

Critical Review of a Multinational Corporation's Corporate Social Responsibility Practice – A Case Study.

Presenter:

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Nigeria: Oil-polluted Ogoniland could become environmental model | Environmental sustainability | The Guardian.

“For however strong you may be in respect of your army, it is essential that in entering a new province you should have the goodwill of its inhabitants.”
(Machiavelli Niccolo 1469 – 1527).

Aim of the Presentation

- To present the critically reviewed account of a multinational corporation’s corporate social Responsibility (CSR) practice.

Introduction

Amidst growing global challenges facing multinational corporations (MNCs) in the process of designing, implementing and evaluating corporate social responsibility (CSR) effectively, the study critically reviewed the extent to which the existing CSR design, implementation and evaluation model of an MNC operating in the Niger Delta region of Nigeria, is addressing these challenges.

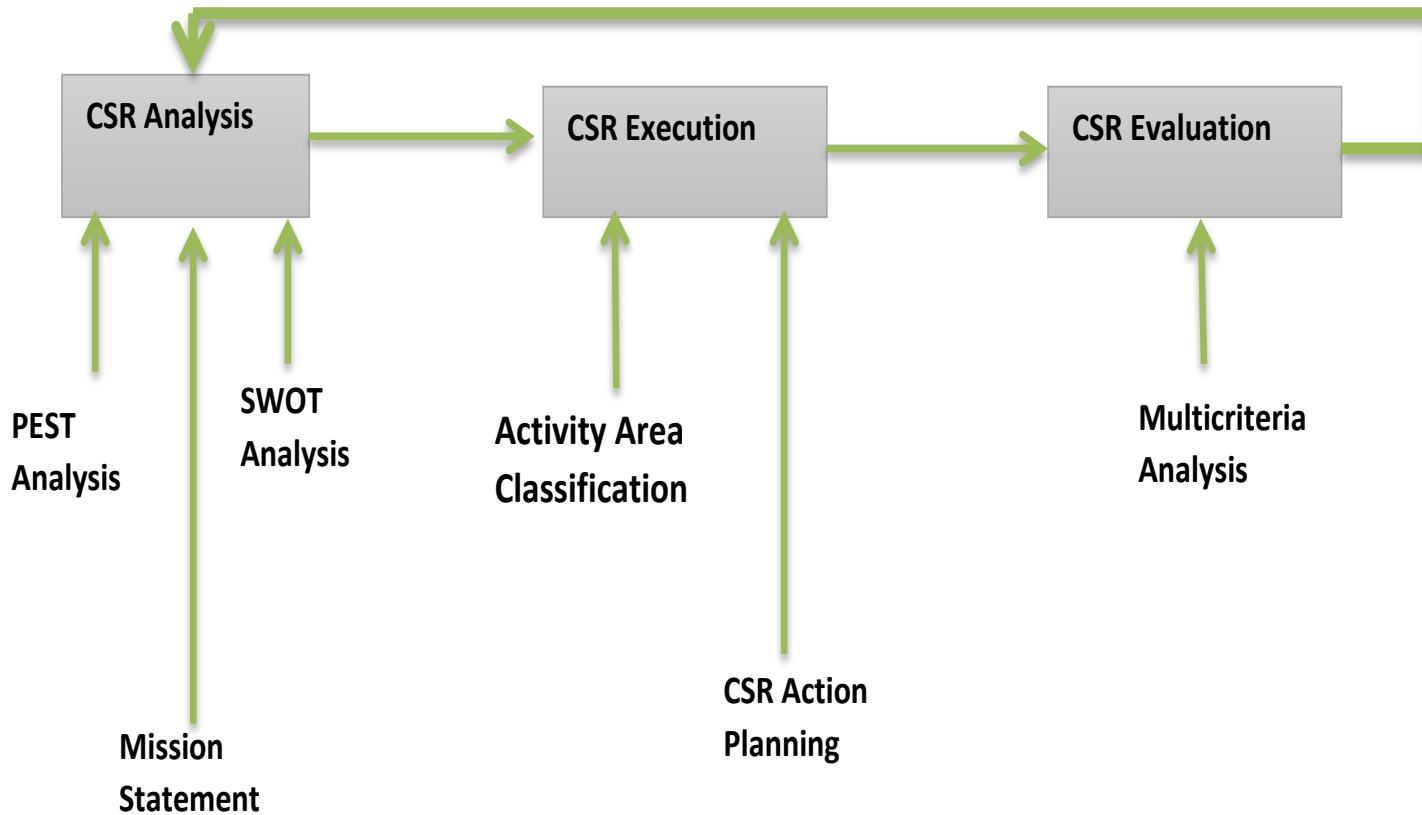
The study, grounded in review of the case study MNC's CSR model that is based on Aravossis et al.'s CSR integrated framework, explored the extent to which it has enabled the corporation to meet the needs of its diverse stakeholder groups.

Context for the Research

The research was conducted based on the following reasons:

- Persistent negative publicities about the case study corporation's oil exploration activities in the Niger Delta region of Nigeria (AfrolNews, 2004; Idemudia 2014 and TVCNews, 5th August 2015).
- Persistent incidences of criminal activities such as taking of the corporation's oil workers as hostages, blockage of oil facilities, oil pipeline vandalism by local communities.
- Excessive spending on security by the case study corporation.

The Aravossis et al. (2006) CSR Integrated Framework



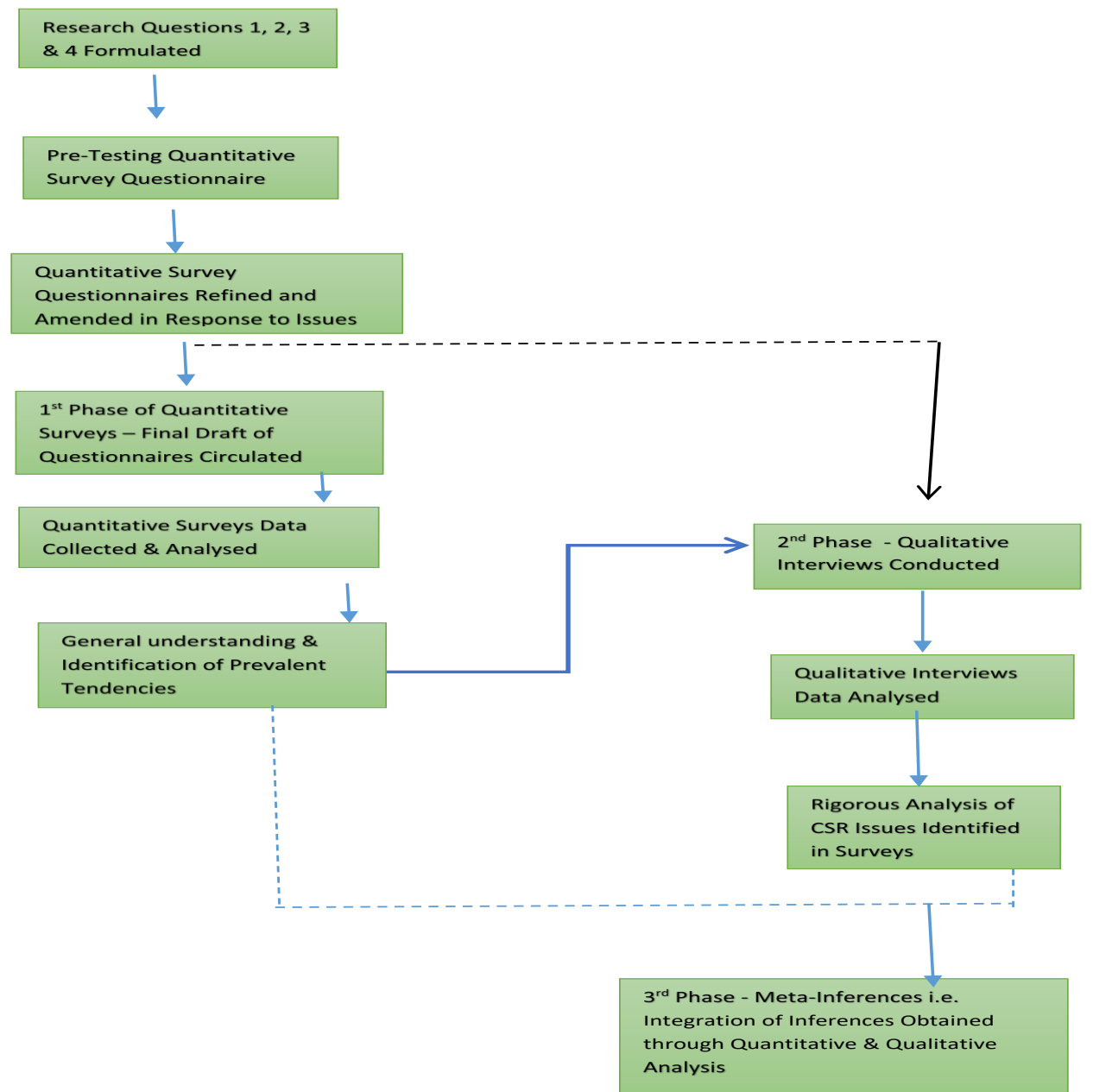
Extracted from Aravossis et al. (2006, p. 5) CSR Framework

Research Questions

- How effective is the existing case study MNC's CSR design framework in identifying community needs?
- How effective is the existing case study corporation's framework in implementing CSR projects that benefit local communities?
- How effective is the existing case study corporation's evaluation process in providing feedback on implemented CSR projects?

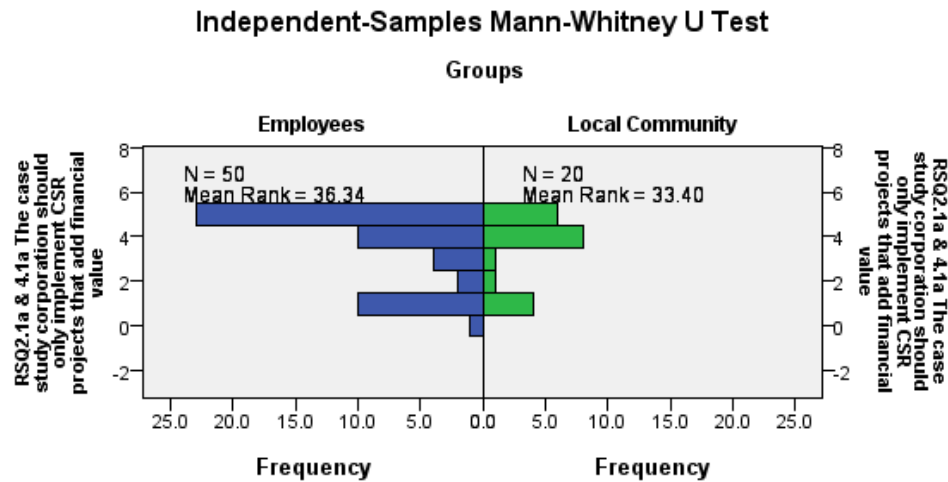
Research Design & Data Collection Methods

- In exploring the corporation's CSR model, I adopted the constructivist realism position that encompasses quantitative and qualitative research methodologies as they both apply similar logic when analysing phenomena (Cupchik, 2001)
- One other reason for adopting this approach was that they are deconstructive in probing natural unfolding episodes in the social world since both methodologies deal with data (Ibid).
- By adopting this approach I was able to interpret the flow of events taking place amongst the case study corporation's stakeholder groups by focussing on their actions, utterances and behaviours (Osadiya, 2020).



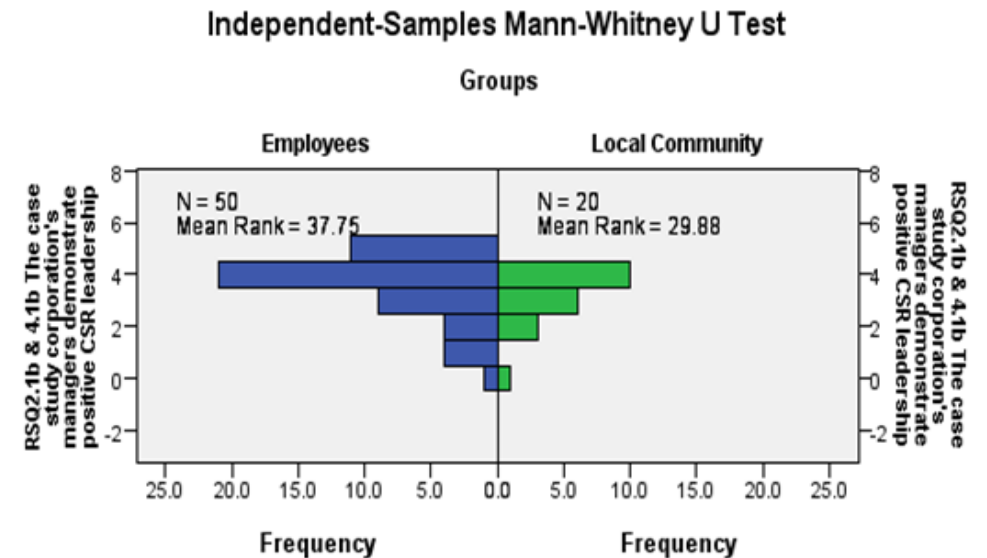
Research Findings

Test 1: The Independent-Sample Mann-Whitney U Test on Whether the Case Study Corporation Should Only Design and Implement a CSR Programme that has the Potential of Adding Financial Value to the Corporation.



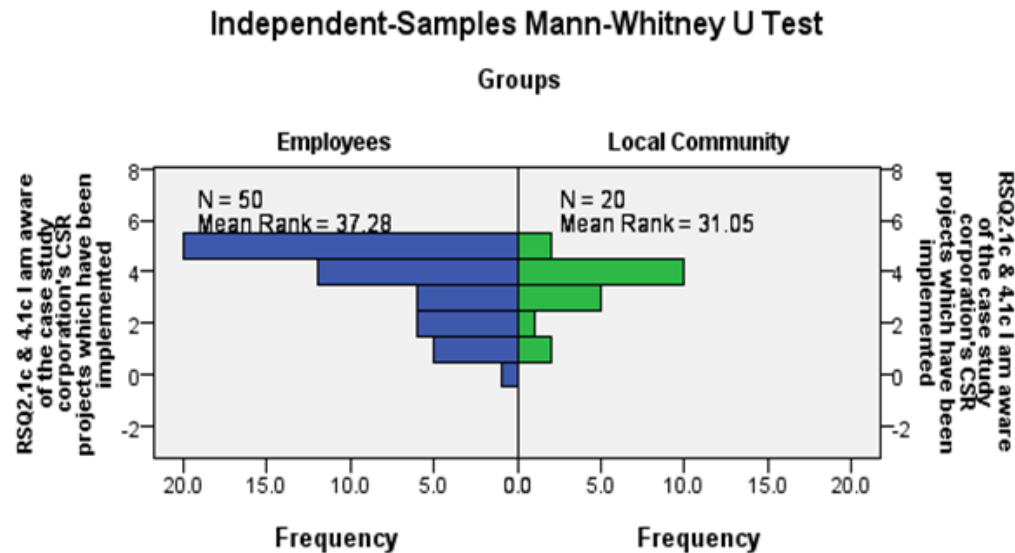
Finding 1: The Mann-Whitney U Test result showed the μ rank score of 36.34 (36%) of employees compared to 33.40 (33%) of community residents who believed that it is within the case study corporation's legal rights to only pursue CSR initiatives that have the potential of adding financial value to the firm.

Test 2: The Independent-Samples Mann-Whitney U test on whether the case Study Corporation's Managers Demonstrate positive CSR Leadership Towards the Design and implementation of CSR projects.



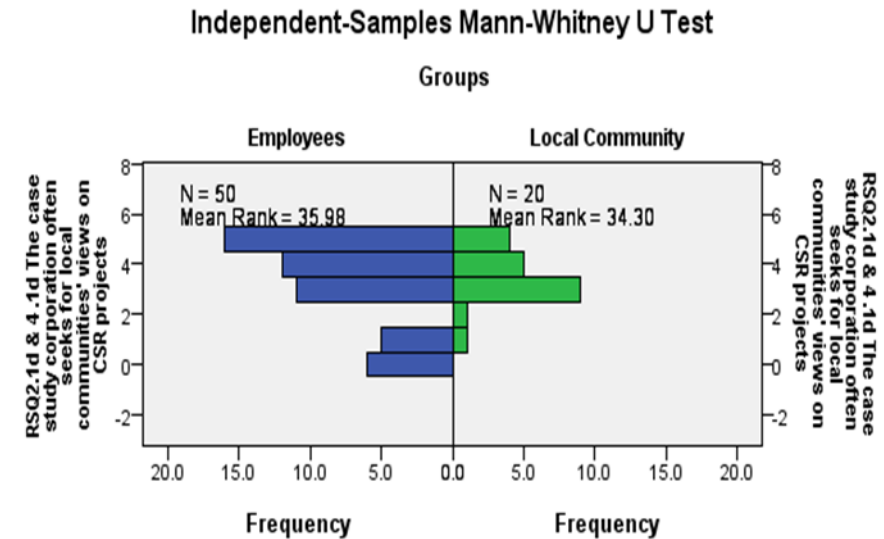
Finding 2: In this test, the proportion of the employees who believed that the case study managers demonstrate positive leadership towards CSR design and implementation is 8% higher than the proportion of the community residents who subscribed to similar view. This result is expected as previous studies have found that senior managers of corporations often exaggerate the level of support that corporations give to communities (Gordon et al., 2012).

Test 3: The Independent-Samples Mann-Whitney U Test on Whether the Stakeholder Groups were Aware of CSR Projects which Have Been Implemented in Communities.



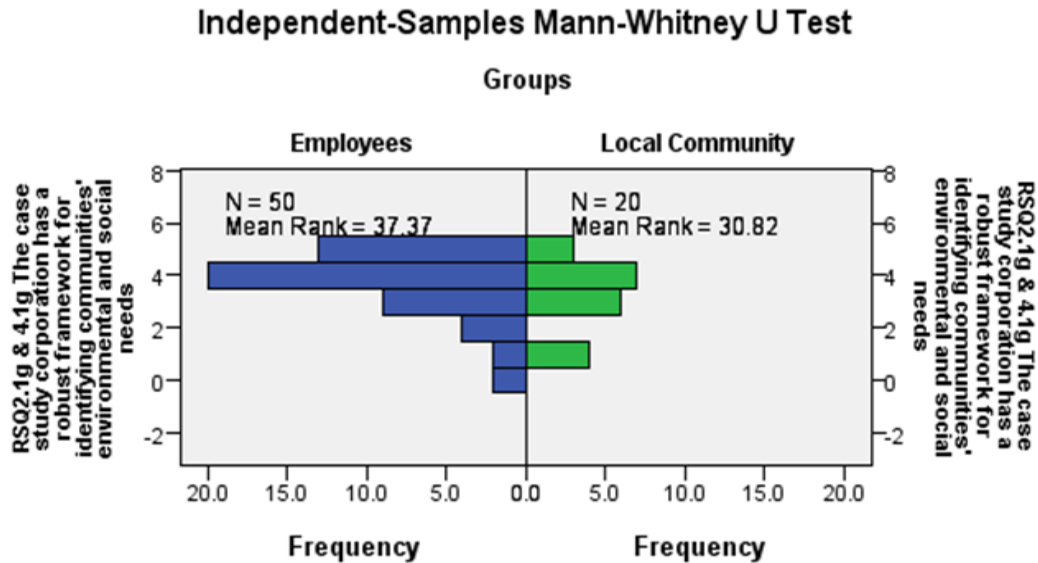
Finding 3: Evidence from Mann-Whitney test result revealed that the μ rank score of employees who were aware of social and environmental projects which the case study corporation has implemented was 37.28 (37%) compared to 31.05 (31%) of the community residents.

Test 4: The Independent-Sample Mann-Whitney U Test on Whether the Local Community People's Views were Sought Prior to the Design and Implementation of CSR Projects.



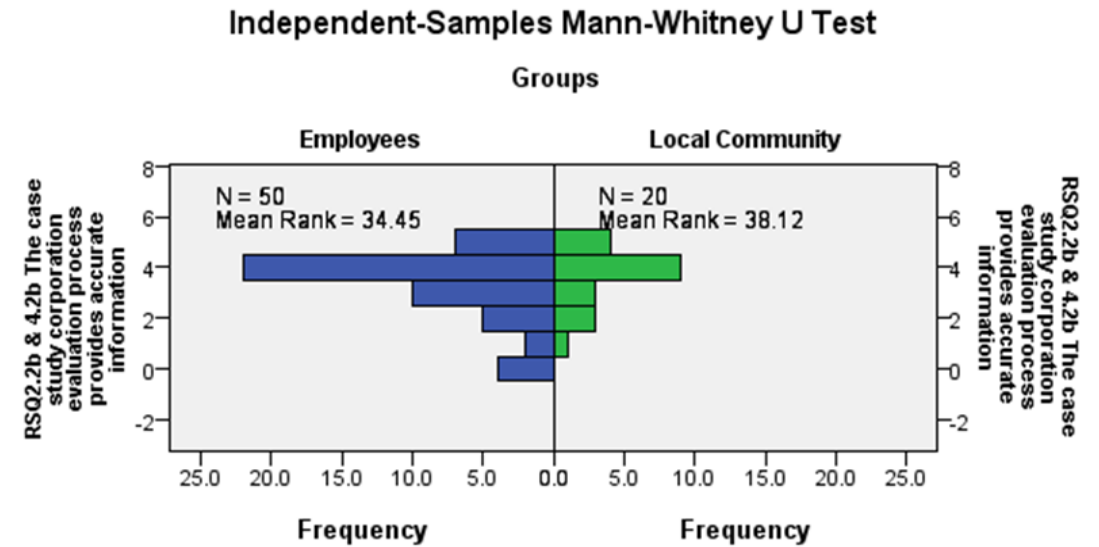
Finding 4: It can be inferred from the above results that as much as 64% of employees and 66% of community residents did not believe that the views of the local community residents were sought prior to the design and implementation of CSR projects. Hence, this implies that more than half of the respondents in each of the observed groups did not believe that the corporation sought for the views of community residents prior to implementation of community projects.

Test 5: The Independent-Samples Mann-Whitney U Test on Whether the Case Study Corporation Has a Robust Framework for Identifying Communities Environmental and Social Needs.



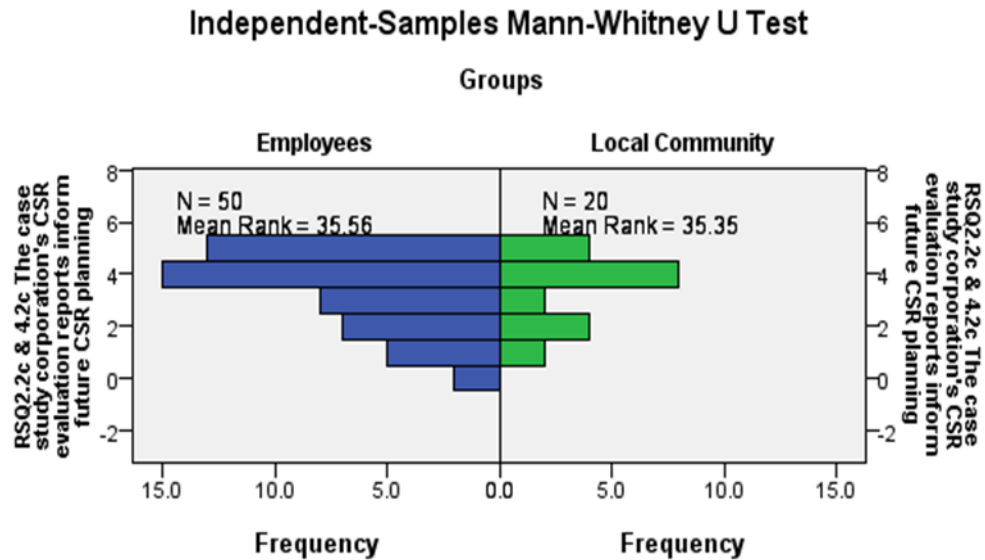
Finding 5: The result of the test showed that the μ rank score of the employees who were aware of existing CSR framework was 37.37 (37%) compared to 30.82 (31%) of the community residents. This suggests that as much as 62% of employees and 69% of community residents are not aware of the existence of a framework for identifying communities' environmental and social needs.

Test 6: The Independent-Samples Mann-Whitney U test on Whether the case study corporation evaluation process provides accurate information.

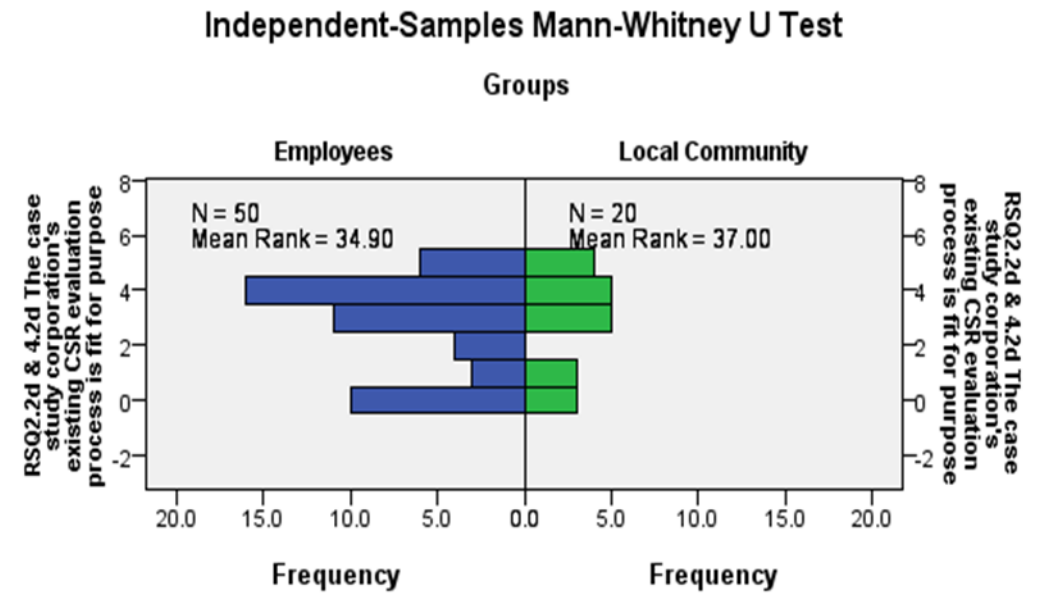


Finding 6: The Mann-Whitney U test revealed a μ rank score of 34.45 (34%) of employees compare to 38.12 (38%) of community residents who believed that the process is effective in collecting accurate information. This demonstrates that as much as 66% of employees and 62% of community residents who believed that the evaluation process provides accurate information. This implies that majority of the respondent felt that their voices were not heard.

Test 7: The Independent-Samples Mann-Whitney U Test on Whether the Case Study Corporation's CSR evaluation reports inform future CSR planning.



Test 8: The Independent-Samples Mann-Whitney U Test on Whether the Case Study Corporation's Existing CSR Evaluation Process is Fit for Purpose.



Finding 7: The Mann-Whitney U tests revealed that the μ rank of employees who believed that the corporation's CSR evaluation reports inform future CSR planning is higher than the proportion of local community residents who subscribed to similar view because an average of 35.56 (36%) of employees compared to the mean rank score of 35.35 (35%) of the community residents who shared similar view. This suggests that as much as 64% of employees and 64% of the community residents did not believe that the corporation's CSR evaluation reports inform future CSR planning.

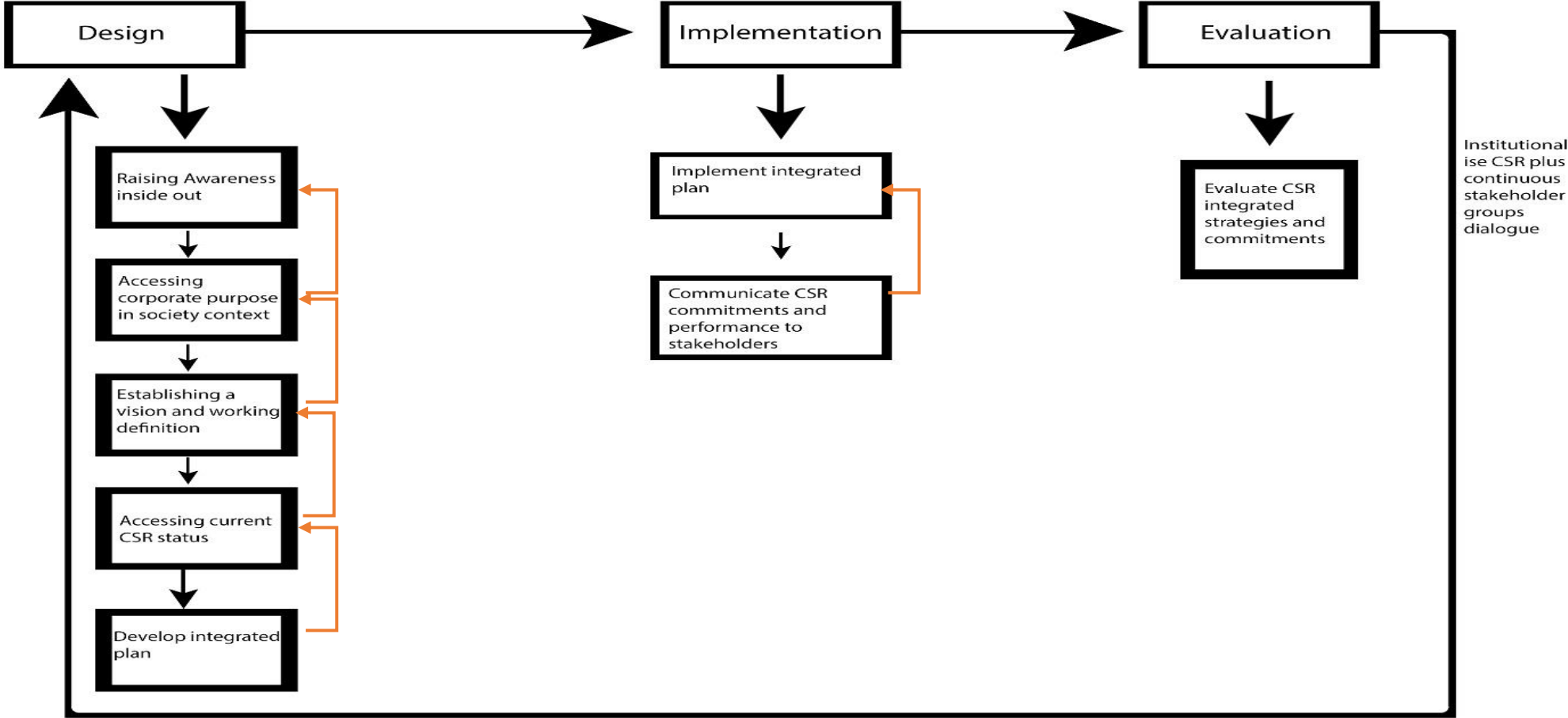
Finding 8: On the issue of whether the case study corporation's existing CSR evaluation process is fit for purpose, the μ rank score of the employees who believed that it is fit for purpose is as much as 34.90 (35%) compared to the μ rank score of 37.00 (37%) for local community residents. This is an indication that as much as 65% of employees and 63% of the community residents did not believe that the existing evaluation process is fit for purpose. If majority of the corporation staff felt that the existing evaluation process is not fit for purpose, it implies that they do not have confidence in the process. This is a cause for concern.

Conclusion

- Findings from the study suggest that the corporation's CSR design, implementation and evaluation framework is not fit for purpose as it is ineffective in addressing the needs of its diverse stakeholder groups. In addition, decisions on CSR issues were taken by management of the corporation with little consultation and engagement of all stakeholder groups. The existing CSR process created negative relationships and lack of trust between the corporation's management and local communities' residents.
- Based on these outcomes, the study made the following contributions: a provision of CSR framework that managers of MNCs could adopt to design, implement and evaluate CSR programmes; and a process that facilitates interactions and enhances positive relationships between MNCs and stakeholder groups in the design, implementation and evaluation of CSR projects.

Recommendation

The CSR Stakeholder Groups Dialogue Enhancement Model.



Source: Osadiya (2020).

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