. Lastly, the directions and ideas for future research concerning CSR strategy by the oil industry in Nigeria are prognosticated, springing from a position of substantiated awareness that resulted from the reading and researching process.

6.1 Core discoveries

The journey into the archival realm of CSR strategy with a compass pointed in the direction of MNC and TNC oil industry operations in the most populous country in all of Africa, *Nigeria*, with the coordinates set at locating potential clues into the challenges affecting CSR strategy...ultimately turned out to be a complex and informative voyage. Nevertheless, the author remained focused on addressing the research question. In doing so, a few discoveries were observed. However, findings are only as strong and substantial as a researchers capacity to comprehend and process information on the subject at hand. Being aware of this reality in the beginning, the author endeavoured to learn as much as possible about the thesis writing and research process and the concept of CSR within the context of the study. Inevitably, a few observations were constructed, occurring when the research and analysis of the thesis came to an end and there was time to contemplate on the experiences and thoughts that developed during the entirety of the process. They are detailed below.

The Paradigmatic Mindfulness of CSR in Africa: A recognition of the parallel realities existing among the various stakeholders involved in CSR and the intimate convictions from the multitude of actors within those stakeholder groups, shaped by their own culture, and history, to include an awareness of the research spectra (broad and narrow, theoretical and applied) that researchers employ when observing these very stakeholders and actors.

It lead to the characterization of the ***externality dimension*** of CSR (represented as "x" or **CSRx**), which is applied in objectivity to the other three components, which are social, environmental and economical in nature. "x" exists as an observation to the complexity of *the study* and *the subject* of CSR as defined by "**The Paradigmatic Mindfulness of CSR in Africa**" concept stated above, so that the deployment of "*x*" maximizes the potential for all variables; whether they be a specific theory, explanation, mechanism, stakeholder group, actor (and more) of a study or particular CSR program / policy.

Engaging the realm of CSR through the externality magnification that "x" provides, can allow for a more mindful, objective and progressive interaction between quantified and qualified variables of the research community or the external and internal stakeholders during the creation of a partnership by the corporate community. The end result is a focus on the externalities of CSR, as it is currently divided into social, economical and environmental areas) that guides the development of CSR strategy and research for the benefit of all.

This crystallized, theoretical contribution or discovery started out as separate, independent observations during the structured literature review, eventually shaping into an explorative construct once the thematic analysis was complete. As stated earlier, the author operated with a latitudinous vantage point through the duration of the researching, reading and writing of the thesis. Continuing with this macro-approach, the data that was thematically analysed began to fit into three plausible areas with denoted parameters. The author refers to this plotting and organization of CSR research as '***mechanisms*** and ***explanations*** in a ***system*** of CSR analysis.'

To start, the classification of CSR research that is the most fixed, when compared to the other two is the *mechanism*. It could be viewed as the area that is the farthest from the hypothetical realm (almost tangible). These CSR examinations look into specific methods of deployment for CSR. Forming 'partnerships' is a prime example. Many studies focus on the analysis of this mechanism of CSR, Idemudia (2007) attempted to uncover the strengths and weaknesses of this method by oil industry MNC's in Nigeria. Another archetypal mechanism, a vehicle for CSR deployment, is a micro credit scheme. Below, figure 13 conveys a few examples of this *mechanism* approach to analysing the concept of CSR,

Mechanism (likely interchangeable words; *method, technique* or *process*)

Partnerships (between MNC's/TNC's and NGO's/ organizations/ government)
Micro credit/lending (via NGO's, Microfinance banks/institutions)
Direct donations (from MNC's/TNC's, international organizations)
Provision of infrastructure (through schools, clinics, roads, bridges)

Figure 13. The mechanism characteristic of CSR research.

It must be clarified, that this organizing of CSR research does not insinuate that research journals investigating CSR in Africa stay within the boundaries of any one denoted area, but that an emphasis is assigned to the origin or predominant concentration of the research, which allows it to be plotted into one of the three areas; mechanism, explanation or system. For added clarification, an analogy for mechanism, explanation and system could be, 'hardware and software in a computer' or 'people and culture in a civilization', in essence, hardware (mechanism), software (explanation) constitute a computer (system) or people (mechanism), culture (explanation) constitute a civilization (system).

Some researchers and academics initiate their research on re-defining or explaining anew, the very definition of CSR. As mentioned earlier, Carroll (1991) highlighted how researchers redefined the term CSR, exchanging the word 'responsibility' for 'responsiveness', doing so to thrust a sense of accountability and action into the definition. And others in the research community work to see a more 'investment' (CSI) or 'sustainability' (CSS) gradation take root in the mainstream interpretation of

the term. Below, figure 14 lists a few examples of this *explanation* approach to analysing the concept of CSR.

Explanation (likely interchangeable words; *definition, description* or *classification*)
    CSR (R = responsibility)
    CSR (R = responsiveness)
    CSI (I = investment)
    CSS (S = sustainability)

Figure 14. The explanation characteristic of CSR research.

Researchers conduct their investigation into CSR from a theory, model, framework and system approach as well. This falls deeply into the hypothetical realm. Garriga and Melé (2004) classified many of these into four distinct groups; instrumental theories, political theories, integrative theories and ethical theories. A table that concisely addressed these groups was included in chapter four. Below, figure 15 shows a few indiscriminate examples of this *system* approach to analysing the concept of CSR.

System (likely interchangeable words; *model, framework* or *theory*)
    Stakeholder theory
    Collaborative Management Model
    Triple Bottom Line framework
    The Common Good Approach

Figure 15. The system characteristic of CSR research.

Finally, an illustration is provided in figure 16 that shows the proximal relationship of the three classifications in this explorative construct of CSR research, which the author refers to as the '***mechanisms*** and ***explanations*** in a ***system*** of CSR analysis.' Ultimately, it is important to be observant of where any one research journal or study lies when conducting research into the challenges of CSR strategy.
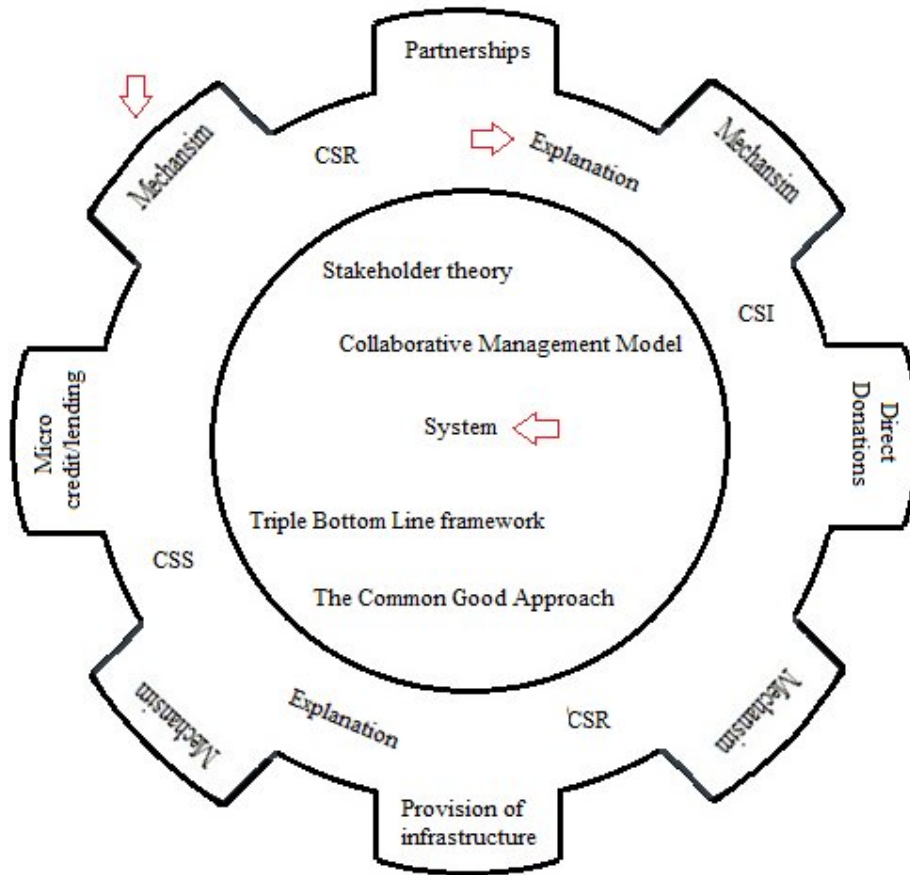
Figure 16. The mechanisms and explanations in a system of CSR analysis

The '***mechanisms*** and ***explanations*** in a ***system*** of CSR analysis' explorative research construct eventually led to the formation of '*the paradigmatic mindfulness of CSR in Africa*' concept with its ***externality dimension*** of CSR (represented as " *x* " or **CSR*x***). To clarify and substantiate the applicability of these two core discoveries on the study of CSR, the author must reiterate the configuration of their meaning, so that future research has the greatest opportunity to connect to and develop them, assuming they have some potential to advance the study of CSR or engage the theoretical predominance of its composition (to any degree).

1) **The Paradigmatic Mindfulness of CSR in Africa** with its ***externality dimension*** of CSR, represented as " *x* " or **CSR*x***.

This concept engages both the subject (the idea analysed) and study (the research method). It brings a conscious dimension to the three areas of CSR, one that

recognizes the intangibility of the externalities constituting the very essence of the concept. An analogy would be that " x " attempts to describe of CSR, what the discovery of *dark matter* did to the human comprehension of the universe. Though, the author did not create something new, " x " in the context of CSR is another attempt at providing relevancy to the theoretical conjecture of the notion that " x " does exist, it is out there and needs representation to not only develop CSR's applied nature (in essence, its practical success), but to advance the theoretical capacity of CSR research. Returning to dark matter, scientists knew something was out there. They could not exactly measure it (yet), but in theory, something had to be there. Still, there are unknowns, according to the National Aeronautics and Space Administration or NASA (2015).

Again, the concept of *the paradigmatic mindfulness of CSR in Africa* (with its *externality dimension* of CSR, represented as " x " or *CSRx*) is the recognition of the parallel realities existing among the various stakeholders involved in CSR and the intimate convictions from the multitude of actors within those stakeholder groups, shaped by their own culture, and history, to include an awareness of the research spectra (broad and narrow, theoretical and applied) that researchers employ when observing these very stakeholders and actors.

2) The '***mechanisms*** and ***explanations*** in a ***system*** of CSR analysis'.

This explorative research construct was the result of the author doing an extensive and structured literature review, followed by the qualitative method of a thematic analysis, which is where it really started emerging and taking shape. The sequence in this analysis and the description of each classification has already been stated. However, any benefit that may be realized by being observant to where any one research journal or study lies when conducting research into the challenges of CSR strategy...has not really been stated.

The value lies in the notion that when one does research on CSR, powered by a specific research question, the research gap of the thesis or other periodical form, provides strict boundaries per se to the research, however, the actual research that takes place within that specific context, can involve varying methods, approaches

and procedures that in itself have any number of groupings and associations. The '*mechanisms* and *explanations* in a *system* of CSR analysis' research construct creates value for the researcher through the formation of the relational or sequential relationship among the research methodologies. This is realized when the research construct is employed. It allows the researcher to operate with an awareness and clarity to the proportion of practical concepts, theoretical concepts and everything in between that constitute their research.

6.2 The practical implications and restrictions

The practical implications of the findings could bring coordination to the CSR strategy employed by the oil industry MNC's and TNC's in Nigeria. If they operated a more precise internal analysis of their CSR programs (in essence strategy), identifying the reasons to specific successes and then participated in a sharing committie or something of that nature in search of other patterns of successful CSR actions (example; partnering with business programs of reputable universities in their territory) by MNC's and TNC's across industires, it could lead to a faster learning curve or it could lead to a whole new mechnaism to deploy in multiple regions where they operate. If CSR *mechanism XYZ* works in the first two or three communities where it is implemented, how can the mechanism be fashioned to deploy successfully in four or five other communites? However, there are restrictions to the findings and the research process that led to those very findings.

6.2.1 Restriction of the research process

The author did struggle with restrictive pressure during the research process by the lack of involvement in more collaborative technologies to secure data. An example by Norris and Soloway (2014) alluded to in the very title of their article, "Web 2.0 to Social 3.0: The Next Big Thing" is the *social* connection among parties and in the context of this thesis, between student and scholar via networking websites. Figure 17 illustrates this evolution into a more capable social experience among the software that is available today, which could be utilized by student researchers.
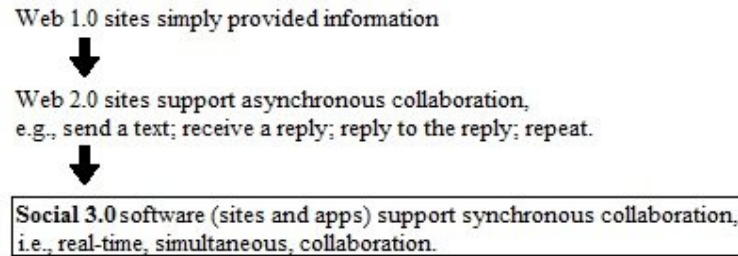
Web 1.0 sites simply provided information

⬇

Web 2.0 sites support asynchronous collaboration,
e.g., send a text; receive a reply; reply to the reply; repeat.

⬇

Social 3.0 software (sites and apps) support synchronous collaboration,
i.e., real-time, simultaneous, collaboration.

Figure 17. A restriction in the research process (adapted from Norris & Soloway 2014)

There are a number of websites that cater to this very context. However, there does not seem to be a central networking platform (website) that the majority of scholars and students use, in essence, a LinkedIn-type platform, but with the context of having scholarly and student profiles, in contrast to an employee or employer structured account. The current area is very apportioned across varying options, such as ResearchGate.net, ScienceStage.com and NatureNetwork. The author recognized the opportunity that such collaborative technologies bring to the research process.

If there is a dominant platform that justly took advantage of the state of collaborative software and technology, creating an environment conducive to exchanging communications and developing an individual's research, it would benefit the thesis writing process. How many graduate student researchers among the academic institutions around the world were researching and writing about CSR during the same time period of this study being completed? When a business idea is implemented, the variable that contributes in market adoption and penetration is the recognition by users of the immediate value that is experienced. The research collaboration websites listed below (albeit popular ones in this sector) do not operate the context that would be of value to the student researcher in pursuit of the completion of thesis-level work.

ResearchGate.net: This website tends to focus more on the communication and collaboration with research that is *already completed* and published.

ScienceStage.com: This website creates a space for researchers and academics to collaborate after publication or near the end of the process as well.

NatureNetwork (marketed name): This website almost creates the context that would work because it does seem to operate a community where scientists can meet, communicate and collaborate, but it tends to focus almost exclusively on scientists and not student researchers.

As stated earlier, findings are only as strong and substantial as a researchers capacity to comprehend and process information on the subject at hand. If there was a greater use in social, synchronous and collaborative software among student researchers on similar topics (in this case, CSR), the quality and value of master thesis contributions may be enhanced.

6.2.2 Restrictions of the research findings

The author could have been more investigative and connective throughout the entire thesis process, especially with the structured literature review (referring to the capacity for the reading of material; to comprehend, accumulate and finally cross-examine in the future with new information). However, this was a discernment acquired only to a degree, towards the end of the thesis work. It was a similar experience targeted by the business proverb, '*you become an expert at a project just about the time you finish it*. Alluding to the reality where a person could have prevented mistakes from occurring or made more efficient decisions during the course of a project (think thesis), by traveling back to the start of a project with the acumen acquired from already accomplishing it. This experienced learning curve impacted the research findings because the capacity in which the author could conduct effective *structured literature review* and *thematic analysis* was the degree of possibility for the findings of this thesis to propagate anything substantial in nature.

Furthermore, the findings are steeped in a theoretical nature, which could result in a vast spectrum of interpretation from the research community. The pushing and pulling of the findings in many directions is a propitious result, however the author could have provided additional detail (when possible) of the practical characteristics.

This would limit any unnecessary exegesis that most likely would stem from the lack of clarity in the findings.

6.3 Directions and ideas for future research

A reflective explanation should be provided for the author's use of the word 'state' in chapter 1 by the sentence, "the three main components constituting the current *state* of CSR…" because a cautious amount of acuity was utilized when selecting the word 'state' for that sentence. According to the Oxford Advanced Learner's Dictionary (2015), the definition of the word *state* is the fixated condition or position of something. In this context, the indication that CSR is changing over time was alluded too. There seems to be a continued effort to recast the words and meaning of the term CSR by the scholarly community. Similarly, during the course of reading and researching this thesis, the author found this to be the most logical and progressive direction for the scholarly community to take on the subject.

Are there not more dimensions to CSR that exist beyond what is currently engaged qualitatively and quantitatively? CSR attempts to envelope an amazing, complex situation. At the very heart of the concept, it could be argued that CSR is addressing an ethical, cultural, environmental, economical, legal, charitable, social, financial and now historical (60+ years of extraction operations) interaction of varying elements between two very different realities (in this context, the reality of an oil industry MNC and the reality that is Nigeria).

Due to this introspection into the complexity of the phenomenon of CSR, the author anticipates the coming dynamic of the concept to be very different. Future scholarly investigation may be successful at the formation and inclusion of a fourth area, beyond the current economic, environment and social divisions. This new area or dimension may give representation to the externalities of CSR. Quite possibly this could propel CSR into one of the most gripping subjects of international business research. The very nature of 21st century capitalism has an ear for centralization and consolidation, so the leviathan industry of oil & gas could centralize their lessons

learned and strategy optimization regarding CSR to the benefit of all stakeholders in the process.

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