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Corporate Social Responsibility and Organizational Survival in the Oil and Gas Sector: A Theoretical Synthesis

Splendorpeace Dunbo Agara[1]*

[1] Department of Business Management, Faculty of Administration and Management, Rivers State University, Port Harcourt, Nigeria

***Correspondence:** splendorpeace.agara@uniport.edu.ng

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Abstract

This theoretical paper explores the relationship between Corporate Social Responsibility (CSR) and organizational survival in high-impact industries, specifically focusing on oil and gas companies operating in developing economies. Recognizing the volatile and socially sensitive nature of regions such as the Niger Delta, this paper critically examines how CSR practices can serve as strategic mechanisms for ensuring long-term survival by fostering legitimacy, risk mitigation, stakeholder loyalty, and reputation. Drawing on key theoretical frameworks including Stakeholder Theory, Legitimacy Theory, the Resource-Based View (RBV), and the Triple Bottom Line, the paper explores how CSR integrates into organizational strategy, becoming a vital component for sustaining competitive advantage, enhancing social license to operate, and fulfilling sustainability obligations. The discussion highlights the need for a multi-theoretical approach to CSR, emphasizing its role as a strategic imperative rather than an optional add-on. Furthermore, the paper underscores the limitations of existing theoretical models in the African context and calls for the development of context-specific CSR models that better reflect the socio-political and institutional dynamics of developing economies. This study provides both theoretical insights and practical implications for firms in volatile contexts, urging the integration of CSR into core business strategies to enhance organizational resilience and sustainability.

Keywords: Corporate Social Responsibility, Organizational Survival, Stakeholder Theory, Resource-Based View, Niger Delta.

1. Introduction

Corporate Social Responsibility (CSR) has evolved from a peripheral concern to a strategic imperative, particularly in high-impact industries such as oil and gas. These industries are characterized by significant environmental footprints, complex stakeholder networks, and frequent exposure to socio-political risks. As such, their operations attract intense scrutiny from regulators, communities, and global watchdogs. In this context, CSR is increasingly viewed not only as a moral or ethical obligation but also as a means of securing organizational legitimacy, stakeholder trust, and operational continuity (Carroll & Shabana, 2010; Idemudia, 2014).

In volatile environments like Nigeria's Niger Delta where oil and gas companies operate in a climate of socio-economic deprivation, environmental degradation, and community unrest the importance of CSR is particularly pronounced. The region's history of conflict, fueled by perceptions of corporate exploitation and government neglect, underscores the need for firms to adopt socially responsible practices that align with community needs and environmental sustainability (Frynas, 2005; Eweje, 2006). In such contexts, CSR serves not only as a vehicle for socio-economic development but also as a survival strategy for firms seeking to avoid disruption, boycotts, sabotage, or reputational damage (Amaeshi et al., 2006). This paper aims to theoretically explore the nexus between CSR and long-term organizational survival, particularly within the oil and gas sector in developing economies. It interrogates how CSR contributes to a firm's ability to maintain legitimacy, adapt to stakeholder expectations, and mitigate socio-political risks through the lens of established theoretical frameworks.

The scope of this paper is limited to multinational and indigenous oil and gas companies operating in resource-sensitive regions of the Global South, with particular emphasis on Nigeria. The study adopts a conceptual approach, drawing on Stakeholder Theory, Legitimacy Theory, the Resource-Based View (RBV), and the Triple Bottom Line framework to evaluate the strategic role of CSR in enhancing organizational resilience and sustainability. The structure of the paper is as follows: Section 2 offers a conceptual clarification of CSR and organizational survival. Section 3 critically examines the theoretical frameworks relevant to CSR-survival discourse. Section 4 presents an integrative discussion, synthesizing the insights across the theories. Section 5 concludes the paper by highlighting key implications for theory, practice, and future research.

2. Conceptual Clarification

2.1. Defining Corporate Social Responsibility (CSR)

Corporate Social Responsibility (CSR) is a multifaceted and evolving concept that encompasses the expectations society has of organizations regarding their contributions to economic, social, and environmental sustainability. According to the European Commission (2011), CSR refers to "the responsibility of enterprises for their impacts on society," emphasizing voluntary integration of social and environmental concerns into business operations and interactions with stakeholders. Similarly, Carroll (1991) presents a widely accepted definition, conceptualizing CSR as a four-tier model that includes economic, legal, ethical, and philanthropic responsibilities. CSR has moved beyond a philanthropic approach to become an integral part of corporate strategy, particularly in sectors where firms significantly affect the natural and social environment, such as oil and gas (Dahlsrud, 2008; Matten & Moon, 2008). Today, CSR is seen as a business model that not only enhances stakeholder trust but also contributes to a firm’s competitive advantage and long-term sustainability (Porter & Kramer, 2006).

2.2. Dimensions of Corporate Social Responsibility

CSR is typically operationalized through four key dimensions: economic, environmental, ethical, and social responsibilities. Each of these dimensions contributes uniquely to the firm’s engagement with its internal and external stakeholders.

- **Economic Responsibility:** This refers to the organization's foundational obligation to be economically viable and profitable while producing goods and services that society values (Carroll, 1991). It emphasizes operational efficiency, employment generation, and contributions to national income.
- **Environmental Responsibility:** This dimension reflects the firm's commitment to minimizing negative environmental impacts, such as pollution, emissions, and resource depletion. Practices such as adopting green technologies, reducing carbon footprints, and investing in renewable energy fall under this category (Schaltegger & Wagner, 2006).
- **Ethical Responsibility:** Ethical CSR emphasizes doing what is right, fair, and just beyond legal requirements. It includes corporate policies on transparency, anti-corruption, employee treatment, and fair trade (Freeman et al., 2007).
- **Social Responsibility:** Social CSR entails engagement with communities, promoting social welfare, contributing to education and healthcare, and supporting local development. This is particularly important in resource-rich but underdeveloped regions like the Niger Delta (Eweje, 2006).

These dimensions are interdependent and collectively determine a company’s CSR performance and public perception.

2.3. Organizational Survival

Organizational survival refers to a firm's ability to remain viable and sustain its operations over the long term despite changing environmental conditions, competitive pressures, and stakeholder demands (Hannan & Freeman, 1984). It is not merely about financial continuity but also about maintaining relevance, legitimacy, and resilience. One critical aspect of survival is legitimacy, which is achieved when an organization's actions are perceived as desirable, proper, or appropriate within a socially constructed system of norms, values, and beliefs (Suchman, 1995). In hostile or skeptical environments, such as those found in extractive industries operating in the Global South, CSR can serve as a vital tool for legitimizing corporate existence. Another factor is risk mitigation. By proactively addressing stakeholder concerns and adhering to regulatory expectations, CSR enables firms to reduce risks associated with community unrest, legal sanctions, and operational disruptions conditions that are particularly pronounced in oil-producing regions (Frynas, 2005). Closely related is the idea of stakeholder loyalty. Organizations that consistently engage stakeholders through socially responsible initiatives tend to build lasting relationships that result in sustained business support, reduced conflict, and a stronger license to operate (Freeman, 1984). Furthermore, CSR contributes significantly to building and maintaining corporate reputation. Firms known for responsible conduct often enjoy reputational capital that cushions them during crises and enhances investor and consumer confidence (Fombrun & Shanley, 1990). Finally, adaptability is a key component of survival in dynamic and unpredictable business environments. A firm's commitment to CSR often reflects its broader capacity for organizational learning and responsiveness. By staying attuned to evolving social and environmental expectations, companies enhance their ability to adapt, innovate, and remain competitive over time (Hart, 1995).

2.4. Linking CSR and Organizational Survival: Theoretical Nexus

The relationship between CSR and organizational survival is grounded in several theoretical perspectives. Stakeholder Theory (Freeman, 1984) argues that organizations must manage and balance the interests of multiple stakeholders to ensure long-term success. By proactively addressing stakeholder concerns through CSR, firms reduce conflict and build resilient relationships that support survival. Legitimacy Theory further suggests that organizations seek to operate within the bounds of societal norms. In industries like oil and gas, where environmental and social impacts are highly visible, CSR becomes a strategy for maintaining or restoring legitimacy (Deegan, 2002).

From the Resource-Based View (RBV), CSR can be seen as a source of intangible assets such as trust, brand equity, and social capital. These resources contribute to sustained competitive advantage and survival, especially when they are rare, valuable, inimitable, and non-substitutable (Barney, 1991). The Triple Bottom Line (TBL) framework (Elkington, 1997) underscores that firms must perform well not only economically but also socially and environmentally to survive in the long run. Neglecting any of these dimensions could undermine sustainability and jeopardize the firm's continued existence. In summary, theoretical and empirical literature supports the idea that CSR is a strategic tool that can enhance organizational survival. In volatile settings such as the Niger Delta, where firms face heightened scrutiny and socio-environmental challenges, CSR may determine whether companies thrive, stagnate, or exit the market.

3. Theoretical Perspectives on CSR and Organizational Survival

The relationship between Corporate Social Responsibility (CSR) and organizational survival is grounded in multiple theoretical frameworks that help explain why and how socially responsible behavior contributes to long-term corporate viability. These perspectives provide a structured lens through which the strategic importance of CSR can be understood, especially in high-impact and high-risk industries such as oil and gas.

3.1. Stakeholder Theory

Stakeholder theory, advanced by Freeman (1984), posits that the survival and success of an organization depend on its ability to create value for all its stakeholders, not just shareholders. According to this theory, an organization must recognize and balance the interests of diverse groups including employees, customers, suppliers, regulators, and host communities. Within the CSR context, this means firms must actively engage with stakeholders through initiatives that address their concerns and aspirations. For oil and gas companies operating in volatile regions such as the Niger Delta, responsiveness to host communities, adherence to regulatory frameworks, and ethical treatment of employees are not just moral obligations but strategic imperatives. By fostering trust, reducing social and legal conflicts, and building stronger alliances with stakeholders, CSR practices grounded in stakeholder theory enhance the organization's social license to operate and secure its long-term survival.

3.2. Legitimacy Theory

Legitimacy theory further reinforces the argument that CSR is central to organizational continuity. This theory asserts that organizations must operate within the bounds of social acceptability to survive. Legitimacy, in this context, is derived from conforming to the norms, values, and expectations of the society in which the organization functions (Suchman, 1995). In contentious and socio-politically sensitive regions like the Niger Delta, where oil and gas operations are often met with public skepticism and resistance, CSR becomes a mechanism through which companies can demonstrate their alignment with societal values. Initiatives in environmental stewardship, social development, and economic inclusion serve to mitigate community grievances and project a socially responsible image. Such alignment not only helps avert regulatory backlash and community hostility but also consolidates the company's reputation as a legitimate corporate citizen, thereby enhancing its prospects for long-term survival.

3.3. Resource-Based View

The Resource-Based View (RBV) of the firm provides another compelling theoretical justification for CSR as a survival strategy. RBV contends that firms achieve sustained competitive advantage through the development and deployment of valuable, rare, inimitable, and non-substitutable resources (Barney, 1991). From this perspective, CSR can be understood as an intangible asset manifesting in forms such as reputation, trust, brand equity, and stakeholder goodwill. These resources, while not physical, can significantly differentiate a firm from its competitors and provide buffers in times of crisis. CSR capabilities, such as effective community engagement strategies, ethical governance frameworks, and environmental risk management systems, become strategic assets that enhance the firm's adaptability and resilience. When CSR is integrated into the firm's core competencies, it enhances operational excellence and strategic coherence, thereby contributing to long-term viability and competitive strength.

3.4. Triple Bottom Line

The Triple Bottom Line (TBL) framework proposed by Elkington (1997) underscores the multidimensional nature of corporate survival in the 21st century. The TBL emphasizes that true sustainability requires balancing economic profitability, environmental stewardship, and social responsibility. In extractive industries such as oil and gas where environmental degradation, social dislocation, and economic exploitation are common criticisms the TBL offers a holistic model for sustainable operations. CSR initiatives aligned with the TBL framework enable companies to not only generate financial returns but also protect the environment and support societal development. This balanced approach enhances legitimacy, reduces operational risks, and builds robust stakeholder relationships all of which are essential to long-term survival. The relevance of TBL is particularly pronounced in developing economies, where societal expectations are increasingly shifting towards inclusive and responsible business conduct.

Together, these theoretical frameworks Stakeholder Theory, Legitimacy Theory, the Resource-Based View, and the Triple Bottom Line offer a rich foundation for understanding the strategic relevance of CSR to organizational survival. Each underscores different mechanisms through which CSR can generate enduring value and mitigate existential threats, particularly in high-risk environments.

4. Integrative Discussion

The theoretical perspectives discussed Stakeholder Theory, Legitimacy Theory, the Resource-Based View (RBV), and the Triple Bottom Line (TBL) offer complementary yet distinct insights into the link between Corporate Social Responsibility (CSR) and organizational survival. Each theory contributes uniquely to understanding the mechanisms through which CSR practices impact firm longevity, especially in high-impact sectors such as oil and gas. Stakeholder theory and legitimacy theory converge on the idea that organizations exist within a broader social system and that alignment with stakeholder interests and societal norms is fundamental to their continued existence (Freeman, 1984; Suchman, 1995). Both emphasize external relational dynamics building trust, securing social license to operate, and managing community expectations as pivotal for survival.

In contrast, the RBV offers a more internally focused lens, suggesting that CSR can become a source of sustained competitive advantage if developed into strategic organizational capabilities (Barney, 1991). It highlights the intrinsic value of intangible assets like reputation, ethical leadership, and community goodwill as differentiators in the market. Meanwhile, the Triple Bottom Line synthesizes both internal and external dimensions by proposing that economic, environmental, and social performance are interdependent and essential for long-term viability (Elkington, 1997). While all these theories acknowledge CSR's role in enhancing survival, they diverge in emphasis some focusing more on stakeholder relationships and legitimacy, others on internal resources and holistic sustainability. An integrative approach that acknowledges their complementarities offers a richer understanding of CSR as both a normative obligation and a strategic asset.

The oil and gas sector, particularly in politically and socially volatile regions like the Niger Delta, necessitates a multi-theoretical approach to CSR. This industry is characterized by high environmental externalities, socio-economic tensions, and complex stakeholder ecosystems (Frynas, 2005). Relying on a single theoretical framework fails to capture the full scope of CSR's strategic utility in such a context. For instance, while stakeholder theory explains the necessity of community engagement, it does not adequately address how firms internalize CSR as a competitive capability, which is where RBV becomes essential. Likewise, legitimacy theory helps understand the public acceptance of firms, but its explanatory power is amplified when combined with TBL, which incorporates long-term sustainability metrics. Therefore, a composite theoretical model is more appropriate for oil and gas companies operating in challenging terrains, as it captures the sector's operational risks, social complexities, and environmental responsibilities holistically.

Moreover, CSR must be conceptualized not as an optional add-on or philanthropic gesture but as a strategic imperative that is integral to corporate policy and planning. In high-risk industries, CSR functions as a form of risk management, brand positioning, and stakeholder alignment (Porter & Kramer, 2006). Its strategic value lies in anticipating and mitigating threats be they regulatory sanctions, community unrest, or reputational damage before they escalate into existential crises. When embedded into core governance structures, CSR reinforces ethical decision-making, enhances transparency, and institutionalizes stakeholder dialogue. For example, oil companies that proactively invest in local infrastructure, environmental protection, and health care not only foster goodwill but also reduce operational disruptions and attract long-term investment. These benefits underscore that CSR is not merely about doing good but about doing well by doing good.

The implications of this conceptualization extend to corporate governance, stakeholder engagement, and ethical practices. From a governance standpoint, boards of directors must prioritize CSR by embedding it into strategic objectives and oversight mechanisms (Jamali, 2008). Stakeholder engagement should move beyond token consultation to sustained dialogue and co-creation of value with communities, regulators, and civil society. Ethical practices, such as transparent reporting, environmental accountability, and fair labor standards, should become benchmarks of organizational excellence. These elements collectively enhance the legitimacy, resilience, and strategic positioning of firms in dynamic environments.

However, existing theoretical models often fall short in capturing the unique socio-political and institutional realities of African contexts. Many CSR theories are rooted in Western liberal democracies with stable institutions and clearly defined stakeholder expectations. In contrast, African settings like Nigeria's Niger Delta are marked by weak institutions, deep-rooted inequalities, and contested governance structures (Amaeshi et al., 2006). Here, CSR takes on added significance as a compensatory mechanism for state failures in providing public goods. The motivations for and expectations from CSR may differ, with local communities viewing it as a right rather than a corporate initiative. Such contextual specificities necessitate the development or adaptation of theoretical models that account for informal institutions, cultural dynamics, and socio-economic disparities prevalent in African countries. In sum, the integration of multiple theories offers a nuanced understanding of CSR as a driver of organizational survival. While each theoretical perspective offers valuable insights, their combination provides a robust explanatory framework that aligns with the realities of high-risk sectors and under-institutionalized environments. Future research should focus on contextualizing these models to reflect the lived experiences of firms and stakeholders in developing economies.

5. Conclusion

Corporate Social Responsibility (CSR) emerges as a central pillar in ensuring the long-term survival of firms, particularly in socially and environmentally sensitive industries such as oil and gas. In volatile regions like the Niger Delta, CSR transcends philanthropic gestures to become a strategic necessity that safeguards organizational legitimacy, mitigates risk, and fosters stakeholder loyalty. The theoretical exploration of CSR through stakeholder theory, legitimacy theory, the resource-based view (RBV), and the triple bottom line framework reveals that no single perspective sufficiently captures the multifaceted nature of CSR's role in organizational survival. Instead, a hybrid theoretical framework is essential one that acknowledges the dynamic interplay between external expectations and internal capabilities. Such an integrative approach underscores that CSR is not merely a public relations exercise but a strategic imperative that must be embedded into a firm's core operations, governance structures, and decision-making processes.

For practitioners, this implies that firms operating in complex and high-risk environments must elevate CSR to the level of strategic priority. Doing so enhances adaptability, strengthens community relations, and reinforces long-term sustainability. The practical importance of CSR becomes even more pronounced in contexts marked by weak institutions, social unrest, and environmental degradation, where the failure to engage responsibly can lead to reputational damage, operational shutdowns, and loss of license to operate.

From a theoretical standpoint, there is a growing need to develop CSR models that are context-specific ones that account for the unique socio-political realities of African and other developing economies. Existing Western-centric theories often lack the sensitivity to local cultural, institutional, and historical dynamics. Future research should thus focus on building indigenous theoretical frameworks that integrate traditional norms, community expectations, and development imperatives with global CSR standards. Such models would provide a richer understanding of how CSR functions as a survival mechanism in environments where the boundaries between business and society are especially porous and contested.

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