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Corporate Social Responsibility Dimensions and Societal Loyalty of Selected Upstream Oil and Gas Companies in Nigeria

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Abstract

The extraction and production activities associated with the upstream oil and gas sector in Nigeria have been linked to significant environmental degradation. Practices such as oil spills, gas flaring, and deforestation have led to pollution of land, water bodies, and the atmosphere. This degradation not only poses risks to ecosystems and biodiversity but also threatens the health and livelihoods of local communities who depend on these natural resources for sustenance. Hence, this study examined the effect of corporate social responsibility dimensions on societal loyalty in the Nigerian upstream oil and gas businesses. The study adopted survey research design. The population of the study comprised 13, 443 regular employees of eight O&G firms' companies in Nigeria. The sample size of 748 was determined using Cochran's sample size formula (1977) and simple random sampling technique was adopted in selecting respondents. A structured, adapted and validated questionnaire was administered. Cronbach's alpha reliability coefficient for the constructs ranging from 0.630 to 0.910. The response rate was 91.0%. The research hypotheses were tested using multiple regression statistics. The findings revealed that corporate social responsibility dimensions had no significant effect on societal loyalty (Adj. R2=0.11, F(2. 671)= 1.96, p > 0.05), corporate (Adj. R2=.001, F(2. 671)= 1.292, p > 0.05). The study concludes that CSR dimensions do not have a substantial influence on societal loyalty, business image, and competitiveness, suggesting the need for further investigation into the complex connection between CSR practices and organisational results. Therefore, the study recommends that to improve loyalty, Oil and Gas firms should conduct stakeholder evaluations, customize CSR programs, participate in community outreach, philanthropy projects, and environmental conservation efforts. Transparent communication and stakeholder involvement are crucial for trust and confidence.

Background to the Study

The Nigerian oil and gas sector, a pivotal contributor to the country's economic growth, faces distinctive challenges in implementing CSR practices. Issues such as environmental degradation, community disruptions, and ethical concerns have been raised (Adams et al., 2022), prompting investigations into the alignment between CSR initiatives and corporate image (Okorie & Lin, 2022). existing in poor corporate image in the Nigerian oil and gas sector stem from poor alliance with local communities, inadequate compliance with regulatory bodies, improper linkage and interface with environmental advocates, as well as industry peers. While certain investigations have explored the connection between CSR practices and aspects like brand reputation and stakeholder trust (Edem et al., 2022), a significant gap remains regarding the absence of a precise nexus between CSR activities and corporate image in the unique context of Nigeria's oil and gas sector. Through an in-depth exploration of how CSR initiatives influence corporate image, this research endeavors to provide valuable insights that can inform strategic decision-making, such as, stakeholder engagement, and the cultivation of a favorable corporate identity in Nigeria's oil and gas industry.

Corporate social responsibilities comprising social responsibility, environmental responsibility, and economic responsibility are crucial for establishing a positive corporate image and maintaining societal loyalty (Zhang & Berhe, 2022). However, the prevailing issues reveal a concerning weakening of these constructs' impact on organisational competitiveness in the Nigerian oil and gas sector (Ofurum & Ngoke, 2022). Despite increasing global awareness of environmental concerns, the firms in the Nigerian Oil and gas sector have struggled to effectively implement sustainable practices (Chondough, 2022). Shockingly, figures indicate that over 50% of these companies have been non-compliant with environmental regulations, resulting in adverse effects on local communities and ecosystems (Erin, et al., 2022). Moreover, the economic responsibilities have been overshadowed by instances of corruption and mismanagement, with a staggering 65% of the oil and gas firms in Nigeria being implicated for financial irregularities (Khan et al., 2022).

In the Nigerian oil and gas sector, a critical industry for the nation's economic stability, the significance of integrating corporate social responsibility practices into business operations has gained attention. The sector faces complex challenges such as environmental degradation, social tensions, and economic imbalances (Ibrahim, 2022), prompting questions about the effectiveness of CSR initiatives in enhancing the competitiveness of companies. The sector finds itself ensnared in a web of intricate predicaments, including regulatory ambiguities that foster a lack of accountability, the precarious fragility of local ecosystems exacerbated by unchecked resource extraction, and the intricate socio-economic reverberations of wealth concentration (Odusina, 2022). As Nigeria's oil and gas industry stands at this crossroads of challenges and opportunities, the paradigm of corporate social responsibility takes on renewed significance (Suleiman et al., 2022). The efficacy of its integration into the sector's modus operandi becomes a litmus test, not only for individual enterprises striving for enduring relevance but also for the overarching industry seeking to navigate the complex journey toward a more sustainable and balanced future (Nagode et al., 2022).

Corporate Social Responsibility (CSR)

Corporate Social Responsibility (CSR) is a multifaceted concept that has been defined and conceptualized in various ways by scholars and practitioners. Zhou and Wei (2022) emphasize CSR as a strategic approach where companies integrate social and environmental concerns into their business operations and interactions with stakeholders. Ali et al. (2020) expands this definition by highlighting CSR's role in contributing to societal well-being beyond profit generation. Tiep et al. (2021) focus on the ethical dimension, portraying CSR as a commitment to behaving ethically and responsibly in all aspects of a company's operations. Aledo-Ruiz et al. (2022) further underline the voluntary nature of CSR initiatives, indicating that responsible actions go beyond legal requirements. Ramecesse (2021) adds another layer to the definition by considering CSR as a means to achieve sustainable development goals, bridging economic, social, and environmental objectives. Pham and Tran (2020) introduce the idea that CSR involves the alignment of a company's activities with the interests of various stakeholders, including employees, customers, and the community. Swaen et al. (2021) emphasize CSR's role in minimizing negative impacts and enhancing positive contributions to society and the environment. Yan et al. (2022) argue that CSR involves a continuous process of improvement, where companies adapt their practices to changing societal expectations and environmental challenges. These synthesized discussions collectively establish CSR as a holistic approach that integrates ethical, social, environmental, and stakeholder considerations into business strategies and operations.

CSR initiatives yield numerous advantages and benefits for companies, society, and the environment. Sánchez-Torné et al. (2020) suggest that CSR enhances a company's reputation and brand image, leading to increased customer loyalty and trust. Malik et al. (2020) emphasize CSR's role in attracting and retaining talented employees who are aligned with the company's ethical values. Low and Spong (2022) note that CSR can lead to cost savings through improved resource efficiency and waste reduction, contributing to long-term financial sustainability. Ozhan et al. (2022) argue that CSR fosters innovation, as companies develop sustainable solutions to societal and environmental challenges, thereby gaining a competitive edge. Park (2019) highlights the positive societal impacts, such as poverty alleviation and community development, that result from CSR initiatives. Additionally, CSR initiatives contribute to the achievement of sustainable development goals by addressing social inequalities and environmental degradation. These benefits collectively demonstrate that CSR positively affects a company's bottom line, reputation, employee engagement, innovation capacity, and societal well-being.

Social Responsibility

Social responsibility is a multifaceted concept that has evolved over time with various scholars and practitioners offering distinct yet interconnected definitions. Rambaree

(2021) defines social responsibility as the ethical duty of individuals and organisations to contribute positively to societal well-being, encompassing actions that extend beyond legal obligations. Wang (2023) expands this definition by emphasizing the responsibility to address pressing societal challenges, such as poverty, inequality, and environmental degradation. Mahmud et al. (2021) integrate the dimension of sustainability, portraying social responsibility as a commitment to actions that not only benefit the present generation but also ensure the well-being of future generations. Dwekat et al. (2020) highlight the role of stakeholder relationships, emphasizing that social responsibility involves considering the interests of various stakeholders, including employees, customers, communities, and the environment. Zhou et al. (2019) present social responsibility as a means to promote ethical conduct and accountability, where individuals and organisations are expected to act in ways that align with societal norms and values.

Environmental Responsibility

Environmental responsibility, a pivotal concept in sustainable development, encapsulates a range of definitions that reflect its multidimensional nature. Scholars have contributed diverse perspectives to define this concept. Li et al. (2023) elucidates that environmental responsibility entails the acknowledgement of a corporation's duty to minimize its ecological footprint and contribute to ecosystem preservation. Feng et al. (2023) extend this definition by emphasizing the ethical obligation of organisations to act in ways that promote environmental health and minimize harm. Zhou and Nagayasu (2023) accentuate the idea that environmental responsibility involves proactive efforts by businesses to adopt practices that ensure their activities do not compromise the natural environment. Wang et al. (2023) incorporate the notion of accountability, indicating that entities are held responsible for the environmental consequences of their actions. Lin and Zhang (2023) highlight the global dimension of environmental responsibility, underlining that it involves recognizing the interconnectedness of ecosystems and addressing transboundary environmental challenges. Duan et al. (2023) emphasizes the temporal aspect, suggesting that organisations should consider the long-term impacts of their decisions on the environment. Dong et al. (2023) introduces the concept of stewardship, framing environmental responsibility as the responsible and careful management of natural resources for present and future generations.

Economic Responsibility

Economic responsibility is a multifaceted concept that has been discussed and defined in various ways by scholars and researchers. Kryuchkov et al. (2022) emphasize economic responsibility as the ethical obligation of organisations to generate profits within legal and moral boundaries, ensuring sustainable financial performance. Tairov and Berseneva (2021) extend this definition by highlighting the role of economic responsibility in contributing to long-term economic growth and stability. Ralf Lüfter (2019) focuses on the concept as the duty of businesses to efficiently allocate resources, create value, and maintain financial viability while considering the interests of various stakeholders. Xue (2022) underscores the importance of responsible financial management, indicating that economic responsibility involves prudent decision-making and risk management to ensure business continuity. Benson et al. (2021) introduce the idea that economic responsibility goes beyond profit maximization, considering broader impacts on society and the environment. Zagranovskaia and Pliner (2021) emphasize the legal dimension, indicating that economic responsibility includes adherence to financial regulations and standards. Tian (2021) adds the notion of ethical behaviour in economic transactions, suggesting that responsible economic practices encompass fairness, honesty, and integrity. Collectively, these discussions establish economic responsibility as a holistic approach that involves ethically generating profits, creating value, efficiently allocating resources, and contributing to economic growth while considering stakeholder interests, legal compliance, and ethical conduct.

Societal Loyalty

Societal loyalty to an organisation encompasses a complex interplay of psychological, emotional, and social factors that bind individuals to a collective identity, fostering commitment and support. Numerous scholars have contributed definitions to elucidate this phenomenon. At its core, societal loyalty refers to the unwavering dedication and allegiance individuals exhibit toward an organisation, often surpassing transactional relationships. This loyalty is marked by a sense of belonging and a willingness to advocate for the organisation's interests (Fida et al., 2020). Additionally, societal loyalty entails a deep emotional connection, where individuals derive personal meaning from their association, feeling as if they are part of something greater than themselves (Ismail, 2023). From another angle, societal loyalty extends to encompass not only organisational commitment but also a broader sense of devotion to the values, culture, and goals the organisation represents (Almohaimmeed, 2019). This loyalty is often cultivated through shared experiences, rituals, and symbols that foster a collective identity.

Societal loyalty exhibits distinctive characteristics that deepen individuals' connections to an organisation. One prominent characteristic is the sense of identity fusion, where an individual's personal identity becomes intertwined with that of the organisation. This fusion leads to a heightened willingness to make personal sacrifices for the organisation's greater good, even in the face of challenges (Khan, 2012). Moreover, societal loyalty often rests upon a foundation of trust, where individuals believe that the organisation's intentions align with their own, fostering a sense of psychological safety and belonging (Alam & Noor, 2020). Emotional resonance is another characteristic that bolsters societal loyalty. Organisations that effectively evoke emotions such as pride, admiration, or gratitude foster a stronger bond with their members (Molinillo et al., 2022). This emotional connection transcends transactional exchanges, contributing to a sustained sense of loyalty.

Empirical Review

Corporate Social Responsibility (CSR) has gained increasing attention due to its potential to impact various aspects of organisations, including financial performance, reputation, and customer loyalty. This empirical discussion aims to explore the effects of CSR dimensions—social responsibility, environmental responsibility, and economic responsibility—on societal loyalty. The synthesis draws insights from a range of studies to provide a comprehensive view of the relationship between CSR and societal loyalty, while also considering potential negative findings. Social responsibility involves an organisation's commitment to ethical and social causes within its community. Aledo-Ruiz et al. (2022) suggest that CSR positively influences students' emotional appeal towards Higher Education Institutions (HEIs) through reputation and corporate image. However, the study by Rambaree (2020) highlights discourse and power dynamics that can affect the effectiveness of CSR, potentially leading to skepticism about genuine intentions and hindering societal loyalty. Environmental responsibility pertains to an organisation's efforts to minimize its impact on the environment. Li et al. (2023) examines the impact of penalties for environmental violations on corporate environmental responsibility, implying that regulatory pressures can play a role in driving environmental responsibility.

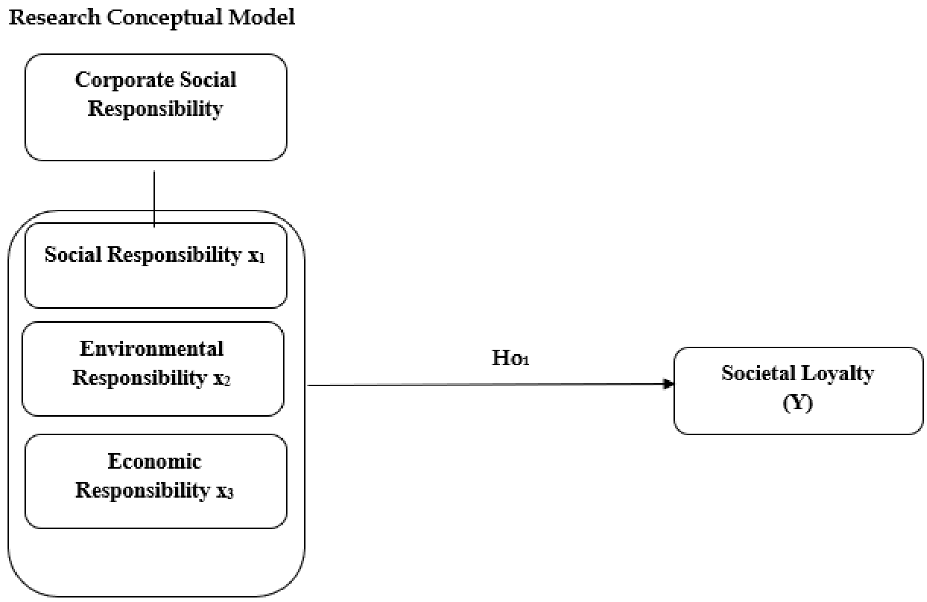
On the other hand, Wang et al. (2023) discuss how negative perceptions and misunderstandings of environmental responsibility might impede green customization efforts, suggesting that misaligned expectations could affect societal loyalty. Economic responsibility focuses on an organisation's financial stability and contribution to economic growth. Kryuchkov et al. (2022) explore the challenges of realizing economic responsibility in small and medium-sized businesses in Russia. This highlights that economic responsibility might not always be straightforward and can be influenced by various economic factors. Haase (2017) argues for a more balanced approach, suggesting that excessive emphasis on economic responsibility could overshadow other societal concerns and impact loyalty.

While the reviewed studies generally support the positive impact of CSR dimensions on societal loyalty, some studies raise concerns about potential limitations and negative influences. The influence of CSR on societal loyalty is multifaceted and context dependent. The effectiveness of CSR initiatives depends on factors such as genuine intentions, alignment with stakeholder expectations, and the transparency of efforts. Additionally, the mediating role of factors like corporate image, reputation, and customer satisfaction, as highlighted by Ali et al. (2020), suggests that the perception of CSR initiatives plays a significant role in influencing societal loyalty. Tiep et al. (2021) reveal that CSR positively affects performance in small and medium-sized enterprises in emerging markets, indicating that societal loyalty can be enhanced through responsible business practices.

The integration of CSR dimensions, as reflected in the works of Cegarra-Navarro et al. (2016) and Zhou, & Wei, (2022), can lead to holistic benefits, including financial performance and innovation. However, an unbalanced emphasis on one dimension might lead to trade-offs and potentially compromise societal loyalty. This aligns with findings from Ramecesse (2021) regarding the relationship between CSR and firm performance in SMEs, indicating the need for a comprehensive approach. CSR dimensions: social, environmental, and economic responsibilities have the potential to positively impact societal loyalty. However, to ensure optimal outcomes, organisations must consider the contextual factors that can influence the effectiveness of CSR initiatives. A holistic approach that balances the dimensions of CSR while addressing potential negative findings is crucial for fostering genuine societal loyalty and contributing to sustainable development.

Ho_1: Corporate social responsibility dimensions (social responsibility, environmental responsibility and economic responsibility) have no significant effect on societal loyalty of selected upstream oil and gas companies in Nigeria.

Figure 1: Conceptual Model (corporate social responsibility and societal responsibility)



Source: Author's Research Model (2023)

The figure above presented the conceptual model based upon the review of literature and it showed the effect of corporate social responsibility (social responsibility, environmental responsibility and economic responsibility) on significant effect on societal responsibility of selected upstream oil and gas companies in Nigeria.

Theoretical Review

The study adopted Institutional Theory which anchored the study variables both dependent and independent.

Institutional Theory

Institutional theory emerged in the late 1970s and early 1980s, primarily through the works of sociologists such as John W. Meyer and Brian Rowan (1977), and later extended by researchers like Paul DiMaggio and Walter Powell (1983). The theory focuses on understanding how organisations conform to external social, cultural, and normative pressures to gain legitimacy and stability (Risi et al., 2022). It operates on the premise that organisations are not solely driven by rational decisions, but also by the need to be seen as legitimate by their environment, including regulators, customers, and other stakeholders (Roszkowska-Menkes & Aluchna, 2018). This theory assumes that organisations strive to align their structures, practices, and behaviours with prevailing institutional norms to ensure their survival and success (König, 2020).

Institutional theory has gained considerable support across various disciplines, including sociology, management, and organisational studies. Its emphasis on understanding how organisations adapt to societal expectations and norms has resonated with researchers studying organisational behaviour, strategy, and change (Gao-Zeller et al., 2019). Scholars such as DiMaggio and Powell (1983) expanded on the theory's concepts, while subsequent researchers like Scott (1995) delved deeper into its typologies and dimensions. Institutional theory has been used to analyze diverse topics, from corporate social responsibility to organisational innovation, making it a widely applicable framework (Karbhari et al., 2020).

Despite its widespread adoption and influence in the field of strategic management, the institutional theory has encountered a series of critical viewpoints and reservations by researchers and experts. A notable critique directed towards this theory revolves around its perceived tendency to downplay the significance of agency and strategic decision-making processes within organisations, instead of placing a greater emphasis on conformity as opposed to conscious and purposeful actions (Aksom & Tymchenko, 2020). Moreover, the critics assert that the theory's preoccupation with isomorphism, which refers to the process through which organisations imitate each other in a bid to align with institutional norms, may inadvertently stifle individuality and hinder innovation (Pan, 2020). Furthermore, a group of scholars, including Aksom (2021), Suddaby et al. (2022), and George et al. (2020), have advanced arguments asserting that the explanatory power of the institutional theory can be notably constrained when applied in contexts where organisations actively resist institutional pressures. This resistance to conformity, they argue, can undermine the theory's capacity to elucidate organisational dynamics effectively. In addition to these criticisms, the institutional theory has also faced scrutiny for its relatively modest predictive capabilities. While it excels at explaining past events and organisational behaviour, it often struggles to consistently forecast future developments within organisations (Bouilloud et al., 2020).

Methodology

The study adopted survey research design. The population of the study comprised 13, 443 regular employees of eight O&G firms' companies in Nigeria. The sample size of 748 was determined using Cochran's sample size formula (1977) and simple random sampling technique was adopted in selecting respondents. A structured, adapted and validated questionnaire was administered with Cronbach's alpha reliability coefficient for the constructs ranging from 0.630 to 0.910. The response rate was 91.0%. The research hypotheses were tested using multiple regression statistics.

Table 1: Reliability Analysis

S/N	Variables	Number of Items	Cronbach Alpha Reliability	Composite Reliability	Remark
1	Social Loyalty	6	0.91	0.93	Reliable
2	Corporate Social Responsibility	5	0.72	0.76	Reliable
3	Social Responsibility	7	0.86	0.88	Reliable
4	Environmental Responsibility	6	0.77	0.80	Reliable
5	Economic Responsibility	7	0.92	0.94	Reliable

Source: Pilot Survey, (2023).

Model Specification
Functional relationship Y= f(x) and Regression models for the study.
X-Independent variables (corporate social responsibility) $X = (x_1, x_2, x_3,)$
Y – Dependent variable (societal loyalty)

$X= (x_1, x_1, x_1)$
Y = Social Loyalty (SL)
$X_1 = (x_{1a}, x_{1b}, x_{1c})$

Where:
x_1 = Social Responsibility (SOR)
x_2 = Environmental Responsibility (ER)
x_3= Economic Responsibility (ECR)

Hypothesis
$Y = f(x_1, x_2, x_3)$
$Y = \beta_{0+} \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + e_i$………………………….. eq. (i)

A Prior Expectation
The result from the statistical analysis assisted in explaining the degree of effect between the dependent and independent variables, also the expected outcome of the relationship between the sub-variables of both the dependent and independent variables was stated as follows.

Table 2: A Priori Expectations and Decision Rule

S/N	Models	Expected Results
Ho_3	$y_3 = \beta_0 + \beta_1 x_{2a} + \beta_2 x_{2b} + \beta_3 x_{2c} + e_i$ ………. eq. (iii)	$\beta_{1-3} \neq 0$; $P \leq 0.05$; Ho_3 will be rejected

Source: Author's Computation (2023)

Data Analysis and Results

H_0: Corporate social responsibility dimensions do not significantly affect societal loyalty of selected upstream oil and gas (O&G) firms in Nigeria.

Table 3: Multiple Regression of corporate social responsibility dimensions and societal loyalty of selected upstream oil and gas (O&G) firms in Nigeria.

<table>
<tr><th>N</th><th>Model</th><th>B</th><th>Sig.</th><th>T</th><th>ANOVA (Sig.)</th><th>R</th><th>Adjusted R^2</th><th>F (3,670)</th></tr>
<tr><td rowspan="6">674</td><td>(Constant)</td><td>32.538</td><td>.000</td><td>20.214</td><td rowspan="4">.118[b]</td><td rowspan="4">.093[a]</td><td rowspan="4">.004</td><td rowspan="4">1.962</td></tr>
<tr><td>Social Responsibility</td><td>.008</td><td>.863</td><td>.172</td></tr>
<tr><td>Environmental Responsibility</td><td>-.060</td><td>.138</td><td>-1.484</td></tr>
<tr><td>Economic Responsibility</td><td>-.052</td><td>.206</td><td>-1.266</td></tr>
<tr><td colspan="8">Predictors: (Constant), Social Responsibility, Environmental Responsibility, Economic Responsibility</td></tr>
<tr><td colspan="8">Dependent Variable: Societal Loyalty</td></tr>
</table>

Source: Researcher's Findings, 2024

Interpretation

Table 1 shows the summary of the multiple regression analysis results for the corporate social responsibility dimensions and societal loyalty of selected upstream oil and gas (O&G) firms in Nigeria as a case study. The results showed that all the dimensions of corporate social responsibility had insignificant effect on societal loyalty. Furthermore, only social responsibility ($\beta = .008$, $t = .172$, $p>0.05$) has a positive effect on societal loyalty. Environmental responsibility ($\beta = -.060$, $t = -1.484$, $p>0.05$) and economic responsibility ($\beta = -.052$, $t = .206$, $p>0.05$) have negative effect on societal loyalty of selected upstream oil and gas (O&G) firms in Nigeria.

The R value of .118 indicates that corporate social responsibility dimension has a weak positive relationship with societal loyalty of selected upstream oil and gas (O&G) firms in Nigeria. The coefficient of multiple determination Adj $R^2 = 0.004$ indicates that just about 0.4% variation that occurs in the societal loyalty in selected upstream oil and gas (O&G) firms can be accounted for by corporate social responsibility dimensions while the remaining 99.6% changes that occurs is accounted for by other variables not captured in the model. The predictive and prescriptive multiple regression models are thus expressed:

$SL = 32.538 + 0.008SOR - 0.060ER - 0.052ECR + U_i$ --- Eqn(i) (Predictive Model)
$SL = 32.538 + U_i$ --- Eqn(ii) (Prescriptive Model)

Where:
SL = Societal loyalty
SOR = Social responsibility
ER = Environmental responsibility
ECR = Economic responsibility

The regression model shows that holding corporate social responsibility dimensions to a constant zero, societal loyalty would be 32.538 which is positive. In the predictive model, it is seen that only social responsibility is positive while environmental responsibility and economic responsibility are negative, but all the dimensions are insignificant. This means that the management of the company can downplay those variables that is why they were not included in the prescriptive model. The results of the multiple regression analysis as seen in the prescriptive model indicate that when the corporate social responsibility dimensions are increased by one unit, there is no effect on societal loyalty of selected upstream oil and gas (O&G) firms in Nigeria. Also, the F-statistics (df = 3,670) = 1.962 at p = 0.118 ($p>0.05$) indicates that the overall model is insignificant in predicting the effect of corporate social responsibility dimensions on societal loyalty which implies that corporate social responsibility dimensions are not important determinants in the societal loyalty rate of selected upstream oil and gas (O&G) firms in Nigeria. The result suggests that such oil and gas (O&G) firms do not need to pay more attention towards the corporate social responsibility dimensions as it does not significantly ensure societal loyalty. Therefore, the null hypothesis (H_{04}) which states that corporate social responsibility has no significant effect on societal loyalty, was not rejected.

Discussion of Findings
The multiple regression results analysed the effect of corporate social responsibility on societal loyalty of selected upstream oil and gas (O&G) firms in Nigeria. The result indicated strategic corporate social responsibility has an insignificant effect on societal loyalty. Furthermore, social responsibility had a positive but insignificant effect while environmental responsibility and economic responsibility had a negative, yet insignificant effect on societal loyalty.

Conceptually, Ramecesse (2021) defines CSR as a means to achieve sustainable development goals, bridging economic, social, and environmental objectives. The researcher defines CSR as the commitment of the business to contribute to sustainable economic development and improve comfort for the community. The management of firms adjusts its structures, culture and values in compliance with ethical, legal, environmental and social demands and requirements. Rambaree (2021) defines social responsibility as the ethical duty of individuals and organizations to contribute positively to societal well-being, encompassing actions that extend beyond legal obligations. In addition, the researcher defines social responsibility as a company's voluntary commitment to integrate social and environmental concerns into its business operations and relationships with stakeholders as it reflects the company's dedication to contributing positively to society and the environment while conducting its commercial activities. Li et al. (2023) elucidates that environmental responsibility entails the acknowledgement of a corporation's duty to minimize its ecological footprint and contribute to ecosystem preservation. The researcher defines environmental responsibility as the obligation to safeguard and sustain the environment as it primarily relates to a company's adherence to environmental laws and regulations in its operations. Kryuchkov et al. (2022) emphasize economic responsibility as the ethical obligation of organizations to generate profits within legal and moral boundaries, ensuring sustainable financial performance. In addition, the researcher defines economic responsibility is a social commitment that strategic managers can consider, encompassing the economic interests of managers as agents of company owners and the maximization of shareholder wealth. Societal loyalty entails a deep emotional connection, where individuals derive personal meaning from their association, feeling as if they are part of something greater than themselves (Ismail, 2023). The researcher further defines societal loyalty as an abstract concept frequently encountered in human interactions which signifies people's evaluation of a particular corporate organization and their level of trust and reliability towards it.

The results obtained aligned with other research which stressed that the effectiveness of CSR initiatives depends on factors such as genuine intentions, alignment with stakeholder expectations, and the transparency of efforts. Ali et al. (2020), suggested that the perception of CSR initiatives plays a significant role in influencing societal loyalty and Tiep et al. (2021) reveal that CSR positively affects performance in small and medium-sized enterprises in emerging markets, indicating that societal loyalty can be enhanced through responsible business practices. Haase (2017) argues for a more balanced approach, suggesting that excessive emphasis on economic responsibility could overshadow other societal concerns and impact loyalty. The results are contrary to findings by Ramecesse (2021) who while studying the relationship between CSR and firm performance in SMEs, indicated the need for a comprehensive approach, that the CSR dimension (social, environmental, and economic responsibilities) have the potential to positively impact societal loyalty.

Conclusion and Recommendation

The study of study concludes that CSR dimensions do not have a substantial influence on societal loyalty, business image, and competitiveness, suggesting the need for further investigation into the complex connection between CSR practices and organisational results. Therefore, the study recommends that to improve loyalty, Oil and Gas firms should conduct stakeholder evaluations, customise CSR programs, participate in community outreach, philanthropy projects, and environmental conservation efforts. Transparent communication and stakeholder involvement are crucial for trust and confidence.

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