

CORPORATE SOCIAL RESPONSIBILITY OF EXXON-MOBIL IN AKWA IBOM STATE, NIGERIA AND COMMUNITY-INDUSTRY RELATIONS: A SOCIOLOGICAL JURISPRUDENCE PRISM.

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ABSTRACT

This study examined Corporate Social Responsibility and Community-Industry relations from both a sociological jurisprudence prism using selected communities in Akwa Ibom State, Nigeria. Six null hypotheses were formulated based on the identified independent variable being Corporate Social Responsibility that formed the foundation of the study to wit: (1) there is no significant relationship between promoting participatory development intervention and community-industry relations; (2) promotion of social investment in healthcare delivery does not significantly relate to community-industry relations; (3) local community economic empowerment is not significantly related to community-industry relations; (4) promotion of social investment in education does not significantly relate to community-industry relations; (5) development of physical infrastructure of electrification, potable water supply, and road construction is not significantly related to community-industry relations; and (6) factors in corporate social responsibility do not significantly predict community-industry relations; and the dependent variable of Community-Industry Relations. To generate data for testing the hypotheses, a 41-item questionnaire captioned 'Corporate Social Responsibility and Community-Industry Relations Questionnaire (C.S.R.C.I.R.Q.)' was developed by the researcher. Survey research design was adopted while data was collected from 720 randomly selected inhabitants of the host communities. Purposive and systematic sampling procedures were variously applied at appropriate stages of the study. The generated data were statistically tested using Contingency Chi-square (χ^2), Factor Analysis, and Multiple Regression statistical techniques. The test statistics and result revealed that a significant relationship exists between factors in corporate social responsibility such as participatory community development, promotion of social investment in healthcare, community economic empowerment, social investment in education, social investment in physical infrastructure, and community-industry relations and that factors in corporate social responsibility indeed predict community industry relations. It was recommended among others that oil companies should key into the emerging consensus that business entities can best contribute to better host community relations by focusing more on the participatory development intervention strategy given its inherent strengths, while simultaneously reducing negative impacts of exploration activities on the environment, and by extension the development of the host community. It was also recommended that the legislature should build mechanisms for the enforcement of these corporate social responsibilities via urgent legislative action.

Keywords: community-industry relations, corporate social responsibility, environment, oil industry, participatory development intervention.

Introduction

Contemporary exigencies due to globalization, the end of the cold war, the information technology revolution and the bifurcation of world politics have all necessitated the re-evaluation of the community-industry relationship and facilitated the emergency of innovative business social responsibility practices. The re-invigoration of the idea that industry has social responsibility that goes beyond profit-making to include helping to solve social and environmental problems is also known as Corporate Social Responsibility (CSR) (Nwosu, 2013).

The desire of oil companies operating in the Niger Delta to secure their social license to operate and address their host community development obligations has led to the adoption of Corporate Social Responsibility policies and strategies in recent years. This is an important aspect of a corporate organization's mission. An industry's mission should not be exclusively economic, but the social implications of their decisions should be taken into cognizance. It implies the ability of the corporation to relate its operations and policies to the social environment in ways that are mutually beneficial to the company and society (Akpan, 2006).

Corporate Social Responsibility has been a major concern of communities, governments, and civil society organizations in Nigeria and is expected to be integral to industry today as a password to not only overcome competition, but to ensure sustainable growth. It has been supported by the shareholders and other stakeholders, by and large encompassing the whole community. Corporate Social Responsibility in reality is the alignment of industry operations with social values. It takes into account the interests of stakeholders in the company's business policies and actions. It focuses on the social, environmental, and financial success of a company – the so called “triple bottom line” with the aim of achieving social development alongside business success. More importantly, Corporate Social Responsibility is the point of convergence of various initiatives aimed at ensuring socio-economic development of the community as a whole in a credible and sustainable manner (Wilenius, 2005).

However, Aaron and Patrick (2008) stressed that the experience of communities where companies operate has been that of total decay and underdevelopment. There is little effort by companies operating in communities to control and reduce the impact of their activities on people and the environment. The negative impacts of these corporate activities, especially by the multinationals have been observed in ethical issues such as environmental health, safety, disregard for local content, failure to promote workers participation through consultation, failure to develop vocational skill and life-long training, climate change, corruption, and human rights abuses (Utting 2005).

The necessity to properly address Corporate Social Responsibility needs has been quite appealing in recent times. One sector of business that makes strong claims to business ethics and/or corporate social responsibility, human rights, employee rights, stakeholders' rights, environmental protection, community relations, transparency, anti-corruption, product stewardship principles, and codes of practice is the Oil and Gas sector (Frynas, 2005).

The Oil and Gas Transnational Corporations are assumed to be active and playing leadership roles in developing good corporate practices and codes of conduct in the workplace and engagement with different facets of society. The involvement of Shell, Chevron, Texaco, BP-AMOCO, Exxon Mobil, ENI, Occidental, Total Fina Elf, etc in the United Nations' Global Compact, the Global Reporting Initiative (GRI), the Sullivan Principle, the Voluntary Principles on Security and Human Rights, the Millennium Development Goals (MDGs), the Sustainable Development Goals (SDGs), Dow Jones Sustainability Index, and the World Summits on Sustainable Development in Rio de Janeiro and Johannesburg are some instances (Tuodolo, 2007).

Their footprints can be seen in developing countries in the transfer of Foreign Direct Investment (FDI), skills and technology, as major employers of labour, and accounting for a large proportion of state revenue. They have contributed to development in Nigeria via programmes in education, health, commerce, agriculture, transport, construction, etc. Despite these achievements, the Oil Transnational Corporations in Nigeria's Niger Delta region in general and Akwa Ibom State in particular have been the target of several negative anti-corporate campaigns in the last three decades. The rural communities have consistently doubted

the genuine existence and adoption of Corporate Social Responsibility by the Oil Multinational Corporations.

The Niger Delta region of Nigeria was reported by the World Bank as far back as 1999 to have the agricultural potential of feeding the whole of West Africa. Nine states make up the Niger Delta region and Akwa Ibom State which is one of them is reputed to be the largest producer of Crude Oil in Nigeria (Stern, 2005). Today, hunger in the region is widespread as non-inclusive political decisions and policies by the various governments have hampered sustainable livelihood which led to the emergence of social movements and ethno-nationalist groups organized around demands for self-determination and resource control (Kemedi, 2002).

Throughout the 1990s till date, the operating environment for these multinationals in Akwalbom State and other areas in the Niger Delta Region was one of mistrust between the Oil Companies and their host communities on which the companies increasingly depend for their 'social license to operate'. This crisis of governance has allowed the youth of the villages to create a range of disturbances including the theft of crude oil, kidnapping of expatriate staff, the damaging of equipment, blockage of Oil facilities, Oil pipeline vandalization, and Human Rights violations, with the inherent corporate reputational damage which have negatively affected both government revenue and corporate profit (Nwosu, 2017).

Multinational Oil Corporations have responded to these challenges by accepting social responsibilities and demonstrating their commitment to Corporate Social Responsibilities by increasing community development spending. According to Moon (2001), such non-profit engagement by industry offers an opportunity for the companies to demonstrate the substance of their sociability. Initially, most Multinational Oil Corporations undertook such non-profit engagement directly and single-handedly, but recently the emphasis has shifted to the use of a partnership strategy to address issues of community development. The Corporate Social Responsibility as practiced by the Niger Delta Oil TNCs earlier experienced a gross failure due to flaw ridden approaches and processes to the quality of programmes packaged. In effect, most of them lacked effective community participation (Ajayi et al, 2005).

There are increasing demands around the world today for Oil Corporations to be involved in practices that have long term social benefits. Practices that reflect the complex relationship between the need to mitigate negative social and environmental impacts of their business activities and promoting sustainable benefits through community participation in programmes leading to the development of local communities. This intervention and engagement of the local people in decisions affecting them has become necessary in host community development (Acutt et al, 2001).

Against this background, this research critically examines Exxon-Mobil Oil Corporation's Intervention Programmes in Akwa Ibom State. The aim is to determine if Corporate Social Responsibility has any linkage with, and is able to predict community-industry relations. The specific community-industry relations factors that constitute the variables of interest include: participatory development intervention, social investment in healthcare services, local community economic empowerment, social investment in education and provision of physical infrastructural services.

Background and History of Exxon-Mobil

Exxon-Mobil Corporation is the second largest integrated Oil Company in the world, trailing only BP Plc. (MPNCN, 2002). The company is involved in Oil and Gas exploration, production, transportation and marketing in more than 200 countries and territories. Exxon-

Mobil is a major manufacturer of basic petrochemicals such as Olefins, Aromatics, Polyethylene, and Polypropylene plastics. The company supplies refined products to more than 40,000 servicestations operating under the brand name Exxon-Mobil and Esso. Created from the 1999 merger of Mobil Corporation and Exxon Corporation, Exxon Mobil's history is the story of two companies, each an influential constituent of modern business history (Sunkin, et al, 2001).

The integration of Mobil into Exxon promised to deliver cost savings and to interweave two contrasting cultures. Historically, Exxon's strength had been in finance and engineering while Mobil's strength had been in marketing and deal making. As the two dissimilar but potentially complementary heritages combined, the corporate personality of Exxon dominated Mobil. Throughout the merged company's senior management ranks, Mobil executives generally served under Exxon executives (Nwosu, 2013).

Five years later, the success of the merger was confirmed. Between 1999 and 2004, Exxon Mobil earned \$75 Billion in net profits and generated \$123 Billion in cash. By 2004, the company was enjoying 'unprecedented development'. Some of its principal subsidiaries include – Exxon Luxembourg Holding LLC; Exxon Mobil Bay Limited partnership; Exxon Mobil Asia Pacific Ltd (Singapore); Mobil Oil Nigeria Plc.; Mobil Producing Nigeria Unlimited, etc. Its principal competitors are BP Plc., Chevron Texaco Corporation; and Royal Dutch/Shell Group of Companies (Andrew, 2011).

Statement of the problem

There have been endemic conflicts between local communities and Oil Transnational Corporations. This, to say that least, is an indication of the fragile partnership between them. The persistent incidence of Oil-Worker hostage taking, blockage of Oil facilities, Oil pipeline vandalization and human rights violations with subsequent damage to corporate reputation have had a negative impact on both government revenue and corporate profit. The endemic conflict is attributed to the persistent neglect by the Oil Multinationals which have systematically played roles as 'cohorts' with local and federal government employees in order to maximize profits.

Paradoxically, despite its enormous resources and the steady flow of petrodollars to the federal government in the Oil producing areas, the people remain poor. There is deplorable state of infrastructure and services, in essence abject poverty. The interaction of the people of the Oil producing communities with their environment has been seriously jeopardized by the many forms of Oil related environmental pollutions and degradation. The Oil companies tend to deny these communities proper redress and compensation, but rather leave them with broken promises. Thus, the Multinational Oil corporations' efforts at community development is at best abysmal.

The Oil companies have not significantly contributed to the economic growth and development of local communities in their areas of operation (Akpan, 2006). Thus, the volatile nature of community-industry relations has elevated the need to obtain a 'social license to operate' from the periphery to the heart of strategic business thinking within the Nigerian Oil industry. Multinational corporations have responded to this challenge by adopting Corporate Social Responsibility strategies as a means of contributing to community development. However, this has neither brought full scale development nor successfully secured the social license to operate for Oil multinationals. The fact remains that the Corporate Social Responsibility has recorded marginal success because of lack of effective people participation in setting and pursuing development agenda.

It is response to this situation that the researcher is motivated to identify what could be done to effect sustainable orderly community-industry relations by Exxon-Mobil. How far can participatory development intervention, social investment in healthcare delivery, local community economic empowerment, social investment in education, and development of physical infrastructure go in this struggle to satisfy Exxon-Mobil's Corporate Social Responsibility?

Objective of the study

This study seeks to find out the relationship that exists between Corporate Social Responsibility of Exxon-Mobil and community-industry relations in AkwaIbom State, Nigeria. Specifically, the study seeks to determine to what extent factors in Corporate Social Responsibility predict community-industry relations. These factors include: promotion of participatory development intervention; promotion of social investment in healthcare delivery; local community economic empowerment; promotion of social investment in education; and development of physical infrastructure such as rural electrification, potable water supply and road construction.

Significance of the study

The strength of this study lies on its emphasis on the importance of participatory development intervention as a strategy for promoting community-industry relations. This research is therefore significant because the findings will sensitize the rural community dwellers to the fact that Corporate Social Responsibility is a mechanism for collaborative development. This means that for industries to operate harmoniously in the environment, they must be able to involve community members in their programmes. This is arguably the first time the relative and composite effect of these factors in Corporate Social Responsibility on the community-industry relations are measured scientifically to determine their individual and group impacts. To the Industrial Sociologist and Environmental Lawyer, the findings will reveal the nexus between ethical issues in the operating environment of Oil Industries and Corporate Social Responsibility.

Scope of the study

This study was restricted to AkwaIbom State. Although there are three Senatorial Districts in the state, the Multinational Oil Corporations' presence is felt more in Eket Senatorial District. Consequently, the study will concentrate on the communities in Eket Senatorial District. The Multinational Oil Corporation concerned here is Exxon-Mobil. This study specifically centred on Exxon-Mobil's Corporate Social Responsibility and community-industry relations. The study was constrained to the following factors of Corporate Social Responsibility: promotion of participatory development intervention, promotion of social investment in healthcare delivery, local community economic empowerment, promotion of social investment in education and development of physical infrastructure.

Literature review

Corporate Social Responsibility refers to the various methods companies adopt to establish and maintain a mutually beneficial relationship with the communities in which they operate. The underlying principle of Corporate Social Responsibility is that when a company accepts its civic responsibility and takes an active interest in the wellbeing of its host community, it gains a number of long-term benefits in terms of community support, loyalty and goodwill. Corporate Social Responsibility therefore manifests in better community-industry relations (Akinmalodun, 1976).

According to Nwosu (2004), the idea of Corporate Social Responsibility or Corporate Citizenship is traceable to Burnham (1962). Burnham's main thesis which dominated company law and the social sciences for several decades was that modern large companies have evolved to a stage where professional managers with little or no ownership are in charge of their affairs and manage without reference to the interest of the capitalists who, in theory are the real owners. As a result of this managerial revolution, the essential nature of capitalism has been displaced and this transformation has infused industry with a new sense of social responsibility which transcends the maximization of profits for shareholders (Dodd, 1932).

In the United States, one of the first to advance the theory of Corporate Social Responsibility or Corporate Citizenship was Mayo (1945) of the Harvard Business School. Mayo's theory was that corporations must give their employees psychological security through a policy of paternalism. The primary objective of his analysis was to raise workers' productivity and reduce absenteeism but in the process he produced a systematic analysis of the impact of industrial civilization on human beings (Utama, 1990).

Later on, scholars like Hacker, (1972) advanced the theory of Corporate Social Responsibility into its wider context. According to him, Corporate Citizenship does not entail the power to vote in a democratic political process and this provides its distinction from political citizenship. Corporate Citizenship, he contends, comprises of bounties received from a paternalistic organization which is responsive to the need of both its employees and other stakeholders in its business (Nwosu, 2013).

According to Nwosu (2006), it was observed initially that the concept of Corporate Social Responsibility was confined to the field of labour relations, but soon progressed to consumer protection. More recently however, it has become all embracing covering product safety, official corruption, environmental protection and local community economic empowerment, to the extent that questions as to how to build mechanisms for the protection of these interests have become a major preoccupation of the modern company law and human rights law of most countries today. This then creates obligations on the legislature to re-evaluate their legal dimensions through urgent legislative action and make such responsibilities justiciable by creating windows for their enforcement via litigation.

Unfortunately however, legislation has its limits in compelling powerful corporations to be responsive to the needs of society. This has led Stone, (1975) to propose the appointment of a 'Public Interest Director' who would represent the interests of society on the Boards of Companies. In the United States, Canada, and the United Kingdom, this idea of a Public Interest Director has become one of the most widely debated mechanisms for influencing corporate behaviour in the interest of the wider public aside from the shareholders. Meanwhile, the concept of Corporate Social Responsibility being relatively new to corporate law, its legal basis is not without question (Ascher & Healy, 1990).

Under the Nigerian Company law for example, a registered company can only engage in and apply its funds for the business or purposes which are authorized by its Objects clause in its Memorandum of Association. This document along with the Articles of Association have traditionally formed the constitution of the company (Nwosu, 2017). It is therefore not permitted officially for a company to expend its resources for a social, political or charitable purpose except such is justified as being in the interest of the company and to promote its prosperity. Exceptions to this rule may however occur where the company's Objects clause expressly permits the use of the company's money for a specified purpose without any reference to the relevance or utility of the expenditure to the company's prosperity, or where

the company, being a charitable organization applies its funds for a charitable purpose (Ayeni, 1992).

Short of the above exceptions, charity has no place in the normal running of a company's affairs and as such, as far as our company law is concerned, there is no obligation on a company to act as a good corporate citizen, or with an altruistic sense of responsibility towards the environment. Corporate Social Responsibility is therefore according to Nwosu (2004), not justiciable and so unenforceable at law in Nigeria for now.

Nonetheless, Corporate Social Responsibility can voluntarily be exercised by the company because the Objects clause of most companies these days is framed so widely as to permit the directors to engage in any business or activity which will promote the interest of the company. If a company should thus expend its funds voluntarily for the purpose of improving its environment, there will be difficulty in holding such expenditure valid (Dolzeer, 1976).

Presumably acting under clauses of this sort, Nigerian companies have indeed engaged in one form of charitable giving or another. Some of the most prominent examples include the community development efforts of Multinationals such as Exxon-Mobil, Guinness, MTN, etc. to which millions of Naira have been committed over the years. Because Corporate Social Responsibility remains a voluntary moral obligation, problems and conflicts still persist in the community-industry relationship and this has informed this research (Nwosu, 2017).

Seitel (2007), reported that an association exists between community-industry relations and social responsibilities. He asserted that more and more organizations are beginning to be proactive in their interactions with the community where their businesses are operated. As such, they are fully acknowledging their responsibilities to the community. In line with this view, Asakitipi and Oyelaran (1999), in a paper on Oil extraction and socio-cultural impact on the peoples of the Niger Delta region of Nigeria found out that company-community involvement boosts public image and employee morale, and fosters a sense of teamwork that is essential to long term success.

People's active involvement in community-industry relations fosters a higher level of commitment by the company towards meeting its social responsibility goals. Abang, (2001) in a study entitled 'Community Involvement and Social Responsibility' discovered that a comprehensive community participation programme can help Exxon-Mobil achieve visibility as a good corporate citizen when it supports programmes that involve the communities in its design and implementation. In support of this finding, Akpan (2006), reported that the success by some Oil companies in their social responsibility agenda is because local community people are involved. This involvement enhances the commitment towards social responsibilities.

Bird, (2004) asserted that Corporate Social Responsibility is sustained on an effective partnership arrangement where local people effectively participate in decisions regarding what developmental projects are needed. Thus, the social responsibilities of the company become accepted as community based development. As part of its social responsibility, some Oil companies according to Esang, (2004) consider the interests of communities in its area of operation by taking responsibility for the impact of their activities on the stakeholders such as customers, employees, shareholders, host communities, and the environment. This engenders a smooth operation between such companies and their host communities.

Archibong (2009), reported from history of rural communities in Onna Local Government Area of Akwa Ibom State that Exxon-Mobil engages the local people in conceptualizing the nature and type of Corporate Social Responsibility expected. This community participation is meant to

strengthen the partnership for sustainable corporate responsibility. He stressed that generally, the Corporate Social Responsibility of Transnational companies encapsulates a whole broad field ranging from corporate commitments to healthy environments, ethical conduct, and philanthropic gestures to communities in their area of operation (Egunjobi, 1993).

Aaron, (2008) stated that in recent times, there has been a lot of corporate enthusiasm for Corporate Social Responsibility by Oil companies in what appears to convey the impression that they are genuinely interested in improving the lives of people in communities in which they do business. However, while Corporate Social Responsibility has proved beneficial to target communities, available literature reveals that the Corporate Social Responsibility of Exxon-Mobil is driven not so much by altruistic considerations as the profit-maximization calculations of business (Frynas, 2005; Ikelegbe, 2005).

In a highly insightful study, Christian Aid, (2004) identified six factors behind the corporate enthusiasm for Corporate Social Responsibility. The first is defending public image: According to the study, the first Corporate Social Responsibility initiatives were in response to public pressure and media expose of poor company behaviour, thus making Corporate Social Responsibility a defensive effort, a public relations game in which Exxon-Mobil primarily reacts to deal with the critics and the pressure from activists.

The second is attracting investors: Mainstream investors as well as a burgeoning ethical investment sector are increasingly paying attention to sound environmental and social practices of corporations as a basis for investing in their stocks. The third is making good public relations: Corporate Social Responsibility has the capacity to redirect people's attention away from bad to good corporate behaviour. The fourth is engaging campaigners: A company may engage in Corporate Social Responsibility as a response to NGOs campaigns against its practices. The fifth is a permission to operate: In conflict-prone regions like the Niger Delta, a corporation's good works may earn it the social license to operate. Finally, against the background of calls for the imperatives for regulating the conduct of corporations, voluntary good conduct by a corporation may be used to obviate the need for regulation.

Christian Aid stressed that Corporate Social Responsibility from whichever angle it is looked at is meant primarily to serve the interest of corporations, not the communities in which they operate. Thus, corporations pursue programmes and policies that will not significantly deprive them of their profits. Against this background, the literature on community-business relations and Corporate Social Responsibility conclude that Exxon-Mobil and other Multinationals in the Niger Delta have failed to deliver on their promise, either through inefficiently provided for, or projects that have no direct bearing on the pressing needs of the people (Akpan, 2006).

Theoretical framework

The first theory that guides this study is the Stakeholder theory of Corporate Social Responsibility. The proponent of this theory was M. Freidman (1970). The present day conception of Corporate Social Responsibility implies that companies voluntarily integrate social and environmental concerns in their operations and interaction with stakeholders. The theory posits that besides shareholders, other groups or constituents are affected by a company's activities and have to be considered in management decisions possibly equally with shareholders. The theory stresses that Corporate Social Responsibility should be able to address both normative and institutional aspects of responsibility and liability (Magraw, 1986).

Stakeholder theory is considered as a necessary process in the operationalization of Corporate Social Responsibility, as a complementary rather than conflicting body of literature. The theory argues that business owes its stakeholders a social responsibility beyond the production of goods and services and profit-seeking. It stresses that even on a scale of profitability, corporate involvement in good works has the potential to improve a company's value in the stock market. The theory asserts that companies have a social responsibility that requires them to consider the interests of all parties affected by their actions.

To achieve this, management should not only consider its shareholders in the decisions-making process, but also anyone who is affected by its business decisions. The stakeholder theory holds that the goal of any company is, or should be the flourishing of the company and all its principal stakeholders. It is important to stress that shareholders are stakeholders and that dividing the world into the concerns of the two is the logical equivalent of contrasting apples with fruits.

Equally apposite is the theory of Sociological Jurisprudence. This is a term coined by the American jurist Roscoe Pound to describe his approach to the understanding of the law. This philosophical approach to law stresses the actual social effects of legal institutions, doctrines, and practices. It examines the actual effects of the law within society and the influence of social phenomena on the substantive and procedural aspects of law. This is also known as sociology of law.

Research methodology

The research design adopted for this study is the survey design. The researcher selected this design because it allows for drawing of inferences, and involves the collection of data to accurately and objectively describe existing phenomena. Survey is a systematic way of collecting data from a number of respondents. The survey method is used to determine what respondents know, believe, or feel, or how they say they behave. Survey design is a mode of inquiry which combines a distinct method of data collection with a distinct form of analysis. Some surveys ask respondents to speculate about their future intentions (Osuala, 1993).

Survey research design involves populations that are large and can be carried out over a wide area with a view to establishing the status quo, facts or information at the time of the research and presenting such facts as they are. Survey is either descriptive or analytical. This research design was used to investigate the relationship between the community-industry relations variables of interest here and Corporate Social Responsibility. The merit of survey design for this study was its possibility for drawing of inferences from a small population to cover a wider population. This design made it possible to use selected host communities of Exxon-Mobil Oil Transnational Corporation and observe the way they have responded to the challenges of Corporate Social Responsibility.

Sampling procedure and sample

The first sampling procedure adopted in the study was the purposive sampling method. This was adopted for selecting the core Local Government Areas that were directly experiencing Exxon-Mobil presence. Therefore, four local government areas out of the total of thirty one (31) in Akwa Ibom state were purposively selected because they have greater presence of Exxon-Mobil, activities. The four selected local government areas formed the four clusters of the study.

Cluster one (1) represented Eket Local Government Area, cluster two(2) represented EsitEket Local Government Area, cluster three(3) represented Ibeno Local Government Area, while cluster four (4) represented Onna Local Government Area.

Again on the basis of spread/presence of Exxon-Mobil social investment, purposive sampling technique was used to select four communities each from each of the four major clusters. These formed the major sample communities from where the representative sample of respondents was drawn. This amounted to 16 communities. To draw the sample for study, systematic random sampling procedure was adopted. This involved the enumeration of the living houses in each sampled community into even and odd numbers. Only even numbered houses were systematically sampled in each enumerated cluster and any adult person found there was given a questionnaire to fill. This procedure was applied throughout the four clusters. On the whole, a total of 288 respondents were selected from Eket, 108 from Esit Eket, 122 from Ibeno and 202 from Onna. This amounted to 720 respondents who participated in the sixteen communities studied.

The sample for the study comprised of residents from all walks of life in the communities ranging from farmers, fisherman, traders/business persons, civil servants employed in ministries, employees of local government councils, the unemployed, students, and staff of civil society organizations who reside in the study area irrespective of their status in their communities.

Data analysis and discussion of findings

Data analysis was done hypothesis by hypothesis. Each hypothesis was tested at 0.05 level of significance. The main Independent variable of this study was Corporate Social Responsibility. This was categorized as those factors which aid community-industry relations with focus on rural Akwa Ibom State. From the major Independent variable above, the following sub categories were identified and used in data collection for the study: participatory community development by way of involving local communities in project decisions and implementation, promoting healthcare delivery services, local community economic empowerment, social investment in education, provision of physical infrastructures, and prediction of community – industry relations. The major Dependent variable of the study on the other hand was community-industry relations.

The following null hypotheses were distilled from the above Independent variable:

1. There is no significant relationship between promoting participatory development intervention (as corporate social responsibility) and community-industry relations.
2. Promotion of social investment in healthcare delivery (as corporate social responsibility) does not significantly relate to community-industry relations.
3. Local community economic empowerment (as corporate social responsibility) is not significantly related to community-industry relations.
4. Promotion of social investment in education (as corporate social responsibility) does not significantly relate to community-industry relations.
5. Development of physical infrastructure of electrification, potable water supply and road construction (as corporate social responsibility) is not significantly related to community-industry relations.
6. Factors in corporate social responsibility do not significantly predict community-industry relations.

Regarding The first five hypotheses (1)-(5), each hypothesis was measured alongside the dependent variable on a discrete scale requiring respondents to indicate their opinions by

ticking 'Yes' or 'No'. Respondents who ticked 'yes' were considered as affirming that Exxon-Mobil activities of promoting participatory development intervention, promoting social investment in healthcare delivery, local community economic empowerment, promoting social investment in education and development of physical infrastructure each enhances better community-industry relation. Those who ticked 'No' were considered as opposing the proposition. The reverse was the case for negatively worded questions. Based on the discrete nature of the data, Contingency Chi-square (χ^2) statistical technique was adopted in testing each of the five hypotheses.

The results of the analysis in each case showed that the calculated χ^2 value ranging from 72-144.0 was greater than the critical χ^2 value of 3.85 at 0.05 level of significance with one (1) degree of freedom. This means that there is a significant relationship in opinion between each of the five independent variables and the dependent variable of community-industry relations. That is, the respondents opined that the more companies engage in promoting participating development intervention, social investment in healthcare delivery, local community economic empowerment, social investment in education and development of physical infrastructure, the better their community-industry relations. Based on these findings, the null hypothesis in each case was rejected and the alternate retained.

With particular reference to hypothesis six (6), the independent (predictor) variables are the factors in Corporate Social Responsibility identified through a Factor Analysis of responses from subjects regarding hypotheses 1-5. The dependent (criterion) variable is community-industry relations. Two test statistics were adopted in testing this hypothesis. These were Factor Analysis and Multiple Regression Analysis.

The Factor Analysis was used in identifying the significant dimensions of Corporate Social Responsibility measured in the questionnaire while Multiple Regression Analysis was used in testing the composite and relative effects of these identified factors on community-industry relations. First and foremost, a principal Factor Analysis was done and it showed a 5-factor output with eigen values that presented the sums of squares, the percentage of trace, and their cumulative percentage of trace. This is presented in Table I.

Table I shows that two factors (factors 1&2) were significant taking 1.00 –(recommended by the SPSS package) as the cut-off point. The first Factor had 59.28% of the variables of the study loading on it while the second Factor had 29.20%. The cumulative percentage of the two significant Factors was 88.48% which implies that the other three Factors accounted for only 11.52%. The two Factors that were significant were then extracted and all the variables of Corporate Social Responsibility loaded on them by rotation.

The results of the rotational loadings are presented on Table 2 and used in naming the Factors. Results in Table 2 show that, using a cut-off point of 0.5, Variable 2 (Social investment in healthcare), Variable 3 (Local Community Economic Empowerment), and Variable 4 (Social Investment in Education) loaded significantly on factor one (1). This Factor can then be renamed Promoting Socio-economic and Educational Development. Furthermore, it is noticed from the table that Variable 1 (Participatory Development Intervention) and Variable 5 (Development of Physical Infrastructure through electrification, etc.) loaded significantly on Factor 2. This Factor can therefore be renamed Promoting Participatory Development in Physical Infrastructure.

The two Factors with their re-designated names were now used as independent variables to predict community-industry relations using Regression Analysis. Results of the analysis are presented in Tables 3 and 4. Results in Table 3 show that the calculated Factors of 135.697 is

greater than the critical f – ratio of 3.00 at 0.05 level of significance with 2 and 717 degrees of freedom. This means that there is a significant composite effect of factors in Corporate Social Responsibility on community-industry relations. That is, the factors (two of them in this case) significantly predicted community-industry relations.

Results in Table 4 are the relative effects of each of the named variables. The results show that Promotion of Socio-economic and Educational Development ($t=16.309$) was a better predictor of the community-industry relations than Participatory Development in Physical Infrastructure ($t=2.326$). These two Factors however as individual predictors were significant in predicting the criterion variable. Based on these results, the null hypothesis is rejected and the alternate upheld.

From the foregoing, the results of the statistical analysis of all the hypotheses of this study revealed that the individual and composite factors in Corporate Social Responsibility of Exxon-Mobil actually significantly affect, relate to, and indeed predict community-industry relations to the extent that the more the company engages in Corporate Social Responsibility under the first five sub-independent variables of participatory development intervention, social investment in healthcare, local community economic empowerment, social investment in education, and development of physical infrastructure, the more the likelihood of a more cordial relationship with the various communities in Akwa Ibom State, Nigeria. The implication is that better community-industry relations is more likely to result when the company engages in or shows more commitment to the established Corporate Social Responsibility factors enumerated and examined herein.

Summary and Conclusion

Exxon-Mobil's Corporate Social Responsibility is an important predictor of community-industry relations in Akwa Ibom State, Nigeria. It was specifically established that based on the statistical analysis of the study, all the identified Corporate Social Responsibility factors that formed the sub-independent variables for this study were community-industry relations indices generally and specifically applicable in Akwa Ibom State, Nigeria.

In respect of each of the major sub-independent variables of the study, significant relationships were also established with the dependent variable. In all these hypotheses, it was found that they all significantly enhance better host community relations. It was therefore concluded that Corporate Social Responsibility affects and indeed predicts community-industry relations in Akwa Ibom state, Nigeria.

Recommendations

Based on the problems, the objectives, and the findings of this study, the following recommendations are made

- Exxon-Mobil should focus more on the participatory development intervention strategy based on its inherent strengths, in view of the realization that the success of Corporate Social Responsibility agenda depends on the level of community participation in such projects. The bottom-up approach to Corporate Social Responsibility through participatory development intervention should be seen as a panacea towards promoting better host community-industry relations.
- Exxon-Mobil should deploy greater efforts towards the promotion of social investment in health care delivery as a way of strengthening existing health resources and fostering local programme development. To this end, more programmes should be setup with the

aim of promoting and supporting communities, youths, girls, and women in critical areas of health, especially maternal health.

- Multinational Oil Corporations and Exxon-Mobil in particular should sustain and improve their Corporate Social Responsibility of promoting education through award of scholarships to community groups, building and renovation of schools, and training of teachers to enable the indigenes of these host communities further their studies, conduct research, or pursue endeavours they would not otherwise be able to afford in view of the perceived impact of such projects.
- Exxon Mobil should realize that part of their social responsiveness is that of relating its operations and policies to the social environment in ways that are mutually beneficial to the Company and Community. One of such ways is by developing the infrastructure of host communities such as water, electrification and road construction projects. As such, more effort and resources should be deployed into such projects.
- Exxon Mobil should sustain its Integrated Community Development Programme as a vital element of its Corporate Social Responsibility. It should focus more on capacity building projects such as micro credit schemes to boost small-scale enterprises in the area of agriculture, carpentry, hair dressing, and other skill acquisition programmes. These are obviously capable of improving their relationship with their host communities.
- The legislature in Nigeria should create mechanisms for the development and protection of the environment by making the obligation to protect and develop host communities justiciable in line with international best practices regarding corporate and human rights law. In so doing, laws should be passed creating duties on companies to act as good corporate citizens and with an altruistic sense of responsibility towards the environment failing which they are to face sanctions.

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Appendix

TABLE 1: Principal factor analysis: Sum of squared loadings

Factors (Component)	Sums of Squares Eigen values	% of trace (Variance)	Cumulative %
1	2.964	59.28	59.28
2	1.460	29.20	88.48
3	0.409	8.18	96.65
4	0.168	3.35	100.00
5	4.955 E – 17	9.91 E – 16	100.00

Source: Fieldwork, 2017

TABLE 2: Rotated variable – by – factor loading with two factors extracted

S/N	Variable	Factors	
		1	2
1	Participatory Development Intervention	0.491	0.778
2	Social Investment in Healthcare	0.965	-0.112
3	Local Community Economic Empowerment	0.965	-0.112
4	Social Investment in Education	0.840	-0.412
5	Physical Infrastructure Through Electrificationetc	-0.346	0.833

Source: Fieldwork 2017

TABLE 3: Composite effect of factors in corporate social responsibility on community-industry relations

Source of Variation	SS	df	ms	F
Regression	27.458	2	13.729	135.697
Residual	72.542	717	0.101	
Total	100.000	719		

*P<.05, critical F = 3.00

Source: Fieldwork 2017

TABLE 4: Relative effect of factors in corporate social responsibility on community-industry relations

R = 0.524

R² = 0.275

Adjusted R² = 0.273

Standard Error = 0.31808

Variables	B	Std Error	Beta	T	Sig
(Constant)	1.833	0.012		154.658	.000
Socio-economic & educational development	0.193	0.012	0.519	16.309	.000
Participatory development in physical infrastructure.	0.028	0.012	-0.074	-2.326*	.000

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P < .05

Source: Fieldwork, 2017