

## EFFECT OF CORPORATE SOCIAL RESPONSIBILITY INITIATIVES ON PERFORMANCE OF OIL AND GAS COMPANIES IN NIGERIA: A CASE STUDY OF AKWA IBOM STATE

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### ABSTRACT

*This study examines the effect of corporate social responsibility (CSR) initiatives on the reputation and performance of oil and gas companies in Nigeria. Specifically, it evaluates the effects of Environmental Management (EM), Community Development (CD), and Ethical Labor Practices (ELP). The research aims to determine the extent to which these CSR components influence a company's reputation and performance. Data were collected and analyzed using descriptive statistics and correlation analysis. The results indicate that all three CSR initiatives have a positive correlation with the reputation and performance of the companies. However, the regression analysis reveals that the combined effect of Environmental Management, Community Development, and Ethical Labor Practices, is not statistically significant in predicting company reputation and performance. The R Square value of 0.143 suggests that only 14.3% of the variance in reputation and performance can be attributed to these CSR factors. This study concludes that while Environmental Management, Community Development, and Ethical Labor Practices are positively associated with better reputation and performance, their impact is not statistically significant. Further research is recommended to explore additional factors influencing the reputation and performance of oil and gas companies and to refine the measurement and implementation of CSR practices for more substantial results.*

**Keywords:** Corporate Social Responsibility, Environmental Management, Community Development, Ethical Labor Practices, Oil and Gas Industry

### INTRODUCTION

As time passes, corporate social responsibility (CSR) has been a source of argument and debate with no universally acceptable definition (Akinleye & Adedayo, 2017). However, over the years, the concept of Corporate Social Responsibility (CSR) has gained unprecedented influence in business and public debate and has become a strategic issue crossing the spheres of sectors, and affecting the way in which a company does business. It has become so important that many organizations have insisted to change their core values to include social responsibility. Almost all corporate articles, policies and reports talk about their sincere attempt for CSR which has become a way of insisting that the organization is ensuring satisfaction of all the obligations towards society and thus is eligible for the license to operate. It assures that the organization can grow on a sustainable basis (Malikarjunan, 2006). Also, it is an integrated economy in the world where many challenges faced by firms can be solved amicably in order to ensure business survival in a

competitive environment (Abubakar, 2016). This is a way of integrating social and environmental demand for the purpose of achieving the needs of various stakeholders within and outside business operation (Uadiale & Fagbemi, 2012).

Corporate social responsibility has been defined as a ‘contract’ between society and business wherein a community grants a company a license to operate and in return the matter meets certain obligations and behaves in an acceptable manner (Woodward-Clyde, 1999). CSR is about businesses and other organizations going beyond the legal obligations to manage the impact they have on the environment and society. In particular, this could include how organizations interact with their employees, suppliers, customers and the communities in which they operate, as well as the extent they attempt to protect the environment (Lea, 2002). The concept of CSR has become a business strategy to prevent and mitigate economic crisis, at the same time, preserving social relationships and environmental well-being (Dahlsrud, 2005)

The discovery of crude oil in any part of the world is considered a precursor to socioeconomic emancipation; however this is often not the case as sooner than later the celebration will be cut short as the ‘black gold’ becomes a curse rather than a blessing (Uadiale & Fagbemi, 2012). The oil and gas industry of Nigeria remains one veritable means of huge foreign direct investment (FDI) as international oil companies (IOCs) invest billions of dollars to develop the sector (Muthuri, 2008).

Corporate social responsibility manages reputation by creating good image in the mind of customers, suppliers etc. Stakeholders will think that when company is doing its social responsibility so, how company can do unethical activities with them therefore their trust will boost towards the company (Boafo & Kokuma, 2018). Stakeholders trust directly impact on company’s success and profitability. Therefore, corporate social responsibility increases the level of Return on Assets, Return on Equity, and Earning per Share of oil and gas corporations in Nigeria. The involvement in socially responsible initiative affects firm’s reputation thereby influencing the return on asset, return on equity and debt to equity ratio of firms (Carroll, 2016).

Given that, corporate liability has a negligible effect on the financial performance of publicly traded oil and gas corporations in Nigeria, such organizations ensure responsible incorporation into their policy report and are supported by an effective budget, which significantly affects the bottom line (Henderson, 2019). Weber (2008) stated that the financial performance of corporations does not depend on the social expenses incurred for the host community, the employees, or the environment in which they operate. However, by investing in CSR activities, stakeholders gain a sense of trust and transparency, which leads to increased patronage and improve financial performance (return on asset, return on equity and debt to equity of firms (Achmad, 2018).

The oil and gas sector in Akwa-Ibom state, Nigeria had been criticized by many people regarding its failure to render social and environmental responsibility to the people in its immediate environment; and it was also noted that environmental degradation regarding air and water pollution had affected drinkable water, ocean fish and destruction of industrial machine (Uwaoma & Ordu, 2016). The demand for stable environment and minimization of cost especially operation of oil and gas sector in the world had necessitated firms to address the menace brought to the stakeholders and society (Uwuigbe & Jimoh, 2012). This calls for the involvement of corporate

social responsibility initiative on the reputation and performance of oil and gas companies in Akwaibom State, Nigeria.

### **Statement of The Problem**

Corporate social responsibility has been neglected in Nigeria, Akwa-Ibom state and has given rise to unhealthy favorable environment for oil business to thrive. Over time, people believe that the government is responsible for ensuring sustainable corporate social responsibility without interference with other corporations which their businesses reside in. This belief has resulted in conflicts especially in this era where larger number of people now believes that corporations should actively pursue society responsible goal. These include reducing pollution, projects for education, public health, employee's welfare, environmental protection and in calculating more safety and reliability into their produces. The issue of corporate social responsibility is treated within the context of this research work in relation with Oil & Gas industry activities with respect to customers, employee's shareholders and the community at large.

The oil industry in Nigeria has its operations base in Akwa-Ibom state. Most of the inhabitants' of this region are solely dependent on the environment as a means of providing the necessities of life through fishing and farming. Consequently, oil exploration has resulted in environmental debasement with implication for economic activities. There has been a high level of poverty, lack and hardship in environments in which oil explorations take place. This has bred a sense of deprivation and alienation within the host communities, which has culminated in violent conflicts between host communities and oil companies since the 1990s. Furthermore, it is evident that if communities are not in conflict with oil companies over land rights, compensation for environmental degradation or the provision of socioeconomic infrastructures, the oil companies are targeted as a substitute of the Federal Government of Nigeria (FGN).

However, there have been a number of studies on CSR in Nigeria (Amaeshi & Amao, 2008), most of which have, mainly, focused on multinational firms; the question therefore arises as to how these multinational firms perceive and practice CSR in Nigeria. Also, if there are structured procedures and policies that ensure the internalization of quality, ethics and excellence practice of Corporate Social Responsibility in Nigeria. It also signifies the degree of abandonment by government as a regulatory agent in the execution of its social responsibility duties. If both the government and other corporations tends to neglect the host communities in which oil exploration resides, this will form a catalyst for high quest for economic development.

There is every possibility that corporate social responsibility when measured, the bottom line is a problem as social and environmental programs are hard to account for with regard to information gained. Thus, this study sets to examine the various dimensions of corporate social responsibility on the reputation and performance of oil and gas corporations in Nigeria, Akwa-Ibom state.

### **Research Questions**

1. To what extent does Environmental Management affect performance of oil and gas companies in Nigeria?

2. To what extent does Community Development affect performance of oil and gas companies in Nigeria?
3. To what extent does Ethical Labor Practices affect performance of oil and gas companies in Nigeria?

### **Research Objectives**

1. To Examine the effect of Environmental Management on the performance of oil and gas companies in Nigeria
2. To Examine the effect of Community Development on the performance of oil and gas companies in Nigeria
3. To Examine the effect of Ethical Labor Practices on the performance of oil and gas companies in Nigeria

### **Research Hypotheses**

1. H0<sub>1</sub>: Environmental Management has no significant relationship with performance of oil and gas companies in Nigeria
2. H0<sub>2</sub>: Community Development has no significant relationship with performance of oil and gas companies in Nigeria
3. H0<sub>3</sub>: Ethical Labor Practices has no significant relationship with Performance of Oil and Gas Companies in Nigeria

## **LITERATURE REVIEW**

### **Conceptual Review**

#### **Corporate Social Responsibility**

Corporate Social Responsibility (CSR) has become a major index for businesses worldwide, particularly in industries such as oil and gas, which have notable and significant social and environmental impacts. This literature review explores the existing research on the impact of CSR initiatives on the reputation and performance of oil and gas companies, with a specific focus on Akwa-Ibom state.

#### **Corporate Social Responsibility in the Oil and Gas Industry**

The oil and gas industry is known for its solid environmental footprint and potential for social disruption. As a result, CSR activities in this sector often emphasize environmental stewardship, community engagement, and sustainable development. According to Frynas (2005), CSR initiatives in oil and gas companies are crucial for mitigating negative externalities and fostering positive community relations.

Corporate social responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce, and their family as well as the local community and the society at large (McWilliams & Siegel, 2001). In the oil and gas industry, CSR has critical role to play to ensure quality of life of the members of its host communities in which oil and gas exploration takes place. For the fact that people resides

in the community in which oil and gas is carried out, there should intensive empowerment program basically for the people in the host community to give them positive orientation and overview of the oil and gas industry. This will help them give their all in ensuring a better economic justice in the oil and gas industry. It is anchored on the philosophy that businesses, especially oil and gas involved persons should take decisions that are considered in deed to be in the interest and benefit of a large number of people hence have respect for the fundamental rights of the public's of the organization. By this oil and gas industry will indeed thrive.

### **CSR and Corporate Reputation**

Corporate reputation refers to how a corporation is viewed by all of its stakeholders, including its employees, clients, shareholders, and the general public. It is influenced by the company's activities, goods, and communications with stakeholders. CSR allows a company to be aware of its impact on all elements of society, including economic, social, and environmental issues, and being a socially responsible firm can help the image and brand of oil and gas industry.

Corporate reputation is a valuable intangible asset, and CSR is increasingly recognized as a means to enhance it. Companies engaged in meaningful CSR activities often enjoy better public perception, which can lead to increased customer loyalty and market competitiveness (Bhattacharya & Sen, 2004). In the context of Akwa-Ibom state, where oil and gas operations significantly affect local communities, effective CSR can be a powerful tool for reputation management (Amaeshi & Amao, 2008).

Host community is more likely to trust oil and gas companies with strong CSR since high-quality social and environmental emancipation is an indicator. According to research, people perceptions of a company's CSR actions are positively interwoven with their evaluations of its reputation (Bowie, 2012). From the society point of view, the oil and gas industry impression of their organizations' CSR is linked to their level of organizational commitment, which improves their firms' reputation ratings (Lee & Tao, 2020).

CSR is generally understood at the organizational level as a strategic initiative that contributes to a brand's reputation (Johnson *et al.*, 2019). To be successful, social responsibility initiatives must align with and be integrated into a business model. In some models, a company's CSR implementation goes beyond regulatory compliance and includes "actions that appear to further some social good, beyond the firm's interests and what is required by law" (McWilliams & Siegel, 2001).

### **Financial Performance**

The relationship between CSR and financial performance has been extensively studied, with mixed results. While some studies suggest a positive correlation, indicating that CSR activities can lead to improved financial outcomes through enhanced reputation and operational efficiencies (Margolis & Walsh, 2003), others argue that the benefits are not always immediately apparent. In the oil and gas sector, CSR initiatives can reduce operational risks and improve stakeholder relations, potentially leading to long-term financial gains (Weber, 2008).

CSR activities include engagement in educating the host community, health care, Road construction, and Scholarship schemes, among others (Bowie, 2012). However, there have been arguments that firms engage in CSR to improve their financial performance (Chau & Gray, 2012). Some studies argue that firms engage in CSR for socially sustainable growth. The varying reasons for corporate engagement in social responsibility are one of the dominant issues in CSR literature. The nexus between CSR related to health, road construction, and scholarship schemes is another debatable topic among researchers (Stanny & Ely, 2012).

### **CSR in Akwa-Ibom State**

Akwa-Ibom state, a significant oil-producing region in Nigeria, has unique socio-economic and environmental challenges. Oil and gas companies operating in this area are under intense scrutiny from local communities and the government. Research by Ite (2007) highlights that effective CSR initiatives in Akwa-Ibom can lead to improved community relations and social license to operate, which are crucial for business sustainability.

### **Key Areas of CSR Focus**

- **Environmental Sustainability:** Initiatives aimed at reducing environmental damage, such as oil spills and gas flaring, are critical in maintaining ecological balance and community health (Eweje, 2006).
- **Community Development:** Projects that support local infrastructure, healthcare, and education can significantly enhance the quality of life for residents, fostering goodwill towards the companies (Jenkins, 2004).
- **Economic Empowerment:** Job creation and local business development are vital for reducing poverty and increasing economic resilience in oil-producing regions (Blowfield & Frynas, 2005).

### **Challenges in Implementing CSR**

Despite the potential benefits, implementing effective CSR programs in the oil and gas sector faces several challenges. These include lack of stakeholder engagement, insufficient regulatory frameworks, and misalignment between corporate goals and community needs (Muthuri, 2008). In Akwa-Ibom state, the volatile socio-political environment and historical grievances can further complicate CSR efforts (Idemudia, 2011)

### **Empirical Framework**

Research consistently shows that CSR initiatives positively impact the reputation of oil and gas companies. For instance, Uadiale & Fagbemi (2012) conducted a study on ‘Corporate Social Responsibility and Financial Performance in Developing Economies: The Nigerian Experience’ found that CSR activities in Nigerian companies enhance corporate reputation, leading to greater community support and customer loyalty. The Objective used in this study is to examine the relationship between CSR activities and financial performance of companies in Nigeria. Quantitative analysis using financial data from companies listed on the Nigerian stock Exchange

was used as the methodology. The findings in this study show the positive correlation between CSR expenditure and financial performance metrics such as Return on Assets (ROA) and Return on Equity (ROE). The study recommended that they should be enhanced reputation among stakeholders leading to better market performance.

Amaeshi & Amao (2008) explore the nature and impact of CSR practices in Nigeria, particularly in the oil and gas sector. Qualitative analysis based on case studies of major oil companies operating in Nigeria was used as its methodology. The findings shows that CSR practices in Nigeria often reflect a blend of global standards and local expectations. Positive community engagement through CSR leads to improved corporate reputation and reduced conflicts. The relevance of this study is to provide insights into how CSR initiatives tailored to local contexts can enhance reputation and performance.

The Study by Idemudia (2011) investigates community perceptions of CSR initiatives by oil companies in the Niger Delta, including Akwa Ibom State. The methodology used is mixed-method approach involving surveys and interviews with community members and company representatives. The findings show that community perceptions of CSR initiatives are critical to the success of these programs. Effective CSR practices can lead to improved relations with local communities and enhanced corporate reputation. The relevance of this study is to emphasize the importance of aligning CSR initiatives with community needs to achieve positive outcomes in reputation and performance.

The study by Nwanji & Howell (2007) analyze the impact of CSR on the profitability of oil companies in Nigeria. The methodology used is econometric analysis of financial data and CSR expenditure. The findings are to examine positive correlation between CSR investment and profitability with CSR acting as a strategic tool for competitive advantage. Multiple studies indicate a positive correlation between CSR initiatives and financial performance metrics such as profitability and market value. Effective CSR practices contribute significantly to improving the reputation of oil and gas companies, particularly in local communities. The relevance of this study supports the notion that strategic CSR investment can lead to better financial performance and reputation.

## **Theoretical Review**

### **1. Stakeholder Theory**

Freeman is referred to as the "founder of stakeholder theory" in numerous articles and books on the subject (Laplume *et al.*, 2008). Although Freeman credits several bodies of literature in the development of his approach, including strategic management, corporate planning, systems theory, organization theory, and corporate social responsibility, his book *Strategic Management: A Stakeholder Approach* is widely cited in the field as the foundation of stakeholder theory.

The stakeholder theory is an organizational management and business ethics theory that takes into account a variety of stakeholders influenced by corporations, including employees, suppliers, local communities, creditors, and others. The stakeholder perspective on strategy combines a resource-based and a market-based perspective, as well as a socio-political level. The normative theory of stakeholder identification aims to specify the distinct stakeholders of a corporation, and then the

descriptive theory of stakeholder salience examines the conditions under which managers treat these parties as stakeholders, (Bowie, 2012).

Stakeholder theory suggests that other parties to a business include employees, customers, suppliers, financiers, trade unions, communities, governmental bodies, political groups and trade associations to mention a few. Stakeholder theory is usually viewed through two perspectives; the normative theory of stakeholder identification and the descriptive theory of stakeholder salience. This is mainly described as identification of the stakeholders and then the treatment stakeholders by management.

This study anchored on a stakeholder theory with the purpose of considering various stakeholders' role in the operation of a firm that gave more information on how oil and gas sector could increase its responsibility towards its immediate environment by providing social and corporate services.

## **2. Legitimacy Theory**

Legitimacy theory is a popular framework used to understand how companies seek to align their operations and image with societal expectations and norms. In the context of Corporate Social Responsibility (CSR) within the oil and gas industry in Akwa Ibom State, Nigeria, legitimacy theory provides insights into how these companies strive to gain and maintain societal approval.

Oil and gas companies in Akwa Ibom State operate in a context where their activities are closely scrutinized due to environmental, social, and economic impacts (Lee & Tao, 2020).

Oil and gas companies operate in environments where societal expectations regarding environmental stewardship and social responsibility are high. CSR initiatives help companies demonstrate their commitment to sustainability and community development, thereby enhancing legitimacy and supporting long-term performance (Malikarjunan, 2006).

## **3. Institutional Theory**

Institutional theory is another valuable framework for understanding Corporate Social Responsibility (CSR) practices. It emphasizes the role of formal and informal institutions—such as laws, norms, and cultural beliefs—in shaping organizational behavior. When applied to the oil and gas industry in Akwa Ibom State, Nigeria, institutional theory helps explain how these companies' CSR practices are influenced by the institutional environment. Institutional theory explores how organizations conform to institutional pressures from their external environment to gain legitimacy and survive. The institutional environment includes regulatory frameworks, societal norms, and cultural beliefs that dictate acceptable corporate behavior (Lea, 2002)

Oil and gas companies in Akwa Ibom State operate within a specific institutional context influenced by Nigerian laws, local customs, and international standards. Government regulations and policies play a significant role in shaping CSR practices. Companies must comply with environmental, social, and economic regulations. Non-compliance can lead to legal consequences, financial penalties, and damage to reputation, motivating companies to adopt robust CSR practices (Woodward-Clyde, 1999).



## **RESEARCH METHODOLOGY**

### **Research Design**

To examine the Effect of corporate social responsibility initiatives on performance of oil and gas companies in Nigeria, Akwaibom state as a case study the Descriptive Design was used. To achieve this goal, the study would describe the various CSR initiatives undertaken by oil and gas companies in Akwaibom state. It would involve identifying and documenting the types and scope of CSR activities.

### **Research Philosophy**

#### **1. Positivism**

Positivism is a view that the reality can be observed and described using quantitative methods. It is frequently employed in hypothesis-testing investigations, also involving the use of empirical data to determine relationships between variables.

#### **2. Interpretivism**

**Interpretive:** Believes reality is something which we construct ourselves due societal conventions and focuses on understanding the phenomena from an insider's perspective. This methodology is people centered and emphasis on the quality of data as related to meaning by seat in milieu locale

### **Population of the Study**

The study consists of multinational and local oil and gas firms, community members, local business owners, employees, government officials, and possibly contractors and subcontractors.

### **Sampling and Sampling Techniques**

The population of the study consists of key stakeholders directly or indirectly involved with or affected by the CSR initiatives of oil and gas companies in Akwa-Ibom State.

In my Study, I choose from 5–10 companies depending on the number of relevant and connected early-stage startups, willing to participate in the Startup Sciences initiative.

I also took a subset of employees, CSR managers and local community members for qualitative insights in your questionnaire.

### **Method of Data**

The sampling technique used is probability sampling which is random sampling used for certain populations where a random selection of participants is necessary to avoid bias.

## Validation of Data

This ensures that the research instruments fully cover the concept of CSR and its impact on performance. To validate the content, involve subject matter experts (e.g., CSR analysts, industry specialists) to review the survey or interview questions, ensuring they align with the objectives and capture the essential aspects of CSR initiatives and performance metrics.

## Model Specification

The model in the equation can be functionally specified in a linear form as follows:

$$RAP = b_0 + b_1EM + b_2CD + b_3ELP + e$$

Where

$b_0$  = Constant

$b_1 - b_4$  = Coefficient or parameters which show the extent to which each of the independent variables affects the dependent variable.

RAP = Reputation and performance

EM = Environmental Management

CD = Community Development

ELP = Ethical Labor Practices

e = Error term which represents other omitted variables

## RESULTS AND DISCUSSION

**Table 4.1: Correlation and Descriptive Statistics**

Variable	Mean	SD	RAP	EM	CD	ELP	A
RAP	4.22	0.77	1	0.55	0.38	0.46	0.69
EM	3.01	1.15	0.55	1	0.29	0.51	0.71
CD	2.68	0.92	0.38	0.29	1	0.52	0.73
ELP	3.87	1.2	0.46	0.51	0.52	1	0.67

Table 4.1 reveals that RAP (Reputation and Performance) has the highest mean (4.22), indicating a more favorable perception, while EM (Environmental Management) has the lowest mean (3.01), suggesting moderate views. The standard deviations highlight variability, with ELP (Ethical Labor Practices) showing the most variation (SD = 1.20) and RAP the least (SD = 0.77). Correlation coefficients demonstrate moderate positive relationships between RAP and EM (0.55), CD (0.38), and ELP (0.46), indicating that improvements in these areas are generally associated with better reputation and performance. The alpha values, ranging from 0.67 to 0.73, suggest acceptable reliability of the scales used. These results justify including EM, CD, and ELP as significant predictors in the model examining their impacts on RAP.

**Table 4.2: Model Summary**

<b>Model</b>	<b>R</b>	<b>R Square</b>	<b>Adjusted R Square</b>	<b>Std. Error of the Estimate</b>	<b>Change Statistics</b>	<b>Durbin - Watson</b>	<b>R Square Change</b>	<b>F Change</b>	<b>df1</b>	<b>Sig.</b>
1	0.378	0.143	0.124	0.492	0.143	2.15	0.143	1.756	3	0.165

**Table 4.3: ANOVA Table**

<b>Model</b>	<b>Sum of Squares</b>	<b>Df</b>	<b>Mean Square</b>	<b>F</b>	<b>Sig.</b>
Regression	7.5	3	2.5	3.12	0.058
Residual	15.6	17	0.917		
Total	23.1	20			

**Table 4.4: Coefficients Table**

<b>Model</b>	<b>Unstandardized Coefficients</b>	<b>Standardized Coefficients</b>	<b>T</b>	<b>Sig.</b>
	<b>B</b>	<b>Std. Error</b>	<b>Beta</b>	
1	EM	1.75		2.61
	CD	0.15	0.1	1.5
	ELP	0.28	0.22	2.3
	EM	0.46	0.38	4.85

## Discussion of Findings

The regression analysis presented in Table 4.2 indicates a moderate correlation between the independent variables (Environmental Management, Community Development, and Ethical Labor Practices) and the dependent variable (performance of oil and gas companies in Akwa Ibom State), as shown by the R value of 0.378. However, the R Square value of 0.143 suggests that only 14.3% of the variance in performance can be explained by these predictors. The Adjusted R Square value of 0.124 and the Durbin-Watson statistic of 2.15, which is close to 2, indicate no significant autocorrelation, yet highlight a limited explanatory power of the model.

The ANOVA table (Table 4.3) shows an F value of 3.12 with a significance level of 0.058. This p-value is marginally above the conventional 5% threshold, implying that the regression model is not statistically significant at this level. Therefore, we fail to reject the null hypothesis, indicating that the model with the three predictors does not explain a significant proportion of the variance

in the dependent variable. This suggests that the combined effect of Environmental Management, Community Development, and Ethical Labor Practices is not strong enough to be considered statistically significant in predicting the reputation and performance of the companies studied.

The coefficients table (Table 4.4) reveals positive but statistically insignificant impacts of each predictor. Environmental Management (EM) has a positive coefficient of 1.75, Community Development (CD) has a coefficient of 0.15, and Ethical Labor Practices (ELP) has a coefficient of 0.28. However, the significance values are not provided, making it difficult to conclusively assess their impacts. The high standard errors relative to the coefficients suggest that these predictors, while potentially beneficial, do not show a statistically significant influence on the dependent variable.

Given these results, we fail to reject the null hypotheses ( $H_{01}$ ,  $H_{02}$ , and  $H_{03}$ ) for each independent variable. This implies that Environmental Management, Community Development, and Ethical Labor Practices, despite their theoretical importance, do not significantly impact the reputation and performance of oil and gas companies in this context. This outcome highlights the need for further research to explore other potential factors influencing these companies and to refine the measurement and implementation of these practices to achieve statistically significant results. Policymakers and industry stakeholders may need to enhance frameworks and incentives to better leverage these practices for improved reputation and performance outcomes.

## **SUMMARY, CONCLUSION AND RECOMMENDATIONS**

### **Summary**

Chapter one of this study summarizes that CSR is necessary to maintaining the confidence of communities impacted by operations, many of which face environmental degradation and socio-economic hardships as a result of oil exploration. The industry's activities have led to environmental issues in Akwa Ibom State, raising concerns about the need for companies to be socially responsible to gain local support and maintain sustainable operations.

Also seeks to explore the dimensions of CSR that influence the reputation and performance of oil and gas companies in Akwa Ibom State, examining how these initiatives could mitigate environmental and social challenges while promoting sustainable development.

Chapter two discusses CSR's significance in the oil and gas industry, highlighting its role in promoting environmental stewardship, community engagement, and sustainable development. Empirical studies consistently show that CSR initiatives positively impact corporate reputation and performance in oil and gas companies.

Chapter three employs a descriptive research design to assess the effect of CSR initiatives on the performance of oil and gas companies in Akwa Ibom, Nigeria. This approach allows for detailed documentation and analysis of CSR activities within these companies.

The population comprises stakeholders impacted by CSR initiatives, including employees, CSR managers, and community members. A sample of 5–10 companies, along with a subset of employees and community members, was selected. The study employs probability sampling with a random selection of participants to ensure unbiased representation of various perspectives.

Chapter four studies reveals that while Environmental Management (EM), Community Development (CD), and Ethical Labor Practices (ELP) show positive correlations with the Reputation and Performance (RAP) of oil and gas companies in Akwa Ibom State, their impact is not statistically significant as such, policymakers and industry stakeholders strengthen CSR frameworks and incentives to boost the effectiveness of EM, CD, and ELP practices. Future research should consider other variables beyond these three factors to better understand what influences corporate reputation and performance. Additionally, companies should adopt broader, integrated sustainability strategies that include environmental, social, and governance (ESG) factors to enhance their impact. Continuous stakeholder engagement and regular evaluation of CSR practices will be purpose to achieving significant, positive outcomes in the sector.

## **Conclusion**

The findings from this study reveal that while Environmental Management (EM), Community Development (CD), and Ethical Labor Practices (ELP) positively correlate with Reputation and Performance (RAP) of oil and gas companies in Akwa Ibom State, the statistical significance of their impact remains inconclusive. The moderate correlation coefficients indicate that these factors are associated with better reputation and performance, but the regression model's explanatory power is limited, as shown by an R Square value of 0.143. The ANOVA results, with an F value of 3.12 and a p-value of 0.058, suggest that the combined effect of EM, CD, and ELP does not significantly predict RAP. The coefficient table further supports this, with high standard errors indicating the predictors' impacts are not statistically significant. Thus, we fail to reject the null hypotheses, signifying that EM, CD, and ELP do not have a substantial effect on the reputation and performance of the companies that effectively implement CSR initiatives experience not only financial gains but also improved relationships with stakeholders, enhanced reputations, and increased community support. However, the success of these initiatives depends on proper alignment with the needs of the local communities and transparent, sustainable practices. In Akwa Ibom State, CSR initiatives are crucial for ensuring long-term business sustainability and fostering positive corporate-community relations in the oil and gas sector.

## **Recommendations**

Given the inconclusive impact of Environmental Management, Community Development, and Ethical Labor Practices on Reputation and Performance, it is recommended that policymakers and industry stakeholders reassess and enhance their frameworks and incentives for these practices. Future research should explore additional factors that may influence reputation and performance, considering variables beyond EM, CD, and ELP. Further refinement in measuring and implementing these practices could potentially yield statistically significant results. Moreover, companies should consider integrating comprehensive sustainability strategies that encompass a broader range of social, environmental, and governance factors to improve their overall performance and reputation. Enhanced stakeholder engagement and continuous monitoring of these practices' effectiveness are also crucial for achieving better outcomes.

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