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Sustainability Practices of Oil Firms in Niger Delta Region—Institutional and Stakeholder Perspectives

Kevin Ofoma Abugu[1], Sabur Mollah[2], Samuel Karmuriwo[3]

[1]Cardiff Metropolitan University, Cardiff, UK
[2]University of Sheffield, Sheffield, UK
[3]Citi University London, London, UK
Email: kabugu2020@gmail.com, s.mollah@sheffield.ac.uk, d.s.kamuriwo@city.ac.uk

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Abstract

This study aims to examine whether institutional and stakeholder pressures influence sustainability practices of oil firms in Niger Delta region. By analysing survey data and informant interviews through a mixed-method approach, this study reveals a limited impact of institutional and stakeholder influences on oil firms' sustainability practices, especially institutional and stakeholder pressures do not necessarily contribute to sustainable community development in Niger Delta region. The study synthesizes various challenges to Corporate Sustainability (CS) implementation and proposes ways through which CS initiatives could be strengthened by addressing oil activity related problems in Niger Delta. The findings of the study could be useful in improving corporate stakeholder relationship, which contribute to managerial perspective of CS in oil firms in Niger Delta. The study also identifies important managerial and public policy implications.

Keywords

Corporate Sustainability, Stakeholder Influence, Institutional Influence, Sustainable Development, Sustainability Strategies, Niger Delta, Institutional Pressures

1. Introduction

There have been debates among the academics over the influence of stakeholders and institutions on the sustainable host community developments. While there is no strong evidence to support it for oil firms, different perspectives for sustainable development for host communities exist. The first one is the economic development perspective. It emphasises that potential advantages accrue to the host communities from the operation of the oil firms in the communities (Michael et al., 2015; Ebegbulem et al., 2013). However, the second perspective "dependency theory perspective" opposes the view of economic development perspective. The proponents of dependency theory perspective argue that the developments that are promoted by oil firms usually disadvantage the region (Bury, 2001; Garcia-Rodriguez et al., 2013; Pesmtzoglou et al., 2014; Airike et al., 2016).

As Corporate Social Responsibility (CSR) concept did not emerge to directly contribute to sustainable development, many believe that CSR is strongly linked to the matters of poverty reduction and international development (Blowfield, 2005; Escobar & Vredenburg, 2011; Kim et al., 2014; Global Compact, 2014). To overcome this, the concept of Corporate Sustainability (CS) (Linnenluecke & Griffiths, 2010) is gaining momentum in organizational theory and practice to respond to complexities in organizational sustainability with the definition of corporate sustainability principles (Muñoz-Torres et al., 2018). CS is now seen not only as the medium through which organisations can contribute to the sustainable development of their host communities but also as means through which firms can address all other externalities that arise from their operation in a community. This view of CS is often enmeshed in controversy as the concept expands the traditional and legal responsibility of organisations to include those areas of social life in which businesses were formally not responsible for. Subsequently, three different perspectives of how CS can contribute to sustainable development emerged, namely voluntary, accountability, and environment perspectives. What is common among them is the assumption that the so-called CSR practices can contribute to development, even though Steyn and Niemann (2014) point out that there are differences in how the developmental responsibility can be achieved.

There are also disagreements as to the implication of firm practices in community development replacing the developmental responsibility by the government. For example, there is a fear that the increasing CSR practices in the development of the host communities will likely make the government of the developing countries take for granted their developmental responsibility (Esau & Malone, 2013; Idemudia & Ite, 2006; Frynas, 2005). However, Matten et al. (2003) disagree with this view and point out that there should be a complementary relationship between the role of the government and the contribution of CSR practices to development. To our knowledge, none of these views is supported by empirical evidence. This Lack of empirical research leads to a lack of acceptable criteria with which the contributions of oil firms to community development could be assessed.

At theoretical level, the existing schools of thoughts are rife with some shortcomings, which reduce their ability to provide clear insight to the role of CS policies and practices in sustainable community development. Interestingly, the gaps in the CS-development theories show that the current views on the relationship between CS and development are still very skeletal and unable to address the critical question of how the community development can be enhanced through CSR practices in the developing nations beyond the current literature. Hence, drawing from the gaps in the CS/CSR literature, this study proposes the institutional and stakeholder influence perspective.

The institutional and stakeholder influence is very important in understanding the new dynamics of corporate stakeholder relations and the impact on sustainable development. Despite the preceding views regarding the vital role of stakeholders in corporate-stakeholder relations, virtually, there has been no effort to empirically investigate them in low-income countries (LICs) context. Ogula (2012) points out that stakeholders' approach to corporate practices was key issues identified during his investigation of the factors responsible for the problematic nature of the relationship between firms and their host community in Nigeria. Some scholars are of the view that stakeholders possess huge influences on the organisations (Byung II & Pervez, 2014; Nemetz, 2015; Michael et al., 2015; Hamilton, 2012; van Huijstee & Glasbergen, 2010). Nair and Ndubisi (2011) assert that if organisations wish to gain a peaceful coexistence with their host communities, the understanding of their salient roles and influence strategies must be a priority. Unfortunately, many organisations still do not consider the stakeholder's, especially local communities, roles and influences to cause an adverse negative impact on their strategies. This forms a part of the identified gap in the literature, which this study will seek to address.

The institutional and stakeholder perspectives contribute to sustainable community development through the prism of institutional and stakeholder forces. This entails not just a study of the stakeholder roles in influencing organisations' CS strategy but also the impact of the institutional isomorphic factors. In spite of obvious acknowledgment to the significant roles played by stakeholders and institutional pressures towards the success of an organisation strategy (Salomon & Wu, 2012), sufficient attention has not been given to CS. Stakeholder perceptions of oil firms' poor sustainability practices could be easily understood from the resolution of Ogoni crises[1] and the follow up supports by Greenpeace and Amnesty International campaigners.

There is an extant body of literature clarifies organisations' perception and interpretation of institutional and stakeholder influences within an environment that help formulate sustainability strategies (Elijido-Ten et al., 2010; Lee, 2011). While stakeholders and institutional factors have been influencing sustainability practices in many countries (see Wang et al., 2019; Frooman, 1999; Sharma & Henriques, 2005; Mishra & Suar, 2010; Perez-Batres et al., 2012), there is a near absence of such literature in Nigeria and hence, it forms an identifiable gap in the area.

[1]Ogoni crisis occurred between 1990 to 1995 and started as a campaign against the major oil producing companies operating in the Ogoni communities (Shell, Chevron and NNPC) for the protection of the environment. The crises escalated in 1992 and led to the death of hundreds of Ogonis in the hand of government authorities.

Nonetheless, the role of the stakeholder groups in influencing the CS strategy of International Oil Companies (IOCs) has received a very little attention, which creates opportunities for further research in the field.

The objective of the study is twofold: First, to analyse the role of various stakeholder groups in influencing the CS strategy of the oil firms in the Niger Delta region. Second, to evaluate the impacts of institutional voids in the creation of enabling environment for both stakeholder influences and CS strategies. To achieve these objectives, we pursue both surveys and informant interviews to examine how managers' perception of different types of institutional and stakeholder influences affect the adoption of sustainability practices in oil firms in Niger Delta region. A sample of 353 respondents drawn from 1250 questionnaires and 18 informant interviews out of 21 semi-structured interviews were used in the study. The study adopts DiMaggio & Powell's (1983) model of institutional isomorphism and Sharma & Herinques's (2005) model of stakeholder influence strategies to evaluate the effectiveness of both the institutional and stakeholder pressures in shaping CS practices. By employing a mixed method research, the study reveals that understanding the institutional frameworks within a firms' operating environment is vital for the implementation of effective CS strategies. The study also shows that coercive institutional pressures have indirect impact through legitimising supports to stakeholder influence strategies.

The study makes several contributions to institutional and stakeholder approaches in sustainability practices: Firstly, this study is the first study to investigate the role of the institutional and stakeholder influences on sustainability practices in an emerging country. The study finds that CS practices and their effectiveness in addressing sustainable community development concerns can apparently be impeded by the absence of strong institutions, which are vital in providing enabling environment for corporations. Secondly, the study emphasizes the responsibility of governments and provides some evidence on governments' role in creating viable institutions through development of policies and regulatory frameworks. The study provides evidence that CS implementation challenges, which hampered the firms' CSR initiatives can be managed with meaningful government policies. The study also advocates the strengthening of local institutions by the government to support firms' CSR initiatives. Thirdly, the study shed some light on the role of multi-stakeholder collaboration, showing that there is a potential to improve future practices of CS in the Niger Delta via multi-stakeholder collaboration. The study provides evidence that it is possible to strategically implement Corporate Sustainability and contribute to the development of host communities as is the case of the Niger Delta communities.

The rest of the paper is structured as follows: Section 2 outlines the theoretical framework of the study; Section 3 analyses existing studies and proposes hypotheses of the study. Section 4 describes data and methodology of the study; Section 5 analyses survey data and informant interviews; and Section 6 includes conclusion of the study.

2. Theoretical Framework

The mainstream CSR agenda has been largely influenced by stakeholders from the developed economies and has promoted the priorities and values of the developed nations with little room for accommodating the low-income countries concerns (Barkemeyer, 2011; Hah & Freeman, 2014; Sison, 2009; Damert & Baumgartner, 2017). While many researchers share the view that mainstream CSR is dominated by western values and norms, Dartey-Baah and Amponsah-Tawiah (2011) argue that there are traditional values and norms in some developing countries that are similar to the western values and norms. They suggest that Ubuntu[2] and Omuluwabi[3] institutional models have shaped the relationship of the people of South Africa and Nigeria respectively. They argue that the institutional norms could provide a low-income country dimension of CSR and consider being useful in contributing to sustainable community development (SCD).

In parallel, the stakeholder and institutional pressures are considered to have influential not only on CSR but also on other concepts, such as sustainable development (SD) and sustainability. Figure 1 shows the historical development of both the CSR and SD that culminated in the harmonisation of the two in the late 2000s.

Corporate Sustainable behaviour and CSR practices are very complex phenomena

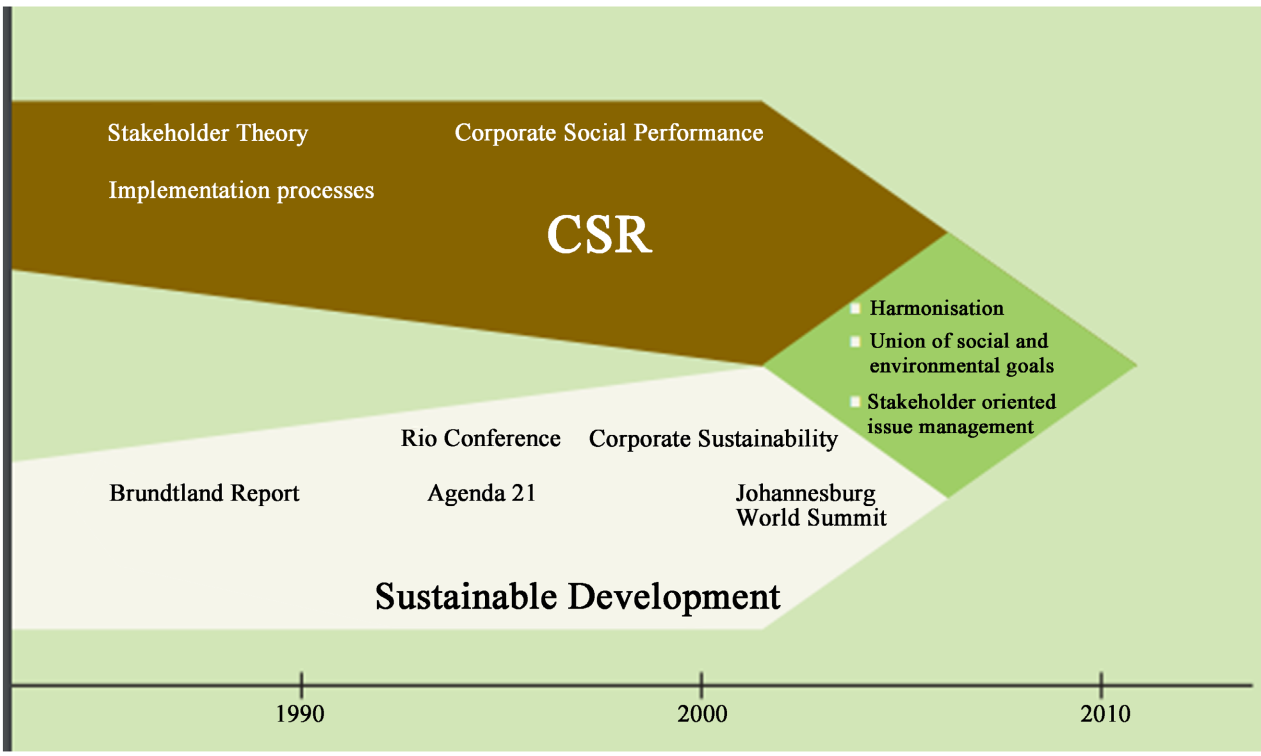

Figure 1. The historical development of CSR & SD.

[2]The word comes from the Zulu and Xhola languages. A rough translation in English would be "humanity towards others" and "the belief in a universal bond of sharing that connects all humanity." The cardinal belief of Ubuntu is that a man can only be a man through others. In its most fundamental sense, it stands for personhood and morality.

[3]The primary basis of the Omoluwabi model is that the only true asset in this time is character. For many centuries, the people now identified as the Yoruba of the West coast of Africa have used the concept of Omoluwabi to signify an evolved character.

to explain through a single theory (Gray et al., 1995a) and therefore as Deegan, Rankin, and Voght (2000) suggested, it is always better to get deep insights through more than one single theory in order to understand the analysed phenomena. Gray et al. (1995b) argued that social and political theories such as stakeholder theory and institutional theory, among others, support theoretical perspectives on CSR practices. Institutional theory has been used to explain how different forces influence the homogeneous behaviour in sustainability practices of organisations in many ways. Institutional isomorphism and institutional logic are the two main concepts that explain the influences. Stakeholders on the other hand influence the CS practices of organisations by adopting different types of influence strategies.

Following Sharma and Henriques (2005) methodological approach, this paper also proposes to connect with the resource dependence theory (Pfeffer & Salancik, 1978), that characterizes the corporation as an open system dependent on contingencies in the external environment, like stakeholders' interactions. Following resource dependence theory, these researchers identify that stakeholder influence can be usage or withholding, direct or indirect depending on the nature of dependence between the stakeholders and the focal firm or the focal firm's position in the stakeholder network. Sharma and Henriques (2005) research framework seem to be adequate as it shows that stakeholders can have direct, indirect or limited influences on organizations. The research approach describes how stakeholders including local communities, customers, regulators, activists and industry associations can influence corporations mostly at the facility level. Institutional pressures and stakeholder influence strategies are both applied on companies to make it adopt more sustainability practices—deal with their socio-environmental issues emanating from its practices.

Freeman (1984) stakeholder matrix helps to provide insight on how multinational organisations have long applied different strategies in their dealings with various stakeholders. The stakeholders are broadly categorised as economic and noneconomic stakeholders. Stakeholder groups are formed with the intention to pursue diverse stakeholder interest. We try to build a nexus between institutional pressures and stakeholders' usage and withholding pressures and their consequent effect on firms' sustainability practices in **Figure 2**. The anticipated link between the institutional and stakeholder pressures means that even though the former may not have a direct influence on sustainability practices, it may have direct legitimising influence on the latter. In the same vein, stakeholder pressures are anticipated to have a transformative or morphing influence on the institutional norms, thus, establishing a form of cyclical relationship between the institutional and stakeholder theories.

3. Literature Review and Hypotheses Development

3.1. Institutional Pressure

Assessing the implementation of CSR strategies and practices in the low-income

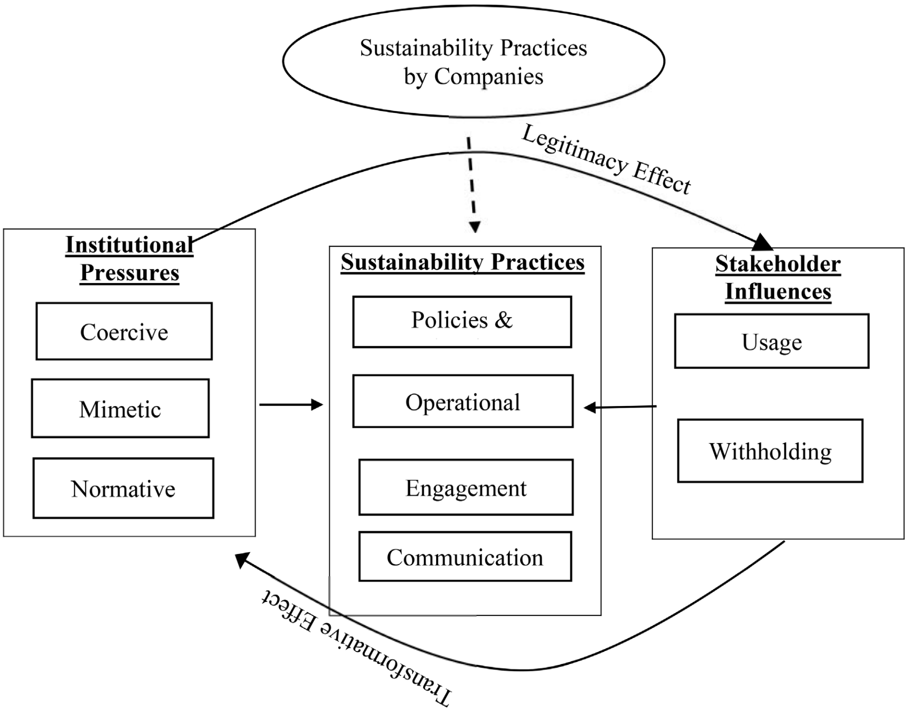

Figure 2. A conceptual framework for institutional and stakeholder influences on firms' sustainability practices.

countries (LICs) poses a huge challenge to researchers for two identifiable reasons: dearth information on existing analysis and irreconcilable contestation based on measurement and methodology (Barkemeyer, 2011; Idemudia, 2011; Fadun, 2014; Uzonwanne et al., 2014). The first challenge is largely concerned with the limitations occasioned by the limited literature in the existing studies of the link between CSR strategies and SD in low-income countries. The second, however, relates to the basis for measurement which varies and is shrouded in contestation, and therefore depends on who carried out the assessment and to whom the assessment is made (Idemudia, 2011). Nonetheless, evaluating the implementation of CSR practices in LICs is still possible as most of the nation's share similarities in terms of governmental, institutional and stakeholders' support for CSR implementation (Sahut et al., 2019; Nemetz, 2015; Byung II & Pervez, 2014).

CSR/sustainability strategies in LICs have also been largely influenced by institutional factors (religious, cultural and historical). For example, India's strong Hindu tradition have had many impacts on the local CSR systems within the country as the philanthropic dimension of CSR seems to be embedded in operations of the local businesses (Hadfield-Hill, 2014). In Nigeria, for example, where there is no coherent link between history, religion or culture and business and where the civil societies that championed the independence during the colonial era have long been absorbed into active politics, the local stakeholders and agents would be weak and unable to influence CSR practices without international support (Ibe et al., 2015).

In general, scholars agree that there are still real concerns regarding the limitation faced by CSR implementation in LICs resulting to contradictory and questionable process from the wider perspective on SD (Idemudia, 2011). Other concerns are poor institutional and stakeholder management frameworks that support CSR practices (Nair & Ndubisi, 2011). It is reckoned that a firm's organizational structure, strategic positioning, and performance will affect how a firm perceives institutional pressures and how it decides to respond (Hoffman, 2001; Lee, 2011). Individuals in organizations focus on different aspects of the firm's external and internal environments, depending on the cognitive frame through which they look at the world. Accordingly, it is anticipated that institutional pressures have both direct and mediated effects on a firm's sustainability practices. Based on the above discussions, the first hypothesis is proposed as follow:

H_1: Institutional pressures have direct impact on CSR practices in LICs.

3.2. Stakeholder Influence

The conceptual framework incorporates two main types of influences from the work of Sharma and Henriques (2005) on stakeholder influence strategies. They are usage and withholding influences. Nair and Ndubisi (2011) observe that CSR strategy is influenced by ethical, social and commercial reasons and instigated by the external and internal stakeholder groups. The relevant stakeholders such as governmental agencies/regulators, local communities, customers, suppliers, activist NGOs, activist shareholders, management/leadership, employees, etc. can exert these two main types of influences on organisation (Frooman, 1999; Sharma & Henriques, 2005). These influences can be direct or indirect depending on the stakeholders' position in the stakeholder network and the nature of the saliency power they possess. Each stakeholder groups can influence the sustainability practices of the oil firms—policies & planning, operational, engagement and communication—depending on their degree of saliency.

The other group that has a high degree of saliency to organisations is economic stakeholders. This group is made up of customers, shareholders, suppliers and JV partners. Several studies have found that customers concerns motivate in many cases the adoption of sustainability practices. Customers have influenced companies' decision to adopt a sustainability plan (Doloi, 2012; Bice, 2017). Noneconomic stakeholders, such as local communities and NGOs can also influence the CSR strategies of organisations in several ways (Mishra & Suar, 2010; Nair & Ndubisi, 2011). For example, host communities can put pressures on organisations by exercising their franchise during elections, NGOs can file lawsuits against an organisation or through active involvement in a series of environmental activism against the organisations. Studies have shown that the desire to maintain or improve their relationship with the host communities forms the basis for most organisations' sustainability practices (Lee, 2011; Garcia-Rodriguez et al., 2013). Through a survey on Canadian companies, Sharma and Henriques (2005) found that activist pressures on the organisations had influenced the organisations' practices. Based on the above discussions, we propose our second hypothesis as:

H_2: Firms will implement stakeholder engagement programs in responses to withholding influences from stakeholders.

3.3. CSR Practices

The use of the word 'CSR practices' has been overshadowed by a new concept "sustainability practices" and operationalises the Corporate Sustainability strategy. As previously stated, the CSR concept has faced immense contestations from various groups, which led to different definitions being ascribed to it. However, despite these diverse approaches, there is an emphasis on a few basic principles, which underpin CSR practices. The principles are commitment to equity and fairness, precautionary principles, and integration and the knowledge of the links between the economy, environment, and society. CSR practices can be connected with the different organizational areas that conform firm structure (Gonzalez-Benito & Gonzalez-Benito, 2010). From high level decision-making processes to operations, CSR should embed all firm areas, including communication and engagement.

3.3.1. Policies and Planning

Policies and planning practices show the degree to which an organisation has implemented its sustainability strategy through social strategies and environmental management systems aligned with regulations and social norms. It involves the clear definition of social and environmental policies, objectives and targets. It also includes the designation of responsibilities and choosing the right people to work with the sustainability management system. The sustainability management system provides a mechanism that helps to deal with the challenges arising from the impact of corporate practices and helps the company to navigate through these normative challenges in a coordinated and systematic way. Both the institutional and stakeholder pressures are intended to shape the sustainability policies and planning in diverse ways. Consequently, the third hypothesis is stated below:

H_3: Firms will develop CSR policies when subjected to withholding influence by regulators.

3.3.2. Operational Practices

These are practices related to various industrial activities and the production system, i.e. practices employed in the process of delivering products and services. Companies are involved in the practices of developing products and services that are "environmentally correct" and "environmentally conscious" (Gonzalez-Benito & Gonzalez-Benito, 2010). Some of the environmentally correct practices include reduction in wastes and greenhouse emissions, reduction in water and energy use, product recycling and remanufacturing, etc. On the other hand, environmentally conscious practices relate to operational methods and processes, which impact both the internal and external process of an organisation. It also includes practices that remediate and control the negative impacts of the organisation's activities. Some of them include pollution prevention, installation of filters, defining the criteria for selecting suppliers or use of environmentally friendly materials in packaging, etc. Sharma and Henriques (2005) argue that economic stakeholders (customers, suppliers, employees, shareholders and trade associations) exert usage influence on the firms' operational practices such as eco-design and emissions. Based on the discussions above, the fourth hypothesis is stated below:

> H_4: Firms will invest in making more sustainable its operations, for example gas emission control technology, in response to usage influence by internal/economic stakeholders.

Similarly, social and environmental stakeholders (community, regulators, and NGOs) can collectively exert withholding influences on the firms' operational practices. Depending on the resource interdependence between the firms and these stakeholder groups, they can decide to withhold their resources on the condition that the firms adopt certain operational practices. For example, members of the community can withhold their land or labour, regulators can withdraw operational license and NGOs can organise "occupy" protests in the firms' facilities. Hence, drawing from the above discussions, the fifth hypothesis is stated as follow:

> H_5: Firms will implement waste and pollution control when subjected to collective withholding influence by external stakeholders.

3.3.3. Engagement Practices

Greenwood (2007) describes engagement as practices undertaken by organisations to include the legitimate stakeholders in their business activities. By involving the stakeholders, both the organisation and stakeholders mutually benefit from the scheme. Consequently, given the diverse stakeholder groups that now exist, engagement practices could be implemented in different areas of corporate activities such as employee relation, public relation, supplier relation, management accounting, etc. Hence, stakeholder engagement can serve as a tool for cooperation, accountability, and control. It provides a platform for stakeholders' participation in the organisations' wider sustainability strategies. By doing so, it enhances trust and fairness and provides a very vital mechanism for corporate governance. From the above discussions, the sixth hypothesis is stated as follow:

> H_6: Firms will implement stakeholder engagement programs when subjected to withholding influences by external stakeholders, for example, environmental groups.

3.3.4. Communication Practices

Mitchell et al. (2010) highlight a term called 'communication practice', which involves the reports that do not only focus on the company's financial performance but also on social and environmental aspects. These practices focus on communicating the actions taken by the company to mitigate social and environmental impacts of its activities. It is vital to the success of stakeholder management strategies as it provides relevant information to the stakeholders and helps shape the image and opinion, they have about the organisation's CSR practices. Companies have realised that implementing sustainability initiatives without communicating them will result in their efforts being ineffective and unsustainable (Zhu & Zhao, 2015; Mejri & De Wolf, 2012; Mitchell et al., 2010). Consequently, they adopt proactive communication strategies using different media such as the internet, brochures, social media and other means of advertising. Ideally, sustainability/CSR report is the main medium of communicating with the stakeholders. The above discussions lead us to the seventh hypothesis:

H_7: Firms will undertake sustainability reporting when subjected to usage influence by economic stakeholders.

Business partnership and trade association play an important part in enhancing CSR practices in an organisation. Several companies are in one partnership or another requiring them to adopt certain standards of sustainable policies, procedure and practices as the terms of business relationship (Raimi et al., 2015). Mert (2014) posits that business partnership has an influence on firms' CSR practices. Schwartz and Barel (2015) found that trade association serves as a catalyst for sustainable innovation process and establishing long-term sustainability practices. Trade associations play such roles such as assisting in the development of capabilities, creating awareness and providing information and knowledge. This discussion leads us to the final hypothesis in this study:

H_8: Firms develop sustainability policies when subjected to usage influence from partnership and associations.

4. Data and Method

With an aim to answer the research questions through testing our hypotheses (H_1 —H_8) institutional and stakeholder influence on Oil firms' sustainability practices, we collect primary data through questionnaire survey, and managers' perception data through informant interviews. We administer questionnaire surveys in the three-major oil-producing states in the Niger Delta plus Lagos from May 2015 to April 2016. We asked thirty-six questions comprising company background (**Appendix A1**: Section A), institutional and stakeholder pressures (**Appendix A1**: Sections B), and sustainability practices (**Appendix A1**: Section C) to each respondent. The questionnaires were administered personally to the managers of the oil companies. The size of the companies was considered in determining how many questionnaires administered to each company. For instance, small-sized companies received one while medium and large companies received two-three questionnaires respectively. To be more precise, we target the managers who were in the stakeholder management related positions. Consequently, managers in the following positions were sought during questionnaire administration: Managing Director/CEO, CSR/HSSE Manager, Operational Manager, Public Relations Manager, Community Liaison Officer, Chief Sustainability Officer, etc. In some instances, other members of the managerial team contributed to correcting or affirming the responses made by the selected manager(s). This helped in reducing missing data as well as validate the responses provided by the respondents. In general, the questionnaire administration lasted between 15 to 25 minutes except in cases where the respondents needed more explanations from the field workers or when the researcher observe the willingness of the respondents to provide more information beyond the questions contained in the questionnaire. A total of 1250 questionnaires were distributed in the three-major oil-producing states in the Niger Delta (e.g. Rivers Delta, Akwa Ibom, and Bayelsa) plus Lagos. In the end, 353 questionnaires were duly completed and returned leaving the researcher with a 28% return rate and 25% effective questionnaire rate. The questionnaire was designed by following relevant principles/steps. Step 1: Decide what sort of information is required. This way my starting point where I referred to the research proposal and made list of all the objectives and carefully decided the right information to be included in the questionnaire. Step 2: I made rough listing of the questions to decide what question could go into the design. Step 3: I refined the question by phrasing and rephrasing them to make them as comprehensible as possible. Step 4: Develop appropriate format. I developed a pre-coded format to ensure that the respondents provide the answer that can easily be analysed quantitatively. Step 5: The questions in appropriate sequence. The questions were ordered to bring logic and flow to the questionnaire. Step 6: I pretested and revised the questionnaire. This was done by carrying out pilot survey involving 20 participants. This helped to identify the flaws and make amends.

We also deploy informant interviews to complement the questionnaire survey. The questions were designed to elicit free responses from the respondents. Some of the themes raised during the survey and other broader themes, which the researcher considered very useful in addressing the research questions were included in the informant interview questions. The interviews were semi-structured and were made up of twelve questions, including company backgrounds, CSR strategy and implementation, stakeholder pressures/influences and the role of the government (see **Appendix A2**). A total of twenty-one interviews were conducted, three were inconclusive and were rejected, which led to eighteen complete interviews. A mixed-method approach is adopted for the data analysis. We perform the regression analysis for the survey data and the thematic analysis of interview data by using NVivo 11.0.

Validity and Reliability

First a descriptive analysis is performed and the measurement scales (reliability and validity) are validated. For the analysis of internal consistency, the calculation of the correlation coefficients of Pearson item-total was used (the correlation between the items should exceed 0.3 according to Nunnally (1979) and Cronbach's alpha, where alpha must be greater than 0.7 or 0.8 for confirmatory studies. Secondly, an exploratory factor analysis (EFA) with varimax rotation was carried out to identify the dimensionality of the scale's motivations. This process allowed to group the items of each of the concepts and to know their structure. The varimax rotation method was selected because it is one of the most used methods in those cases in which the data will be used in subsequent analyses. Finally, regression analysis was used for the purpose of comparing the working hypotheses. This analysis allows for analyzing the relationship between a dependent variable and its independent or predictor variables. The sign of the correlation coefficient β allows to know the direction of the relationship and the statistical F, the goodness of fit of the regression and the p-value (> or < than 1) indicates the degree of significance with the dependent variable. First, the underlying assumptions on which this analysis is based were verified.

5. Empirical Results

To assess the impact of institutional pressures and factors affecting withholding and usage influences on sustainability practices in Niger Delta oil industries in Nigeria, we analyse survey data and informant interviews by employing OLS regression and NViVO for thematic analysis. We try to design the sustainability practices that is unique to the oil industry. To ensure the construct is consistent with the practices obtained in the industry, oil and mining sector-specific sustainability indicators were obtained by reviewing the publications of international organisations such as WBCSD, UN Global Compact, IFC, OECD, GRI, etc. The variables were extracted by adopting Gonzalez-Benito and Gonzalez—Benito (2010) model of sustainability practices (i.e. the planning, organisational, operational, and communication). We added an item on engagement programs in the list to check the extent of oil firms' commitment to the above sustainability practices. The variables considered under planning and organisational are robust sustainability policies and operational procedures to control safety risks. For operational practices, gas emission reduction and waste and pollution control were considered. For communication practices, information on environmental and health risks of operation and publication of periodic sustainability reports are considered. Finally, stakeholder engagement included investment in social programs and stakeholders' participation in sustainability reviews as indicators[4].

Sharma (2000) and Sharma & Henriques (2005) suggest organization size is an

[4]Each of the participants was asked to indicate their company's commitment to the above indicators (1= not committed to 5 = very committed).

important control variable because larger organizations are argued to have greater resources and larger-scale operations, so they may be subject to greater public scrutiny and prompting greater social responsiveness. Accordingly, we consider number of employees as a proxy for firm size in the study.

To test the influence of institutional pressures on oil firms' sustainability practices, we adopt the key variables from DiMaggio & Powell (1983), Alford & Friedland (1991) and Lee (2011). We identify mimetic pressures (e.g. competitors' commitment to sustainability practices and competitors' successful sustainability model), coercive pressure (e.g. social expectation and political mandate), and normative pressures (e.g. networking among employees and employees background and experiences) as the three key factors for institutional pressures via factor analysis. These three factors showed large positive eigenvalues: 2.821, 1.825 and 1.135 (see **Appendix A3B**). With the varimax rotation, the three factors account for 72.3% of the total variance. The regressions results are reported in **Table 1**.

We also identify three key factors for stakeholders' withholding influence via factor analysis. These factors are: regulators withdrawing operational license (e.g. regulators awarding fines against company), environmental groups protest at company's facilities (e.g. environmental group disrupting the operation of the

Table 1. Relationship between institutional pressures and sustainability practices.

	Proxies for Sustainability Practices							
Variables	(Model 1) Sustainability policies	(2) Clearly written operational procedures to control safety risks	(3) Investment in gas emission reduction technology	(4) Implementing waste & pollution control system	(5) Stakeholder engagement programs	(6) Stakeholder participation in sustainability reviews	(7) Clear information about environmental and health risks of operations	(8) Periodic publication of sustainability reports
Intercept	1.554*** (3.739)	3.675*** (13.472)	2.223*** (5.477)	3.792*** (11.745)	1.74*** (11.745)	1.731*** (4.188)	4.075*** (12.534)	1.293*** (2.721)
Company size	0.125*** (3.754)	0.056** (2.567)	0.129*** (3.966)	0.091*** (3.519)	0.179*** (5.54)	0.071** (2.152)	0.093*** (3.550)	0.195*** (5.129)
Mimetic isomorphic pressure	0.278*** (4.479)	0.04 (0.98)	0.171*** (2.826)	0.038 (0.791)	0.235*** (3.912)	0.204*** (3.302)	0.010 (.213)	0.249*** (3.511)
Coercive isomorphic pressure	0.032 (0.496)	0.077* (1.804)	0.066 (1.037)	0.028 (0.558)	0.057 (0.907)	0.028 (0.427)	0.026 (0.516)	0.014 (0.184)
Normative isomorphic pressure	0.241*** (4.455)	0.093*** (2.613)	0.151*** (2.857)	0.056 (1.332)	0.154*** (2.943)	0.165*** (3.068)	0.018 (.416)	0.224*** (3.633)
N	353	353	353	353	353	353	353	353
R^2	0.218	0.069	0.138	0.061	0.211	0.113	0.046	0.208

Note: T-values are given in the parentheses. Asterisks *, **, and *** denote significance at less than 1, 5, and 10 percent levels respectively.

company), and local communities protest at company's facilities (e.g. local communities disrupt the operation of the company, environmental group releasing reports to media, and environmental group lobbying lawmakers). These three factors showed large positive eigenvalues: 3.736, 1.892, and 1.143. With the varimax rotation, the three factors accounted for 75.2% of the total variance as shown in Appendix A4B. The regression results are reported in Table 2.

In the same way, we identify three key factors for stakeholders' usage influence via factor analysis. The key factors are customers demand sustainable product (e.g. customers demand sustainable corporate practices, and shareholders demand sustainable corporate practices), local communities' participation in environmental reviews (e.g. environmental groups participation in environmental reviews), and business partners demand sustainable practices (e.g. the membership of trade associations). The three factors were categorised as direct usage influence from economic stakeholders, indirect usage influence from noneconomic stakeholders and collective usage influence. The result shows that three factors emerged with large positive eigenvalue: 3.064, 1.466 and 1.273. With varimax rotated, the three factors accounted for the total variance of 64.5% (See **Appendix A5B**). The regression results are reported in Table 3.

Table 2. Relationship between withholding influence and sustainability practices.

Variables	Proxies for Sustainability Practices							
	(1) Sustainability policies	(2) Clearly written operational procedures to control safety risks	(3) Investment in gas emission reduction technology	(4) Implementing waste & pollution control system	(5) Stakeholder engagement programs	(6) Stakeholder participation in sustainability reviews	(7) Clear information about environmental and health risks of operations	(8) Periodic publication of sustainability reports
Intercept	2.372*** (6.65)	4.002*** (17.76)	2.378*** (7.107)	3.375*** (12.882)	1.872*** (5.613)	1.532*** (4.614)	4.057*** (14.833)	1.893*** (4.815)
Company size	0.122*** (3.483)	0.053** (2.398)	0.129*** (3.91)	0.079*** (3.065)	0.155*** (4.704)	0.034 (1.053)	0.065** (2.429)	0.17*** (4.387)
Withholding influence from regulators	−0.02 (−0.353)	0.028 (0.758)	0.043 (0.796)	0.053 (1.257)	0.06 (1.115)	−0.002 (−0.039)	−0.029 (−0.656)	−0.107* (−1.68)
Withholding influence from environmental groups	0.057 (1.141)	0.026 (0.824)	−0.008 (−0.173)	−0.037 (−1.005)	0.008 (0.179)	−0.021 (−0.45)	0.071* (1.861)	0.025 (0.446)
Collective withholding influence	0.311*** (4.027)	0.072 (1.477)	0.311*** (4.294)	0.213*** (3.751)	0.37*** (5.122)	0.504*** (7.014)	0.053 (0.897)	0.453*** (5.326)
N	353	353	353	353	353	353	353	353
R^2	0.172	0.057	0.160	0.103	0.225	0.196	0.068	0.234

Note: T-values are given in the parentheses. Asterisks *, **, and *** denote significance at less than 1, 5, and 10 percent levels respectively.

Table 3. Relationship between usage influence and sustainability practices.

Variables	Proxies for Sustainability Practices							
	(1) Sustainability policies	(2) Clearly written operational procedures to control safety risks	(3) Investment in gas emission reduction technology	(4) Implementing waste & pollution control system	(5) Stakeholder engagement programs	(6) Stakeholder participation in sustainability reviews	(7) Clear information about environmental and health risks of operations	(8) Periodic publication of sustainability reports
Intercept	1.078*** (4.039)	3.733*** (20.214)	1.762*** (6.727)	3.354*** (15.595)	1.674*** (6.217)	1.109*** (4.752)	3.673*** (16.837)	0.354 (1.17)
Company size	0.039 (1.166)	0.028 (1.227)	0.079** (2.392)	0.056** (2.08)	0.117*** (3.446)	0.031 (1.056)	0.052* (1.898)	0.095** (2.501)
usage influence from economic stakeholders	0.425*** (7.995)	0.116*** (3.147)	0.075 (1.435)	0.091** (2.119)	0.287*** (5.349)	0.059 (1.279)	0.188*** (4.339)	0.435*** (7.218)
usage influence from noneconomic stakeholder	0.159*** (3.268)	0.075** (2.219)	0.297*** (6.225)	0.172*** (4.388)	0.196*** (4.001)	0.567*** (13.338)	-0.029 (-0.735)	0.178*** (3.222)
Usage influence from partnership & associations	0.151*** (2.638)	0.028 (0.697)	0.214*** (3.827)	0.014 (0.298)	0.047 (0.821)	0.025 (0.495)	0.018 (0.39)	0.192*** (2.974)
N	353	353	353	353	353	353	353	353
R^2	0.326	0.095	0.25	0.133	0.268	0.412	0.107	0.336

Note: T-values are given in the parentheses. Asterisks *, **, and *** denote significance at less than 1, 5, and 10 percent levels respectively.

Our H_1 predicts that institutional isomorphic pressures have an impact on CSR practices, but it was not fully supported by the regression results in Table 1. While company size, mimetic and normative isomorphic pressures show significant impacts on sustainability policies (as shown in Table 1, T-values are 0.125, 0.278 and 0.241 at 10 percent level), the coercive isomorphic pressure does not have a significant impact on CSR practices. These results show that firms tend to mimic competitors with more successful sustainability policies. The experience of employees and their information sharing network with colleagues within and outside the organisation might help the successful outcome too. However, company size and normative isomorphic pressure show significant impact on clearly written operational procedure to control safety risks (as shown in Table 1, T-values 0.056, 0.093 at 5, and 10 percent significance level respectively), mimetic isomorphic pressures do not show any significant impact. For the investment in emission reduction technology, company size, mimetic and normative isomorphic pressures show significant impacts (T-values 0.129, 0.171, 0.151 at 10 percent significance level respectively), while coercive isomorphic pressures do not show any impact.

However, the isomorphic pressures do not help implement waste and pollution control system, but firm size does. Interestingly, all other isomorphic pressures and company size affect stakeholder engagement practice except coercive isomorphic pressure. Similarly, stakeholder participation in environmental reviews was influenced by company size, mimetic and normative isomorphic pressures, but coercive isomorphic pressures do not show any impact. Clear information about environmental and health risks of operation was not impacted by any of the isomorphic pressures but by company size. Nonetheless, periodic publication of CSR report was influenced by company size, mimetic and normative isomorphic pressures, but not by coercive isomorphic pressure.

In general, the regression results in **Table 1** show that mimetic and normative isomorphic pressures had significant influence on one or more forms of CSR practices. However, the coercive pressure has no impact on either CSR practices except a low-level significance for clearly written operational procedure to control safety risks. In other words, none of the CSR practices was influenced by coercive isomorphic pressures significantly. This is probably because the political mandate, cultural expectation and legal pressures which make up the coercive isomorphic pressures are still in their early developmental stage in the country and hence, it does not exert institutionalised pressures on the firms' CSR practices. One can argue that weak institutions/institutional voids may be one of the reasons too (see Wang et al., 2019; Welbeck, 2017; Gao et al., 2017; Amaeshi et al., 2014). Thus, H_1 is failed to be rejected because all institutional isomorphic pressures do not affect firms' CSR practices.

In H_2, we predict that firms will implement stakeholder engagement programs in response to withholding influence from stakeholders. Neither withholding influence from the regulators nor the withholding influence from the environmental groups had an impact on this type of practice and hence, H_2 is rejected. However, the result shows that company size and collective withholding influence have impact sustainability practices (see **Table 2**). This result supports the idea that stakeholders who are not resource-interdependent with a firm can indirectly influence their sustainability practices by partnering with stakeholders who have resource interdependent relationship (Sharma & Henriques, 2005). The results also indicate that environmental groups that do not have resource dependent relationship with the firms engage with the media through the release of damaging reports of the firms' activities. These groups also exert their influence by lobbying lawmakers to use their positions to press the firms to implement sustainable development programs they consider useful to the community. The firms size impact interprets that the larger the firm, the greater the use of stakeholder engagement programs in its CS strategy to manage reputational risks, indicating the level of scrutiny the firm faces from both local and international stakeholders.

In H_3, we predict that firms will develop sustainability policies when subjected to withholding influences from regulators. We find that company size and collective withholding influence from the community and environmental stakeholders influence sustainability policies and planning (see **Table 2**). The influence of company size on the implementation of sustainability policies and planning might be connected to the fact that large companies are mostly IOCs and members of the international organisation, which are required in principle to develop sustainable policies and reporting systems. Thus, we reject H_3.

In H_4, we predict that firms will invest in gas emission control technology in response to usage influences from internal/economic stakeholders. Another influence on this type of sustainability practices come from company size. However, direct usage from economic stakeholders does not show any impact on sustainability practices. However, company size shows significant impact on sustainability practices, indicating that gas emissions, such as gas flaring usually come from large companies. Hence, the larger the company the more likely it will face different stakeholder pressures. The usage influence from noneconomic stakeholders could be direct or indirect. It is direct when stakeholders engage with the companies to influence them without going through a third party. However, when usage influences are not directed to the company but to other companies or customers, which are believed to have an influence on the company, it is considered indirect usage influence. Walker and Laplume (2014) note that environmental groups have actively participated in environmental assessment hearings to influence government agencies to deny renewal of leases on lands to firms. Environmental groups have also picketed large buyers and forced them to change their procurement practices so that they buy products only from companies that adopt sustainable practices. The regression result in **Table 3** show that usage influence from partnership and associations on gas emission control. Business partners have guiding principles that ensure JV partners adopt a level of sustainability practices a precondition for partnership. Similarly, trade associations have a set of requirements ensuring members follow certain sustainability blueprint to meet the terms of membership. Thus, we fail to reject H_4.

In H_5, we predict that firms will implement waste and pollution control when subjected to collective withholding influence from stakeholders. The regression results in **Table 2**, this withholding influence on implementing waste and pollution control system was confirmed. The collective withholding influence shows local community protest on company facilities and local communities disrupt the operation of the company both constitute local community withholding influence. Similarly, environmental groups releasing reports to the media and lobbying lawmakers constitute environmental group's withholding influence. Both have collective withholding influence on the implementation of waste and pollution control system by an organisation. Hence, H_5 is failed to be rejected which means that collective withholding influence impacts the implementation of waste and pollution control by firms.

In H_6, we predict that firms will implement stakeholder engagement programs when subjected to withholding influences from environmental groups. Our regression results show that direct withholding influences from regulators and indirect withholding influences from environmental groups did not have impact stakeholder engagement programs. The impacts rather came from collective withholding influence from local communities and environmental groups. Company size also impacted this type of sustainability practice and hence, H_6 is rejected.

In H_7, we predict that firms will undertake sustainability reporting practices when subjected to usage influence by economic stakeholders. The regression results in **Table 3**, we show that usage influence from economic stakeholders has an impact on sustainability reporting. Customers' usage influence strategies include demanding for sustainable products as well as sustainable corporate practices. Similarly, shareholders' usage influence strategies include demanding information on sustainable corporate practices. Company size, usage influence from noneconomic stakeholders and usage influence from partnership and associations also showed an impact on sustainability reporting. Thus, we fail to reject H_7.

In H_8, we predict that firms will develop sustainability policies when subjected to usage influences from partnership and associations. Our regression in **Table 3**, other usage influences that showed an impact on sustainability policies come from economic and noneconomic stakeholders. Company size did not show any impact. This is not surprising as both small and large oil firms develop sustainability policies as part of their MoU with the host communities. Large oil firms also require smaller firms to develop sustainability policies that align with them as part of the JV partnership. Moreover, membership of trade associations offers all member firms access to sustainability information and require members to incorporate them into their respective sustainability strategies and hence, H_8 fails to be rejected.

5.1. Interview Data Analysis

As we indicate earlier, informant interviews were deployed to complement the questionnaire survey. The questions were designed to elicit free responses from the respondents. Some of the themes raised during the survey and other broader themes, which the researcher/interviewer considered very useful in addressing the research questions were included in the informant interview questions. The interviews were semi-structured and were made up of 12 questions bothering on the company background, CSR strategy and implementation, stakeholder pressures/influences and the role of the government (See **Appendix A2**).

This research adopts Braun and Clarke (2006) six-phase guide for thematic analysis. To become familiar with the data, the interview data collected from the 18 participants were carefully read and re-read few times by the researchers. This helped to gain in-depth understanding of the transcripts. Rough notes were made, and early impressions identified. In the course of this exercise, initial codes were generated and 23 preliminary themes emerged: company background, CSR perception, CSR initiatives, CSR drivers, stakeholder influence, institutional pressures, challenges to CSR implementation, stakeholders, stakeholders' responsibility, environmental impacts, environmental impact mitigation, stakeholder engagement strategies, government roles, corruption, business reputation, local economy development, sustainable development programs, peaceful coexistence, sociocultural expectation and renewable energy.

The preliminary themes were reviewed to find out if the data collected support them. During this exercise, some codes were found to be similar to the codes in other themes. Consequently, the preliminary themes were clustered into broader themes and linked to the interview questions. The researcher adopted lean coding approach suggested by Creswell (2007) and linked the textual references condensing them into eight main themes. The 23 initial themes were pruned down to 8 themes: company background, CSR perception, CSR drivers, corporate-stakeholder relationship, stakeholder influences, SD Problems, challenges to CSR implementation, and sustainability practices.

5.1.1. CSR Perception

This theme helps to understand managers' perception of the meaning of CS and area in which companies have focused their CS strategy. In **Figure 3**, the data show that the meaning of CS is perceived differently by managers. The strongest indication is from 28.6% of the participants who view CS as a vehicle to foster effective community relationship, this is, the social side of sustainability management. These managers perceive CS as platform through which they "develop sound and lasting relationship with the host communities" with the aim of achieving "peaceful operating environment". Four participants (19%) perceive CS as an instrument to enhance sustainable development within the host communities. This group see CS as an "integral part of long-term sustainability strategy".

Similarly, 19% of the participants describe CSR to mean giving back to the society in a way of social investment. Three participants (14.3%) describe CSR to mean achieving corporate citizenship status within the society. This group believes companies should be "responsible and accountable corporate citizen" and CSR serves as a vehicle for achieving it, this can be seen as a way of getting operation license through CSR practices. Another 14.3% of the participants describe CSR as a tool for governance and compliance. These managers hold that while CSR as a community development tool is important in addressing their

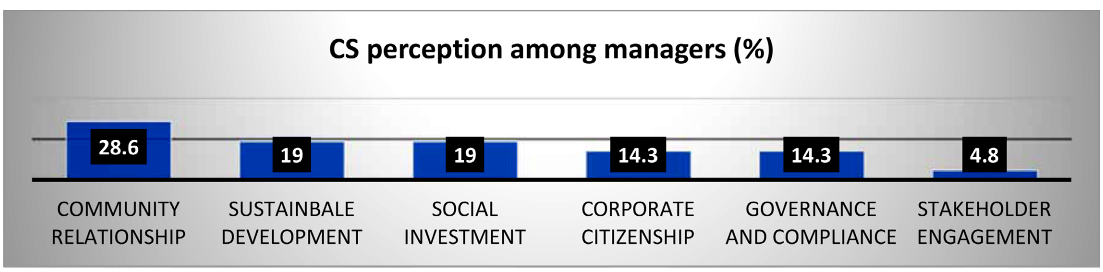

Figure 3. The meaning of CS as perceived by managers.

relationship with the host communities, CSR as governance and compliance tool addresses their "relationship with government and its agencies". 4.8% of the participants view CSR from stakeholder engagement perspective. This group perceives CSR as a means of carrying all the relevant stakeholders along ensuring they both share mutual benefits from the company's operation.

5.1.2. CSR Drivers

CSR drivers are different factors that could be internal or external and has influence in the development of CSR policies and implementation within the companies. In the data analysis, the initial textual elements were clustered to derive subthemes, which represent six main factors that drive CSR in companies. As shown in **Figure 4**., they include: stakeholder pressures (33.3%), creating business values (18.5%), the influence of leadership (14.8%), corporate values and cultures (14.8%), desire for a peaceful operating environment (11.2%) and other environmental and external forces (7.4%). This result shows that the internal and external drivers of CSR within the surveyed companies are almost equally split. The researcher identifies creating business values, the influence of leadership and corporate values and culture, which constitute 48.1% as internal drivers while stakeholder pressures, desire for peaceful coexistence and other external forces which constitute 51.9% as external drivers.

In most companies, what drives CSR is a combination of many factors. The above results also show that CSR is broadly driven by social and economic or business factors. This result confirms the existing divide within CSR discourse between the business case school of thought (Grossman, 2005; Ronnegard & Smith, 2010) and accountability school of thought (Orlitzky et al., 2011; Plessis & Grobler, 2014). For example, in responding to question on what drive CSR in his company, RMIOC2-DO3 stated:

> We are much more concerned of our brand than any other thing. And there are behaviours that put that brand at risk. As a marketing and services company any damage to our reputation could undoubtedly be costly. It is that desire to see the company to excel leveraging its years of commitment in managing its stakeholders that drives its sustainability behaviours. Another thing I think is a motivating factor is performance. Most marketing businesses are relationship focused; good relationship with the stakeholders

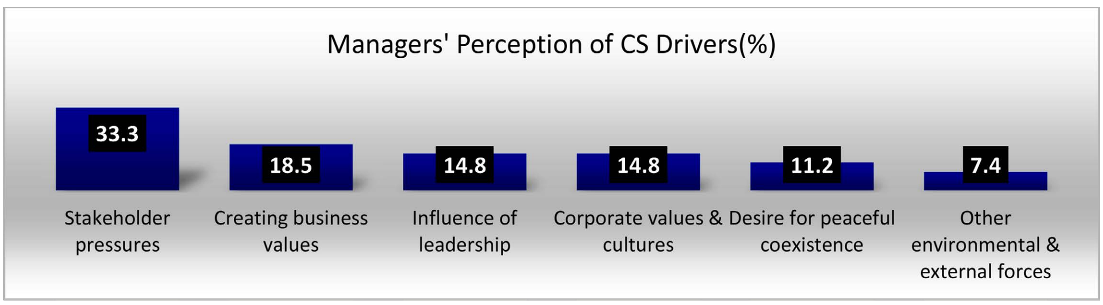

Figure 4. Managers' perception of factors which drive the implementation of CSR.

> guarantees performance. Take for example your customers, they needed to establish trust on your products if they must continue to buy them. We have customers in mind when we sign into different trade associations that promote responsible business conduct.

Another important finding shows that there is link between the managers' perceptions of CSR and what they consider are the drivers of their companies' CSR strategies. In addition, both have an influence on the type of CSR framework adopted by the companies. For example, participants who perceive CSR as an instrument for managing stakeholder relationship believe that CSR is driven by stakeholder pressures; those who perceive it as a tool for achieving corporate governance and compliance consider influence of leadership as drivers; those who perceive it as a means for achieving corporate citizenship consider corporate culture and values as the drivers. Hence, the perception of CSR and its drivers goes a long way to determine the approach of the companies to CSR.

5.1.3. Corporate-Stakeholders Relationship

This theme seeks to identify stakeholders the participants consider to be salient to their business operation. It also investigates the nature of the firms 'relationship with them. Analysis of the data shows that participants identify the following as relevant stakeholder group in Nigeria oil industry: 1) government and regulatory agencies, 2) host communities 3) JV partners 4) contractors, 5) NGO, 6) civil society, 7) customers, 8) employees, 9) shareholders, 10) trade associations and 11) media. The textual elements were condensed into similar stakeholder groups to reduce the number of stakeholder groups identified. The data analysis shows that 25.1% of the responses indicated government and regulatory agencies as major stakeholders while 22.5 indicated host communities. 17.5% of the responses indicate JV partners and contractors as major stakeholders while customers were identified as major stakeholders with 8.8% of responses and NGO/civil society recorded 6.8%. Other stakeholders identified by the participants are employees, shareholders, trade associations and media with 5%, 4.4%, 4.4%, and 2.9% respectively.

Most of the respondents stated they have had a good relationship with their stakeholders, but some have had degrees of challenges. Eight participants (44.4%) used language indicating a positive relationship between the stakeholders and their companies; four (22.2%) used language indicating a negative relationship with stakeholders while six participants (33.3%) used language indicating lack of trust between them and the stakeholders (see **Figure 5**).

It is important to note that some participants identify some stakeholders as important to their operation while others do not. For example, RMLOC1-SP1 did not identify NGOs as relevant stakeholders and provided this explanation:

> I don't have any relationship so far with any NGO. I have not even been part of them because most NGOs in Nigeria, some of them are… set up just to get money from some donors and they stay in the best hotels and enjoy themselves.

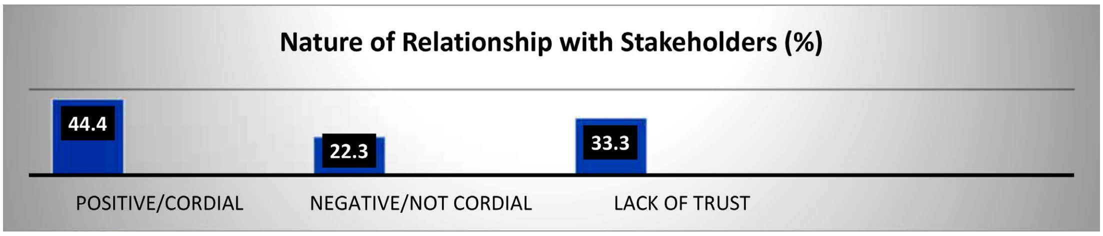

Figure 5. Managers' perception of the corporate-stakeholder relationship.

Contrarily, other respondents did not want to categorise stakeholders as major or minor, important and unimportant and so on. One of these respondents is RMIOC2-DO3. Responding to a question on identifying their major stakeholders, he stated:

> We consider everybody or group important to our business as stakeholder. Customers, communities, suppliers, government agencies, regulators, shareholders, employees, civil society the media and business partners are all our stakeholders. We divide our stakeholders into two groups. That is whether they are internal stakeholders or external. Employees are internal, shareholders are internal, suppliers too are internal, but all other ones are external. This differentiation is important because it helps in developing effective engagement strategies.

5.1.4. Stakeholder Influences

This theme provides insights into the participants assessment of stakeholder influences on the CSR strategies of their companies. Participants described different types of influence depending on lenses through which they look at them. Some of their description include: positive and negative influence, coercive and passive influence, as well as direct and indirect influence. Analysis shows that stakeholders identified by the participants as more relevant are also considered to exert greater influence than the others. Local communities are considered to exert higher influence than other stakeholders. Six participants (27.7%) identify local communities as exerting a huge influence on the companies' CSR strategy. The influence tool indicated by the participants include GMoU, protest, picketing, petitions and litigation, asset vandalization and other social vices. 16.7% of the participants indicated JV partners as possessing influence on their CSR strategy. According to RMLOC7-UP3:

> For our JV partners, they want to know what your CSR strategies are. They want to know how you will manage all other stakeholders and reduce the impact of your operation before going into the partnership. This is because what affect you can affect them. If they think what you are doing can potentially cause damage to their reputation, they can withdraw.

Influence tools participants indicated JV partners employ to influence them include demand for EIA policy framework, demand to attain acceptable operational standard, MoU, withdrawal from partnership and termination of contract.

Government and regulatory agencies are another stakeholder group that was indicated to possess a huge influence by the respondent. 16.7% indicated that government influence them through practices such as enacting new oil and gas law and regulatory oversights (which includes granting/withdrawing operational licences, fines and public policy on trade and environments). Other stakeholders indicated to have significant influences on the companies include NGOs (11.1%), customers (11.1%), international regime (11.1%) and employee (5.6%).

Findings suggest that managers perceive the influences of the NGO and community stakeholders as being driven by the following factors: 1) The proximity between the oil companies and the stakeholder groups, 2) The use of compensation as a tool to reduce the impact of an operation, 3) The perception that the companies have the financial ability to address their development needs, 4) The need for increased community participation in the oil business, 5) Long neglect by the government and feelings that pressures on oil companies could get the government to listen to the communities. The above findings differ from the findings by previous researchers such as Frynas (2005) which linked community stakeholders' demand for CSR practices largely to the failure of successive governments in Nigeria. However, these findings are consistent with Ebegbulem et al. (2013) and other CSR literature.

Nair and Ndubisi (2011) observed that stakeholder influences are employed as means to pressure the companies to mitigate the impact of their operations on their host communities. Six participants (35.35%) identified drilling and excavation as the activities within their respective companies that have an impact on the environment and social lives of the host communities. Most of the participants who identify drilling and excavation as the operation that may impact the environment and the society are from the service provider category. Exploration and mining were identified by five participants (29.4%) as another operational activity that impact the environment and people. Most of these participants who identify exploration and mining as their major activity that has an impact on the environment and people are from the upstream category. Four participants (23.5%) from the downstream category identified crude processing as the main activity of their company that impacts the environment and the local community while two participants (11.8%) identify their companies' impact as oil facility installations.

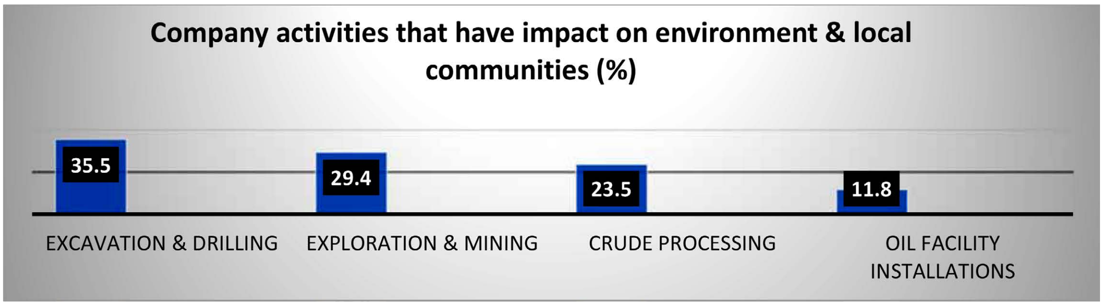

Figure 6. Managers' perception of operational activities that may impact the environment and lives of the local communities.

RMIOC1-UP6 notes that operations that have impact on environment and the lives of the local communities are not specific to one oil company but are carried out by most of the oil companies. He describes these operations as follow:

> Some of the operations are seismic operations which is commercial surveying of an area for oil deposit. It could be offshore or onshore. Others are oil and gas field developments onshore, near-shore, offshore and deep offshore, laying of crude oil and gas delivery flowlines/pipelines, hydrocarbon processing facilities, which includes oil refineries and petrochemicals liquefied natural gas, gas condensate plants and blending plants, product filling stations, construction of product depot, construction of waste treatment and/or disposal facilities, dredging activities, etc.

The data was evaluated to identify the participants' perception of the nature of these impact on the environment and lives of the local communities.

5.1.5. Combination of Institutional and Stakeholder Pressures on CSR Practices

Findings show that the firms' size is the most important variable with the highest influence on CSR practices. The larger the firm the more likely that it will take CSR very seriously as it is faced with increased scrutiny from both local and international stakeholders as well as the institutional forces. Most NGOs such as Amnesty International and Centre for Environment, Human Rights and Development (CEHRD) have focused on IOCs and released reports that have indicted some companies for gross environmental pollution in Niger Delta (Amnesty International, 2015). The focus of NGOs on large firms was emphasized by RMLOC1-SP1 while responding to question about their influence:

> They do have some influences at least drawing the attention of government to certain things and also putting the international oil companies at their toes when it comes to environment. If you look at that also you see that there are other areas. You know, it is very easy to attack the oil majors because of their visibility.

The result also shows that managers perceive institutional pressures – mimetic and normative isomorphic pressures in particular—to have an influence on sustainability practices (see **Appendix 9**). However, the level of influence is observed to be high in some specific sustainability practices but limited in others. Only coercive isomorphic pressures were not perceived to show any impact at all. This means that none of the sustainability practices was influenced by coercive isomorphic pressures. This is probably because the political mandate, cultural expectation and legal pressures which make up the coercive isomorphic pressures are still in their early developmental stage in the country (Manasseh et al., 2014) and hence do not exert institutionalised pressures on the firms' sustainability practices. Another factor is the prevailing institutional voids within the emerging markets like Nigeria (Khanna & Palepu, 2010; Matten & Moon, 2008). Mimetic isomorphic pressures emanate from competition among firms within the same sector which leads to firms with successful strategies being mimicked by other firms. The study found that different types of business relationship within Nigeria oil industry encourage mimicking. An example is JV partnership—encouraged by the Nigerian Government through its Local Content Policy—where smaller LOCs are partner with larger IOCs to execute some oil prospecting and mining contracts. The partnership ensures that company with larger stakes encourages partners to adopt its sustainability models or improve its sustainability practices to the level conformable to the company's standard. Another form of business relationship such as subcontracting encourages companies to mimic the sustainability strategies of their clients.

The study shows that most companies' sustainability practices in Niger Delta focus on emission, waste and pollution control (spillage, greenhouse emission and gas flaring) which shows that sustainability practices in Nigeria are largely at the early stage. According to Sharma and Henriques (2005: p. 175), early-stage sustainability practices focus on such practices such as "pollution control and eco-efficiency" required to comply with regulations. Even at this stage, many companies do not have comprehensive policies that show that they are complying with the minimal regulatory requirements. Stakeholder influences (usage and withholding) are primarily directed at companies to ensure that they comply to the early-stage sustainability practices such as sustainability policies, control of safety risks, gas emission control, waste and pollution control, stakeholder engagements and sustainability reporting. This study deviates from Sharma and Henriques (2005) in which they found that stakeholder influences were directed at companies in the Canadian Forestry Industry to implement advanced stage sustainability practices such as eco-design. Most companies in the Niger Delta are yet to invest in advanced stage sustainability practices such as ecosystem stewardship, eco-design, and renewable energy most of which requires huge investment and change in business model to implement.

On the stakeholder influence on individual sustainability practices, an interesting finding shows that stakeholder group may not independently influence stakeholder engagement sustainability practice. The influence of regulators on this sustainability practice was limited. Similarly, the influence of environmental stakeholder group was limited too. However, there was a collective influence of the two stakeholder groups (community and environmental stakeholders), implying that it is necessary for two stakeholder groups to collaborate with each other to build a synergy that will help them have maximal influence. The finding is in line with Airike et al. (2016) which found out that in an environment with diverse stakeholder groups, stakeholder collaboration is important in addressing stakeholder engagement problems. In addition, Sharma and Henriques (2005) state that stakeholders who are not resource-interdependent with a firm can indirectly influence their sustainability practices by collaborating with stakeholders who have resource interdependent relationship the firm (see **Figure 1**). In Appendix 10, the result shows that environmental groups which do not have resource dependent relationship with the firms engaged with the communities to release damaging reports of the firms' activities to the media. They also wielded their influence by lobbying lawmakers to use their positions to press the firms to implement sustainable development programs they consider useful to the community. RMIOC5-UP5 holds a similar view in his emphasis on the collaboration between two stakeholder groups to ensure maximal influence:

> The community-based NGOs partner with members of the communities to press companies on assurances in the protection of human rights of the indigenous people and increase in CSR investments within the communities. Some campaign for transparency and accountability.

On the stakeholders' influence on the firms' sustainability policies, the study found that regulators' withholding influence did not have an impact. This lack of influence from regulator was supported by some of the participants during the interview section. RMIOC2—argues that although the major role of government is to make laws, "government do not make laws on how we conduct all our CSR". Similarly, RMLOC11 states thus: "government influence here is zero. There is no government presence here and we don't see how they can influence us. The regulators too, we don't see them, and we don't think they have any influence on us". The lack of influence from the regulator appears to have a link with the institutional corruption within government agencies in Nigeria. For example, RMLOC7-UP3 notes that "institutional corruption is still deep not just in DPR but in other government agencies. Cases of bribery are still common". This result supports the study by other researchers such as Idemudia & Ite (2006), Ogula (2012), and Ibe et al. (2015) which linked the ineffectiveness of government and its agencies in managing environmental problems in Nigeria's oil sector to corruption. Nonetheless, the ineffectiveness goes beyond corruption; other factors include poor funding of these agencies, bureaucracies resulting to duplication of roles, conflict of jurisdiction, etc.

Company size and collective usage influence from the community and environmental stakeholders were the only impacts on the sustainability policies. The influence of company size on the implementation of sustainability policies and planning might be connected to the fact that large companies are mostly IOCs and members of the international organisation, which is required to develop sustainable policies and reporting systems. The finding supports a similar study by Hörisch et al. (2015) in which it found that smaller companies are less likely to adopt sustainability practices than large companies. The impact of collective usage influence from the community and environmental stakeholders again buttresses the fact that it is important for two stakeholder groups to collaborate with each other to build a synergy that will influence the adoption of sustainability practices by firms.

Another interesting finding is that economic stakeholders (customers and shareholders) did not have an influence on the company's investment in gas emission control. This result underscores the lack of customer awareness prevalent in Nigeria and other low-income countries. In addition, the participants in the interview section did not recognise customers and shareholders as major stakeholders. Only 13.2% of the participants recognise both as a stakeholder in Nigeria oil industry. The reason for this might be linked to the composition of Nigeria oil industry where oil businesses are dominated by IOCs whose investors and customers are mostly foreign based. Although several researchers agree that shareholders can exert a huge influence on organisations through shareholder advocacy or shareholder proposals, Serafeim (2016) argues that their (shareholders') focus is on the "financially material issues". Hence, sustainability practices not considered financially viable by the shareholders are usually ignored. The control of gas emissions such as GHG emissions and gas flaring have been shown to be costly (Ede & Edorkpa, 2015). Therefore, economic stakeholders may not consider these practices attractive as the cost will subsequently be transferred to them. However, economic stakeholders were found be exert influence on other forms of sustainability practices such as sustainability reporting. The hypothesis which predicts that firms will undertake sustainability reporting practices when subjected to usage influence by economic stakeholders was supported. Customers' usage influence strategies include demanding for sustainable products as well as sustainable corporate practices. Similarly, shareholders' usage influence strategies include demanding information on sustainable corporate practices.

The findings reveal that external/noneconomic stakeholders (local communities and environmental groups) influence the sustainability practices of investing in gas emission control. This type of influence could be direct or indirect. Walker and Laplume (2014) note that environmental groups have actively participated in environmental assessment hearings to influence government agencies to deny renewal of leases on lands to firms. Environmental groups have also picketed large buyers and forced them to change their procurement practices so that they buy products only from companies that adopt sustainable practices. Another finding shows that business partnership and trade associations can influence gas emission control sustainability practices. This finding is consistent with Mert (2014) who suggested that business partnership has an influence on firms' sustainability practices. Trade associations have a set of requirements ensuring members follow certain sustainability blueprint to meet the terms of membership (Sharma & Henriques, 2005). Business partners have guiding principles that ensure the partnering firm adopt a level of sustainability practices a precondition for partnership. RMLOC5-DO1 describes how business partnership exert influence on the sustainability practices of his firm as follow:

> Joint venture partners and contractors who want to protect the image of their companies also demand high degree of transparency and responsible practices as preconditions for partnership or contracts.

Influence tools participants indicated JV partners employ to influence them include demand for EIA policy framework, demand to attain acceptable operational standard, MoU, withdrawal from partnership and termination of contracts.

Similarly, the findings show that local communities and environmental groups has collective withholding influence on waste and pollution control practices. The local community influences proxied environmental groups' influences. Hence, collective withholding influence shows that local community protest on company facilities and local communities disrupt operation of the company both constitute local community withholding influence. Similarly, environmental groups releasing reports to the media and lobbying lawmakers constitute environmental group's withholding influence. Both local communities and environmental group exert collective withholding influence on the implementation of waste and pollution control system by organisation.

Furthermore, an interesting finding shows that environmental groups (NGOs) did not have an influence on stakeholder engagement practices. The hypothesis that predicts that firms will implement stakeholder engagement programs when subjected to withholding influences from environmental groups was not supported. The results show that direct withholding influences from regulators and indirect withholding influences from environmental groups did not have impact stakeholder engagement programs (see Table 2). The impacts rather came from collective withholding influence from local communities and environmental groups. Describing how local communities influence firms' engagement practices, RMLOC2-SP2 stated:

> They could also put some juju and palm leaves to cover your gate. Then they bring in drums and traditional musical instruments to dance and protest. The significance of that is that when they relocate their deity to their gate, to relocate it back you must pay some fines and secondly, you must pay them for the number of days they have spent protesting including the bill for their eating and drinking. Thirdly, after that you would then sit down to negotiate with them to pay what you are supposed to pay.

Another very interesting and important finding is that while company size is important in shaping most aspects of early-stage sustainability practices (waste and pollution control, emission control, health and safety procedures), it does not necessarily influence advanced stage practices such as sustainability leadership and investment in alternative/renewable energy. Most early-stage sustainability practices are not voluntary; there are set regulatory guidelines for firms or legal provisions, which require firms to implement these practices. However, advanced sustainability practices are mostly voluntary. Firms implement them based on different motivational factors such as creating business values, upholding corporate values and cultures, leadership influence, etc. Smaller companies appear to have shown leadership in developing effective sustainability policies, sustainability reporting and implementing more effective stakeholder engagement mechanism than larger ones.

The finding shows that sustainability construct adapted from Gonzalez-Benito and Gonzalez-Benito (2010) model did not fit into Nigeria oil industry sustainability practices. Factor analysis in the empirical section did not reflect the sustainability practices of planning and organisational, operational and communication which were espoused by Gonzalez-Benito & Gonzalez-Benito. Nonetheless, the GLM analysis shows that apart from coercive isomorphic pressures, other institutional and stakeholder influences had an impact on the individual sustainability practices.

A remarkable finding in this research is that although the perceptions of institutional and stakeholder influence by the managers of oil companies helped in shaping their CSR strategies, they do not necessarily translate to a superior CSR performance by their firms. This is because there are other factors which pose huge challenges to CSR implementation and have the tendency to hinder firms' strategies to address SD problems. Unfortunately, the current framework for CSR implementation largely ignores these diverse challenges, which often derail good CSR initiatives.

Majority of the managers acknowledge that they have faced one challenge or the other that hindered their CS strategies. One of the major challenges identified by the participants includes militancy/theft and sabotage. Militancy and sabotage in the recent years have been the major challenge facing Nigeria oil industry. Some researchers attribute its resurgence to the suppression of peaceful agitations intended to influence the oil companies and the Nigerian government to address SD problems within the local communities (Paki & Ebienfa, 2011; Hamilton, 2012; Ogula, 2012). Participants identify these SD problems to include pollution and spillages, poverty and youth unemployment, poor public infrastructures, poor government policies, human right concerns among other. Another major challenge identified by the participants is corruption and culture of entitlements. Corruption is common among government officials in Nigeria. What appears to be a new term is the "culture of entitlement". Participants recognise "culture of entitlement" as the feeling by the community stakeholders that they are entitled to receive some form of monitory gifts from oil companies operating in their community. This also includes the demand that oil companies should provide for the needs of the community leaders at all cost. Corruption has been perceived as one of the greatest challenges to Nigeria economy with most recent Corruption Perception Index from Transparency International ranking Nigeria 136 out of 176 countries (Transparency International, 2016). Similarly, World Bank ranks Nigeria 169 out of 190 countries on ease of doing business in the 2016 rankings (World Bank, 2017). This shows that there is a strong link between corruption and ease of doing business in Nigeria. Corruption which is ubiquitous in many segments of Nigeria society makes doing business (including the implementation of CSR strategy) difficult and wipes off huge amount revenue from the nation's economy (Egwuatu, 2017; Pricewaterhouse-Coopers, 2016). According to RMLOC7-UP4:

> Other oil companies will see bribery as a quick fix to their sustainability problems because even the agencies of government which should have been the watchdog are involved in it.

Emphasising on the challenges with the culture of entitlement, RMLOC1-SP1 stated:

> They come and either cease your bus or arrest your employees because there is this culture of entitlement that they are entitled to everything they want and that if you don't do it this way, you will not operate. So, you have to manage it on day-to-day basis.

Another major challenge identified by the participants is limited capital. Participants linked unstable crude prices to their poor financial performance, which in turn impacted negatively to their social investment in their host communities. The unhealthy expectation for the oil companies to provide virtually all the needs of the communities when the oil companies do not have the required capital was also recognised as the root cause of the challenge. According to RMLOC3-UP1:

> We go through difficult negotiating process to prune the demands of the host communities make understand that there are certain projects we can execute and some that we cannot by the reason of the huge capital required. For example, when communities want us to electrify the entire community and connect them to the national grid, construct road networks and give employment to virtually all the community members. You can see that all these demands are not what a single organisation can meet considering the capital at our disposal.

Other challenges identified are conflict of interest among stakeholders as well as lack of collaboration (see **Figure 6**).

5.1.6. Governmental Pressures

Government and regulatory agencies were identified by the participants as the major stakeholder group in the Nigerian oil industry. Hence, the government is expected to play a major role in pressuring companies to address the SD problems in the region through effective CSR. This research found that government influence is poor. Majority of the participants believe that the government has not had much influence on their CSR. The data analysis shows that 47.2% of the participants indicated that government has no influence on their companies' CSR, 35.2% indicate that government's influence is minimal while 17.6% indicate that government has major influence (see **Figure 7**).

Hence, they want the government to brace up to its responsibilities. This finding is at variant with Huang and Zhao (2016) who found that political and

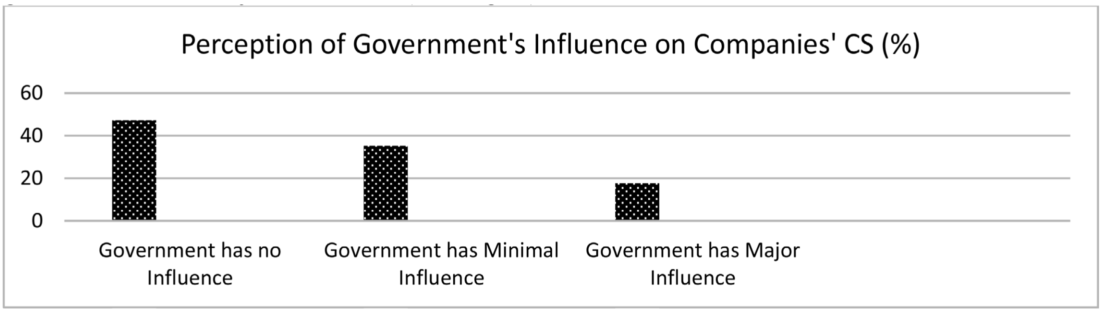

Figure 7. Manager's perception of government influence on the CSR strategies of their companies.

governmental pressures help to shape the CSR strategies of the Chinese firms. Participants suggest different ways through which government can play such a role. First, by setting a minimal standard for sustainability practices through legislation and effective enforcement mechanism. According to RMIOC2-DO3:

> Most laws are made to control oil spills, waste management and employment. I think government should lead the way in sustainable development programmes. Previous governments tried to implement the United Nations development agenda such as MDGs but did not succeed because government didn't match the slogans with actions. If they lead the way in sustainability, businesses will follow.

However, not all participants view this approach as useful in addressing sustainability issues in Niger Delta. One of the participants, RMIOC7-UP10 argues that legislation and enforcement may not be the most effective means of addressing sustainability problem of greenhouse emission but market forces. According to him:

> Government sometimes sets standards and impose costs for greenhouse emission rather than allow the market forces to determine it. I'm of the opinion that market-based systems that impose a uniform, economy-wide cost on greenhouse gas emissions—for example —are more economically efficient policy options than mandates or standards. This is because market-based policies more effectively drive consumer behaviour and technology innovation, while mandates and standards eliminate consumer choice and can perpetuate ineffective technologies.

Second, by engaging with oil companies and other organs of government to address SD problems. There is a consensus that effective partnership can help to address the challenges of the region (Idemudia, 2012; Ogula, 2012). The government has in the past introduced agencies to help facilitate the partnership. Niger Delta Development Commission (NDDC) is one of such agencies. RMIOC4-UP7 describes the partnership between his company and government in this way:

> Government have directly or indirectly directed how we channel our re-

sources in providing social investment programs to the people. We are required by law to remit certain percentage of our annual budget to the Niger Delta Development Commission. I think 3% for the oil companies and different percentages for national and state governments.

Some participants expect the government to engage more with private organisations in resolving some concerns through consultation rather than rushing through laws and introducing regulations, fine and other coercive measures. These participants believe consultation and advisory role could be successful in addressing social and environmental problems and improving people's wellbeing through initiatives such as campaigns against polio, malaria, HIV/AIDS and the more recently Ebola diseases.

6. Conclusion

This study examines how CSR practices help address diverse challenges through institutional and stakeholder pressures in the local communities of Niger Delta region. There has been no prior research that examines the combined influence of both institutional and stakeholder pressures on CSR practices. By adopting DiMaggio & Powell's (1983) model of institutional isomorphism and Sharma & Herinques's (2005) model of stakeholder influence strategies and mixed-method approach, the study provides some evidence that understanding the institutional frameworks within a firms' operating environment is vital for the implementation of effective CSR strategies. The study also shows that coercive institutional pressures do not have a direct impact on firms' sustainability practices, but it provides legitimate support to stakeholder influence strategies indirectly. The findings of the study indicate that CSR practices and their effectiveness in addressing sustainable community development problems can apparently be impeded for the absence of strong institutions.

This study findings support that the vital role of governments in creating viable institutions is highly crucial. In particular, a government can make important contributions in creating viable institutions through policy change and regulatory frameworks. The study advocates the strengthening of local institutions by the government to support firms' CSR initiatives. Similarly, the findings of the study stress on the role of multi-stakeholder collaboration for the improvement of better CS practices in the Niger Delta. The study suggests that a multi-stakeholder collaboration could potentially be able to address the ongoing challenges in sustainable community development.

The study outlines a policy implication for CS strategy in Niger delta region. In particular, the implementation of an effective CSR practice would only be successful if oil companies adopt a relationship-based approach to the management of various stakeholder groups. Consequently, the planning, designing and implementing sustainability strategies may be driven by the desire to foster a mutually beneficial and trust-based corporate-stakeholder relationship. This implies that while fostering effective and beneficial relationship should be the objective of any CS practice, contribution to sustainable community development is merely an outcome of an effective corporate-community relationship. The study has important implications for future academic research as well as for policy development.

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Conflicts of Interest

The authors declare no conflicts of interest regarding the publication of this paper.

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Appendix A1: Questionnaire Survey

Instructions: The questionnaire is divided into four sections (A, B, C and D).. Where tables are provided, indicate your response with mark 'X' in the appropriate column. Thanks for your corporation

Section A: Background Information

1). Company's name ……………………………………………………………

2). Estimated number of employees. Less than 250 ☐ 251-500 ☐ 501-750 ☐ 751-1000 ☐ More than 1000 ☐

Section B: Institutional & Stakeholder Pressures

1). Kindly denote to what extent these following pressures are important in shaping the sustainability policies and practices of your company within the last two years using the Likert scale 1 to 5 (1 = not very important to 5 = very important)..

Pressures	1	2	3	4	5
Local cultures and norms					
Political and governmental mandate					
Competitors increasing commitment to sustainability					
Competitors' more successful sustainability models					
Local lawmakers introducing new legislations					
Existing laws					
Employees' professional background & experiences					
Inter and intra-organisational networking among employees					
Regulators withdrawing operational licence					
Regulators awarding fines against company					
Environmental groups protest at the company's facilities					
Environmental groups disrupting the operations of the company					
Local communities protest at the company's facilities					
Local communities disrupting the operations of the company					
Environmental groups releasing reports to the media					
Environmental groups lobbying lawmakers					
Right groups initiating legal action against the company					
Customers demand sustainable products					
Customers demand sustainable corporate practices					
Shareholders demand sustainable corporate practices					
Local communities' participation in environmental reviews					
Environnemental groups participation on environnemental reviews					
Employees participation in taskforce recommendation					
Individual employee suggestions					
Business partners demand sustainability practices					
Membership of trade associations					

Section C: Sustainability Practices

1) How would you rank your organisation's commitment to the following sustainability practices? (1= Very uncommitted and 5 = Very Committed).

Sustainability Practices	1	2	3	4	5
Robust sustainability policies					
Clearly written operational procedures to control safety risks					
Investment in gas emission reduction technology					
Implementing waste & pollution control system					
Stakeholder engagement programs					
Stakeholder participation on sustainability reviews					
Clear information to the public about environmental and health risks of operations					
Periodic publication of sustainability reports					

Appendix A2: Interview Questions on CSR Strategy for Sustainable Community Development

Question 1: How would you describe the background of your company, including the founding, size and mode of operation?

Question 2: What does CSR include and from which sources do you learn of CSR? What CSR activities have your company undertaken and focused on?

Question 3: What do you think drives firms to act in responsible way and what leads some others to be irresponsible?

Question 4: Who are the major stakeholders in the Nigerian oil industry? How would you describe your relationship with them?

Question 5: How would you describe the influences of the stakeholders on the CSR strategies of your company?

Question 6: What are the various activities of your company that may have impact on the environment and social lives of the host communities? How is your organisation committed to reducing their impact?

Question 7: What are the challenges encountered by your company in the implementation of its CSR strategy in the region?

Question 8: What are the sustainable development problems in your host community and which programs do you think can change people's lives?

Question 9: Kindly describe the influences of the government on the CSR strategies of your company?

Question 10: What are the CSR initiatives of your company? And how have institutional pressures impacted on them?

Question 11: What roles do you think stakeholders can play to support the CSR initiatives of your company?

Question 12: What is your company doing in respect to investment in alternative or renewable energy within the last decade?

Appendix A3: Items Reflecting Institutional Pressures on Firms' CSR Practices

A. Factor Analysis

Rotated Factor Matrix[a]

	Factor		
	1: Mimetic institutional pressure	2: Coercive institutional pressures	3: Normative institutional pressures
Local cultures and norms	0.273	−0.025	0.497
Political and governmental mandate	0.328	−0.020	0.433
Competitors increasing commitment to sustainability	**0.960**	0.012	0.191
Competitors' more successful sustainability models	**0.715**	0.045	0.222
Local lawmakers introducing new legislations	0.041	**0.890**	−0.073
Existing laws	0.000	**0.877**	−0.053
Employees' professional background & experiences	0.068	−0.072	**0.795**
Inter and intra-organisational networking among employees	0.130	−0.052	**0.678**

Extraction Method: Principal Axis Factoring. Rotation Method: Varimax with Kaiser Normalization. a. Rotation converged in 5 iterations at ±0.50 loading.

B. Eigenvalues and Total Variance

Total Variance Explained

Factor	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cum %	Total	% of Variance	Cum %	Total	% of Variance	Cum %
1	2.821	35.265	35.265	2.404	30.047	30.047	1.638	20.471	20.471
2	1.825	22.808	58.073	1.606	20.075	50.122	1.621	20.260	40.731
3	1.135	14.191	72.265	.821	10.265	60.387	1.572	19.656	60.387
4	.976	12.201	84.466						
5	.436	5.456	89.922						
6	.360	4.494	94.416						
7	.240	3.003	97.418						
8	.207	2.582	100.000						

Extraction Method: Principal Axis Factoring.

Appendix A4: Items Reflecting Withholding Influences on Firms Sustainability Practices

A. Factor Analysis

Item	Rotated Factor Matrix[a]		
	Factor		
	1: Withholding influence from regulators	2: Withholding influence from environmental groups	3: Collective withholding influence
Regulators withdrawing operational licence	0.947	0.044	0.011
Regulators awarding fines against company	0.949	0.043	0.028
Environmental groups protest at the company's facilities	0.047	0.904	0.251
Environmental groups disrupting the operations of the company	0.015	0.909	0.256
Local communities protest at the company's facilities	0.090	0.437	0.576
Local communities disrupting the operations of the company	0.092	0.476	0.608
Environmental groups releasing reports to the media	-0.049	0.207	0.655
Environmental groups lobbying lawmakers	-0.030	0.047	0.545
Right groups initiating legal action against the company	0.081	0.210	0.483

Extraction Method: Principal Axis Factoring. Rotation Method: Varimax with Kaiser Normalization. [a]Rotation converged in 4 iterations.

B. Eigenvalues and Total Variance

Factor	Total Variance Explained								
	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cum %	Total	% of Variance	Cum %	Total	% of Variance	Cum %
1	3.736	41.512	41.512	3.411	37.898	37.898	2.250	25.004	25.004
2	1.892	21.026	62.538	1.779	19.768	57.666	1.827	20.298	45.302
3	1.143	12.698	75.236	0.677	7.525	65.191	1.790	19.889	65.191
4	0.796	8.840	84.076						
5	0.656	7.294	91.370						
6	0.492	5.472	96.842						
7	0.123	1.368	98.209						
8	0.091	1.013	99.222						
9	0.070	0.778	100.000						

Extraction Method: Principal Axis Factoring.

Appendix A5: Items Reflecting Usage Influences on Firms' CSR Practices

A. Factor Analysis

Rotated Factor Matrix[a]

Items	Factors		
	1: Usage influence from economic stakeholders	2: Usage influence from noneconomic stakeholders	3: usage influence from partnership & associations
Customers demand sustainable products	0.889	0.192	0.144
Customers demand sustainable corporate practices	0.959	0.179	0.145
Shareholders demand sustainable corporate practices	0.512	−0.028	0.202
Local communities' participation in environmental reviews	0.098	0.566	−0.020
Environmental groups participation on environmental reviews	0.057	0.848	0.270
Employees participation in taskforce recommendation	0.114	0.351	0.466
Individual employee suggestions	0.119	0.049	0.323
Business partners demand sustainability practices	0.249	0.100	0.643
Information on sustainability practices via trade associations	0.024	0.002	0.547

Extraction Method: Principal Axis Factoring. Rotation Method: Varimax with Kaiser Normalization. [a]Rotation converged in 5 iterations.

B. Eigenvalue and Total Variance

Total Variance Explained

Factor	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cum %	Total	% of Variance	Cum %	Total	% of Variance	Cum %
1	3.064	34.039	34.039	2.736	30.397	30.397	2.075	23.057	23.057
2	1.466	16.294	50.333	1.087	12.082	42.478	1.244	13.817	36.874
3	1.273	14.146	64.478	0.686	7.622	50.101	1.190	13.227	50.101
4	0.902	10.017	74.495						
5	0.792	8.799	83.294						
6	0.517	5.739	89.033						
7	0.495	5.499	94.532						
8	0.400	4.446	98.978						
9	0.092	1.022	100.000						

Extraction Method: Principal Axis Factoring.