

Chapter 44

CSR as a Strategic Management Tool: Expectations and Realities of Two MNCs in Nigeria

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ABSTRACT

Corporate social responsibility (CSR) as a concept has been a subject of debate in the management cycle for decades. However, the incorporation of CSR, competitive advantage and strategic management into top management decision making processes, forms a set of new alliances that are beginning to gain attention. This paper examined the strategic alliances of these highly volatile but significantly critical components in order to determine the extent to which these three seemingly incongruous factors can be achieved in reality within a developing country such as Nigeria. Using a comparative case study approach, the activities of two multinationals - Shell Plc and Coca Cola – were examined. The critical success factors were explained based on the strategies adopted in order to determine the impact on the society and whether they were in line with stakeholders' expectations. Findings however indicate that there has been an interplay of high level forces which has resulted in the unsavoury news emanating from the oil producing communities in Nigeria, unfortunately, the activities of Coca cola in both the content and context of their operations have received little or no attention. This paper contributes to the scarce literature of this discourse within the African continent in general and Nigerian state in particular as well as sets a precedent for future research.

INTRODUCTION

The world of corporate social responsibility is one that could be described as entangled and interwoven, as well as one that is neck-deep in the

murky waters of management all over the world. Multinational corporations (MNC), otherwise known as trans-national corporation (TNC) or multinational enterprise (MNE), are acronyms which are often used interchangeably to describe

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international organisations that produces good and/or services which are supplied to more than one country.

Fassin (2008 p.366) stated that MNCs are corporations that have their management headquarters in one country, known as the home country, and operates in several other countries, known as host countries. Castka and Balzarova (2008) stressed that the balance sheet of some MNCs far exceed that of some host countries while Levis (2006) contend that some large MNCs influence the political processes of their host nations due to the role they play within the economies.

Different types of MNCs operate within the African continent such as oil companies, airlines, beverages, pharmaceuticals, etc. Despite the cultural, economic and territorial differences, these MNCs' have been able to manoeuvre their ways and entrench their operations within the various African countries in which they operate as well as other emerging markets such as China, India, Brazil, South Africa, etc.

Policy makers and of course researchers have dedicated a lot of time and money trying to understand the implications of the different policies as well as practices of these MNCs, their relationships to their business strategies (Pearce and Doh 2005, p.34) and their impacts on the culture and lives of the community and countries where they operate. Several researchers such as Husted (2003); Levis (2006); Sasse and Trahan (2007); Fassin (2008); Castka and Balzarova (2008), have attempted to chart a course for various MNCs' based on the outcomes of their findings.

CSR has become very relevant, especially in the new millennium. However, researches in these areas have received overwhelming dominance from the western-centric centred research and these researches have been mostly within the developed countries of North America and Europe and of late a focus on the transitional or emerging economies of China, Brazil, India, and Russia.

The theoretical, methodological as well as practical gaps churned out from these researches are

more applicable to the developed and transitional economies. Unfortunately, researches focusing on developing economies, such as Nigeria, are scarce. Where research does exist there is a limited attempt to fully capture the depth of the issues in relations to incorporating CSR into the strategic management of corporate entities in order to gain a competitive advantage.

This study attempts to fill this gap in knowledge by examining the alliance of strategic management and CSR within the African continent. We believe that this could add to the debate in relations to other developing countries of the world with detailed issues revolving around impact, empowerment, environment, development and human rights. It is thus believed that burning issues such as environment and development as well as human rights will provoke high level discussions among researchers and policy makers.

The study, it is envisaged will generate new ideas and contribute to the extant literature within the African continent and strengthen the alliance between MNCs', their mode of business strategies and improve their competitive advantages through the application of favourable CSR policies and practices in their respective host communities in particular and the countries in general.

The objective of this study therefore is to investigate the CSR initiatives of MNCs strategic management in Nigeria and review these in line with competitive advantage approaches. The research question coined out of this is: *Can corporate social responsibility as a strategic management initiative create competitive advantage for MNCs in Nigeria?* Since this is a case study, it is important to formulate specific objectives in order to achieve both the specific and broader aims and objectives of the study. The specific objectives therefore will be to:

- Explain the relationships between CSR, strategies and competitive advantage;
- Explore the context of social responsibility in corporate strategies;

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