

# Community Perception and Evaluation of Corporate Social Responsibility Activities by the Oil Producing Companies in Bayelsa State



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## Abstract

This study explores the community perception and evaluation of Corporate Social Responsibility (CSR) initiatives by oil-producing companies in Bayelsa State, Nigeria, focusing on their socio-economic impact and effectiveness. Despite the region's significant contribution to national oil revenues, Bayelsa remains underdeveloped, with prevalent poverty and environmental degradation. Using a survey method, data were collected from 400 residents across diverse demographics, analysing trust levels, effectiveness, and community satisfaction with CSR activities. The study employed statistical analysis via SPSS to test hypotheses regarding the relationships between CSR initiatives, community relations, and socio-economic development. Findings reveal a critical trust deficit, with 58% of respondents rating trust between oil companies and host communities as "low" or "non-existent." CSR activities were largely perceived as ineffective, with 76% of respondents rating them as "somewhat effective" or "not effective at all." Environmental cleanup (37.5%) and infrastructure development (30%) emerged as the most frequently implemented CSR activities, whereas job creation (11%) was the least prioritized. While addressing visible concerns, these efforts often fail to align with deeper socio-economic needs, such as unemployment and capacity building. The study also found that 67% of respondents reported mixed or negative socio-economic impacts of oil companies' activities, with environmental degradation and inequitable resource distribution cited as major concerns. Importantly, community involvement in CSR planning correlated positively with satisfaction and perceived effectiveness, highlighting the need for participatory approaches. Hypotheses testing confirmed moderate positive relationships between CSR and socio-economic well-being ( $r = 0.524$ ) and between community relations initiatives and socio-economic development ( $r = 0.443$ ). These findings emphasize the importance of transparency, sustainability, and community-driven strategies in fostering impactful CSR. The study concludes that while oil-

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producing companies have made efforts in CSR, significant gaps persist in addressing community needs and building trust. Recommendations include enhancing community engagement, aligning CSR initiatives with socio-economic priorities, and adopting sustainable development strategies to improve outcomes for host communities.

**Keywords:** *CSR initiatives, oil-producing companies, oil-producing communities, Bayelsa State*

### **Introduction**

Nigeria has been recognized as the largest oil producer in Africa and the eighth largest in the world, a development that transformed the country's political economy following the discovery of oil in the 1970s. Unfortunately, the so-called "black gold" has proven to be more of a curse than a blessing for Nigeria (The Guardian, 2021). Regardless of how one examines the situation, it remains a fact that oil accounts for about 90% of Nigeria's income. Given the critical importance of oil to the country's growth and overall well-being, it has become a matter of national interest. However, Nigeria recently lost its position as Africa's leading oil producer to Angola (Business Day, 2022).

For any company or firm to thrive, it must operate in a stable environment that supports the health of its employees and overall productivity. When a company is based in a volatile or hostile region, its productivity inevitably suffers, failing to meet operational goals. This, in turn, reduces revenue intake. As revenues continue to decline, companies are forced to downsize and reorganize their workforce, leading to significant job losses. If low revenues persist, companies may ultimately shut down operations, unable to meet their financial obligations to employees and other stakeholders, including multinationals.

Bayelsa State, located in Southern Nigeria within the Niger Delta region, is rich in oil deposits that significantly contribute to Nigeria's economy. This region is home to diverse ethnic groups, each with its unique culture and traditions. While oil has unified these communities to some extent, its exploitation has led to severe environmental degradation, increased social vices, and a widening economic gap between the rich and poor (Okeke, 2017). Crude oil remains the primary product of Bayelsa and the Niger Delta, shaping the region's economic activities. The Niger Delta contributes over 90% of Nigeria's oil exports and plays a pivotal role in national revenue generation. However, the immense wealth generated from oil has had little positive impact on the region or its people. To date, the Niger Delta remains one of the most underdeveloped regions in Nigeria, grappling with poverty, unemployment, and lack of basic infrastructure (Ako, 2019).

Oil company operations in Bayelsa State have long been plagued by challenges in their relationship with host communities. Environmental issues such as oil spills, gas flaring, and sabotage have led to the destruction of farmland, water sources, and other critical resources, severely affecting the livelihoods and income-generating activities of the local population (Bere, 2013). These issues have fueled conflicts and protests by host communities over compensation for lost resources, employment opportunities, and other grievances (Okeke, 2017).

Corporate Social Responsibility (CSR) has emerged as a strategic management tool for fostering positive relationships between businesses and the communities where they operate. In the oil sector of the Niger Delta, CSR has taken on heightened importance due to the widespread pollution, social disruption, and perceived injustices caused by oil

exploration. Oil companies in Bayelsa State have adopted CSR initiatives to manage their relations with host communities and contribute to their welfare. CSR, often referred to as "corporate sustainability, corporate accountability, corporate responsibility, and corporate citizenship," aims to create mutually beneficial partnerships between companies and communities (Asemah, 2021, p. 11).

Broadly, CSR seeks to support sustainable development through community-oriented projects, the creation of employment opportunities, and environmental conservation efforts. The ultimate goal is to enhance the standard of living in host communities and achieve long-term socio-economic development.

Several CSR policies have been adopted and implemented by oil companies in Bayelsa State through the use of General Memorandums of Understanding (GMOUs) between Cluster Boards, Community Trusts, and international oil companies. The GMOU serves as an agreement between oil companies and host communities, outlining terms for the execution of community development projects, employment opportunities, and environmentally sensitive programs. The Bayelsa State government has revised the GMOU framework to ensure it aligns with the state's objective of fostering stronger partnerships between host communities and oil corporations.

However, the relationship between oil companies and host communities in Bayelsa is not always harmonious. Various issues, such as disputes over compensation and employment, have strained this relationship. For example, leadership conflicts within Bayelsa's oil-producing communities, often triggered by disagreements over the perceived lack of intervention by oil companies, can disrupt the operations of these firms (The Guardian, 2023). Among business-minded Nigerians, there is a prevailing sentiment that many leading oil multinationals have yet to fully embrace their corporate social responsibilities (CSR) to society, particularly to host communities and state governments. A significant concern is the apparent indifference of these companies to the social and economic impacts of their operations over the years. Host communities have expressed their dissatisfaction with the oil companies' inadequate commitment to CSR programs through protests and, in some cases, violent actions.

One of the most severe consequences of industrial operations by oil companies in Nigeria, particularly in Bayelsa, is the destruction of critical resources such as land and water, which serve as the foundation of local livelihoods. Existing research highlights that these resources have become unproductive, rendering them incapable of supporting even subsistence-level economic activities (The Guardian, 2023; Okeke, 2017). This has left many community members facing dire socio-economic challenges, sometimes risking their lives in the process.

Oil companies, on their part, claim to mitigate the suffering of host communities by investing in infrastructural development and attempting to address the harsh environmental and socio-economic conditions these communities endure. They often cite their annual reports as evidence of their commitment, showcasing significant budget allocations for CSR initiatives. However, these budgets have not translated into visible or tangible improvements in the lives of community members. Scholars such as Enuoh and Eneh (2015) have investigated the CSR activities and reports of oil multinationals in Nigeria to identify gaps and address the needs of host communities. These studies often rely on feedback from government entities, relevant agencies, and multinational firms to evaluate CSR performance.

Challenges arise, however, when assessing CSR performance from the perspective of the host communities themselves. As the primary stakeholders and intended beneficiaries, the host communities' experiences and needs should be the key indicators of CSR success. This research examines the effectiveness of CSR in addressing the socio-economic challenges faced by oil-producing communities in Nigeria, focusing on Bayelsa State. Despite hosting multinational oil companies, Bayelsa remains one of the least developed states in the Niger Delta region, partly due to inadequate government support. This developmental deficit has led host communities to openly call on oil multinationals to step in and act as quasi-governmental entities by implementing robust CSR strategies to bridge the gap.

CSR is a multidisciplinary concept typically used to describe a state where an organization goes beyond its minimal legal and economic obligations. By addressing stakeholders' demands, businesses expand their activities to encompass local and global contexts, actively endorsing and participating in developmental initiatives within the communities where they operate. CSR, therefore, refers to voluntary actions not mandated by legal frameworks but aimed at promoting the public good or self-regulating the externalities of business operations.

CSR embodies the idea that businesses should mobilize resources, work diligently for the ethical and equitable treatment of stakeholders, and support the economic development of local communities and society at large. It represents the responsibility of business organizations to implement policies, make decisions, and pursue courses of action that align with broader societal objectives. In this sense, CSR can be viewed as a powerful tool for addressing global issues such as poverty, social exclusion, and environmental degradation.

When integrated with community relations, CSR initiatives can be effectively distributed within host communities, fostering mutual understanding and harmony. Against this backdrop, this study seeks to explore the intersection of community relations and CSR, focusing on how these complementary approaches can address the socio-economic challenges faced by oil-producing communities in Bayelsa State, Nigeria.

This research seeks to find out the CSR of the oil-producing companies in Bayelsa State, Nigeria, and the social-economic effect of their operations. The specific objectives are to:

1. assess the level of trust between oil-producing companies and host communities in Bayelsa State.
2. evaluate the effectiveness of CSR activities conducted by oil-producing companies in meeting the socio-economic needs of host communities in Bayelsa State.
3. examine community members' perceptions of the impact of oil-producing companies' activities on the socio-economic development of Bayelsa State.
4. identify the types of CSR activities most frequently implemented by oil-producing companies in Bayelsa State.
5. analyse the relationship between community involvement in CSR planning and the perceived satisfaction and effectiveness of these initiatives.

### **Statement of the Problem**

The Niger Delta has for many years been one of Nigeria's major oil-producing areas and in particular, Bayelsa State. This region has been known for petroleum exploration and exploitation for a long time, and hence, the activities of oil firms affect residents. The

various communities in Bayelsa State have been subjected to oil production activities, and the implications of this regarding the socio-economic growth of these areas have elicited concern for many years. The region has witnessed one form of problem or another arising from the oil sector business, including environmental pollution, people's eviction from their ancestral homes, and tiered benefits from oil production. Different research has been done on the effects of oil production on the Niger Delta people. For instance, the study undertaken by Bredino, Fiderikumo, and Adedoyin in 2022 was on Shell Petroleum Development Company's social investment strategy through its GMoU and poverty alleviation in the region under consideration. Research conducted by Ejumudo and Amede (2019) explores the structural interactions on water pollution between the Nigerian state, multinational oil firms, and the oil-producing communities. To this end, however, there is scant literature concerning the research study of the CSR activities of oil-producing firms in Bayelsa State and the socio-economic effect of their activities on the host communities.

This research, therefore, seeks to fill this gap by assessing the performance of the Community Relations programs and CSR activities of the oil-producing firms in Bayelsa State regarding their contribution towards the social and economic uplift of the young oil-producing communities. The research will also unveil how the host communities in Bayelsa State interact with the oil-producing companies and the sensitivity of the CSR programs that the companies embark on to the societal problems confronting the communities. Such information could be helpful for policymakers, civil society groups, and the oil companies' representatives involved in improving strategies devoted to addressing the problems in the area. Therefore, the problem that informed this study is how the CR and CSR of Oil Producing Companies impacted the socio-economic existence of the oil-producing communities in Bayelsa State.

### **Research Questions**

The following research questions are considered for the study:

1. What is the level of trust between oil-producing companies and host communities in Bayelsa State?
2. How effective are the CSR activities of oil-producing companies in meeting the socio-economic needs of host communities in Bayelsa State?
3. What are the perceptions of community members regarding the impact of oil-producing companies' activities on socio-economic development in Bayelsa State?
4. What types of CSR activities are most frequently implemented by oil-producing companies in Bayelsa State?
5. What is the relationship between community involvement in CSR planning and the perceived satisfaction with and effectiveness of these initiatives?

### **Research Hypotheses**

1. **H0<sub>1</sub>:** There is no significant relationship between the community relations initiatives of oil-producing companies and the socio-economic development of their oil-producing communities in Bayelsa State.
2. **H0<sub>2</sub>:** There is no significant relationship between the Corporate Social Responsibility (CSR) activities of oil-producing companies and the socio-economic well-being of the oil-producing communities in Bayelsa State.

### **Theoretical Framework**

The theoretical frameworks used to analyse the relationship mentioned above include Stakeholder Theory, Social Exchange Theory, RICEE Public Relations Model, and Carol's Model of Social Responsibility. On the other hand, stakeholder theory postulates that organisations and their managers should be in the good books of society and other stakeholders, such as local communities, about CSR programs. This identifies the distinct types of stakeholders and how the organisation impacts these and is impacted by them in return. Through the help of this framework, one is in a position to evaluate the effects of CSR programs and even in the development of strategies for the improvement of firms and societies.

Social Exchange Theory is concerned with social relationships and accounting, whether in terms of profit or losses between the parties involved in the relationship, which can be two or more. In studying the relationships of oil-producing companies with the local communities, this theory allows for cost/benefit analysis, acknowledging potential improvements, and evaluating CSR programs. They consider factors such as demand for employment, enhancement of infrastructure, and violence on the face of the earth to study the interplay and identify how best a social unit can secure maximum benefits while incurring minimal losses.

In public relations, a frequently used model is the RICEE model, which stands for Researching, Informing, Communicating, Educating, and Evaluating. Communication research makes it possible to gather information on the attitudes and profiles of the public and information dissemination in society. The communicative approaches that will be applied should be culturally appropriate to facilitate the required stakeholder engagement. Promotion entails both awareness of the environment and improvement of such knowledge. On the other hand, evaluation is crucial in circumstances that seek to demonstrate the project's success.

Carol has given four perspectives for categorising and implementing CSR in any organisation, known as The Carol Model of Social Responsibility. Economic, legal, ethical, and philanthropic are the two categories of responsibilities that the analysis has revealed. Organic economic responsibilities entail the provision of goods and services, earning economic revenues, and supporting the process of economic development. Legal obligations may be defined as meeting legal requirements and other related legal demands. 'Ethical duties' are thus different from legal duties or the 'legalities of duty,' which is an obligation to do whatever is legally permissible. Corporate charter duties involve giving services to society through donations and other social responsibilities. As per this model, the oil-producing companies' CSR in Bayelsa State must be assessed based on ethical and environmental responsibilities and philanthropic activities.

These frameworks provide a systematic view of the nature of relations between oil-producing firms and societies and assess the effectiveness of CSR initiatives and policies and ante-comics for firms that reap natural resources and do social and environmental justice to societies.

### **Methodology**

In this research study, survey was adopted. Questionnaire was adopted in data collection from the respondents regarding their experience and perception of specific issues with community relations and operational activities of CSR and functionality of the oil firms in Bayelsa state. This approach formed the framework for a study that offered paradigms

on various aspects as much as the subject under discussion was concerned. The identified population of the research was the residents of Bayelsa State, Nigeria – this state being the first to venture into oil production in Nigeria. The estimated actual population of the state is 2.5 million people (Bayelsa Commission, 2023). Taro Yamane’s formula for sample size determination was adopted, and the total number of sampled respondents was 400. This ensured the adequate coverage of the target respondents, whereby the sample was indeed representative of the population of Bayelsa state; efforts were made to sample the population in terms of age, gender, occupation, and residential area, among others.

The instruments of research that were employed include structured questionnaires, which presented structured direct questions on demographic details of the respondent and thematic information about the relationship between the company and the community and their practice in CSR. Finally, even more important is that both assessment instruments were also shown to be valid and, more to the point, reliable. The data were analysed statistically using Statistical Package for Social Science (SPSS) software version 27. The hypotheses were tested with the help of the Pearson Product Moment Correlation Coefficient (PPMCC).

**Data Presentation and Analysis**

The current section provides the research data obtained from the field survey carried out in 2023 and its assessment. The study sought to establish various indices in oil-producing companies and the host communities in Bayelsa State, especially on trust, CSR, and perceived growth and development impact of CSR initiatives. The following tables are, therefore, significant in the following ways:

**Table 1: Rating of the trust between oil-producing companies and host communities in Bayelsa State**

<b>Options</b>	<b>Frequency</b>	<b>Percentage</b>
High	36	9%
Moderate	132	33%
Low	153	38%
No trust at all	79	20%
<b>Total</b>	<b>400</b>	<b>100%</b>

*Source: Field Survey, 2023*

The table reveals a significant trust deficit between oil-producing companies and the host communities in Bayelsa State. A majority of respondents perceive the trust level as either "low" or having "no trust at all," reflecting strained relationships and dissatisfaction with the companies' activities. This lack of trust likely stems from unfulfilled expectations, environmental degradation, and a perceived failure of corporate social responsibility (CSR) initiatives to address community needs effectively.

The relatively low percentage of respondents indicating "high" or "moderate" trust suggests that positive interactions or successful initiatives have been limited in scope or insufficient to rebuild confidence. Trust is a critical factor in fostering cooperation and mutual benefits, and its absence may exacerbate tensions and hinder the effectiveness of CSR efforts.

These findings highlight the urgent need for oil-producing companies to prioritize transparency, community engagement, and accountability. By involving communities in decision-making, addressing grievances promptly, and delivering on commitments, companies can begin to repair trust and establish stronger, more collaborative relationships with their host communities.

**Table 2: Rating of the effectiveness of CSR activities in addressing the needs of host communities in Bayelsa State**

Options	Frequency	Percentage
Very effective	25	6%
Effective	70	18%
Somewhat effective	159	40%
Not effective at all	146	36%
<b>Total</b>	<b>400</b>	<b>100%</b>

Source: Field Survey, 2023

The table highlights significant concerns regarding the effectiveness of CSR activities in addressing the needs of host communities in Bayelsa State. A majority of respondents perceive these activities as either "somewhat effective" or "not effective at all," indicating that while some CSR efforts may have provided limited benefits, they largely fail to meet the broader socio-economic needs of the communities. This suggests a disconnect between the CSR initiatives implemented by oil-producing companies and the actual priorities of the local population.

The relatively low percentages of respondents rating the activities as "effective" or "very effective" underscore the inadequacy of these programs in delivering meaningful and transformative outcomes. This reflects challenges such as insufficient funding, lack of alignment with community needs, and poor execution of initiatives.

The data suggest that oil-producing companies need to rethink their CSR strategies to make them more impactful. Engaging communities in the planning process, conducting comprehensive needs assessments, and focusing on sustainable, community-driven solutions can help bridge the gap between corporate efforts and community expectations. Without these improvements, CSR activities are likely to continue being perceived as falling short of their potential.

**Table 3: Perceptions on how the implementation of CSR activities has impacted oil-producing communities in Bayelsa State**

Options	Frequency	Percentage
No impact at all	33	8%
Very impactful	104	26%
Somewhat impactful	168	42%
Impact not effective	95	24%
<b>Total</b>	<b>400</b>	<b>100%</b>

Source: Field Survey, 2023

The table reveals a mixed perception among community members regarding the impact of CSR activities implemented by oil-producing companies in Bayelsa State. While some respondents perceive the initiatives as "somewhat impactful" or "very impactful,"

suggesting that certain efforts have yielded positive results, the majority view the impact as limited or ineffective. This indicates that although CSR activities may have brought some benefits, their scale or effectiveness does not meet the broader expectations of the host communities.

A significant share of respondents expresses dissatisfaction, categorizing the impact as "not effective" or seeing "no impact at all." This reflects underlying issues such as insufficient alignment of CSR initiatives with community needs, poor execution of projects, or a lack of sustainability in implemented programs. The disparity between positive and negative perceptions highlights a need for more strategic and community-driven approaches to CSR.

The data suggest that while CSR activities have the potential to contribute positively, their overall effectiveness remains constrained by factors such as limited community engagement, inadequate resources, and insufficient monitoring and evaluation. To achieve a more consistent and meaningful impact, oil companies must focus on tailoring their initiatives to address the specific socio-economic and environmental needs of the communities, while also ensuring transparency and sustained collaboration with local stakeholders.

**Table 4: Perceptions of oil-community members’ satisfaction towards oil-producing companies CSR initiatives in Bayelsa State**

<b>Options</b>	<b>Frequency</b>	<b>Percentage</b>
Very satisfied	29	7%
Moderately satisfied	108	27%
Not satisfied	152	38%
Highly unsatisfactory	111	28%
<b>Total</b>	<b>400</b>	<b>100%</b>

*Source: Field Survey, 2023*

The table highlights widespread dissatisfaction among community members regarding the CSR initiatives of oil-producing companies in Bayelsa State. A significant majority of respondents express negative perceptions, with a large portion either "not satisfied" or finding the initiatives "highly unsatisfactory." This indicates that the current CSR efforts are falling short of community expectations, failing to address their core needs and priorities effectively.

Only a small fraction of respondents express satisfaction, whether moderate or high, with these initiatives. This suggests that while some programs may have had localized success or delivered tangible benefits, they are not sufficient to shift the broader sentiment of discontent.

The dominant dissatisfaction points to underlying issues such as a lack of alignment between CSR initiatives and the socio-economic needs of the communities, inadequate transparency in planning and execution, and possible lapses in community engagement. These factors likely contribute to the perception that CSR programs are either poorly designed, insufficiently funded, or inequitably implemented.

**Table 5: Impact of Oil-producing companies' activities on the socio-economic development of host communities in Bayelsa State**

Options	Frequency	Percentage
Positive Impact	97	24%
Somewhat positive impact	88	22%
Negative Impact	99	25%
No Impact	115	29%
<b>Total</b>	<b>400</b>	<b>100%</b>

Source: Field Survey, 2023

The table reveals mixed perceptions regarding the impact of oil-producing companies' activities on the socio-economic development of host communities in Bayelsa State. Many respondents perceive these activities as having limited or no positive influence, with a notable share even identifying negative impacts. This suggests that while some initiatives may provide benefits, their scale or scope is insufficient to offset broader socio-economic challenges or address community concerns effectively.

A minority of respondents acknowledge a positive or somewhat positive impact, indicating that certain activities, such as infrastructure development or environmental cleanup, might have brought localized improvements. However, the relatively low percentage of positive responses highlights that these efforts fail to generate widespread or transformative benefits.

The prevalence of perceptions of "negative impact" and "no impact" underscores unresolved issues, such as environmental degradation, inequitable resource distribution, or insufficient community involvement in planning and executing development initiatives. These factors likely contribute to dissatisfaction and a lack of trust between the oil-producing companies and the host communities.

**Table 6: Type of CSR activities implemented in host communities in Bayelsa State**

Options	Frequency	Percentage
Job creation	44	11%
education and scholarship programs	86	21.5%
Environmental clean up	150	37.5%
infrastructure development	120	30%
<b>Total</b>	<b>400</b>	<b>100%</b>

Source: Field Survey, 2023

The table highlights the types of CSR activities implemented by oil-producing companies in Bayelsa State, with a clear emphasis on environmental cleanup and infrastructure development. These two areas account for the majority of CSR efforts, reflecting the companies' focus on addressing the environmental damage caused by oil exploration and providing visible, tangible benefits through infrastructure projects. While these initiatives are essential, they may not fully address the broader socio-economic challenges faced by the communities.

Education and scholarship programs receive moderate attention, indicating some effort to invest in human capital development. However, the relatively lower focus on this area suggests a missed opportunity to empower communities through skills development and improved access to education.

Job creation, which directly addresses unemployment and income generation, is the least prioritized activity. This is significant because employment opportunities are critical for fostering economic independence and long-term community development. The limited emphasis on job creation may contribute to dissatisfaction and a sense of neglect among community members.

**Table 7: Effectiveness of the CSR activities of oil-producing companies in Bayelsa State in addressing the needs of host communities**

Options	Frequency	Percentage
Highly Effective	34	8%
Moderately Effective	93	23%
Low	178	44%
No effect at all	95	25%
<b>Total</b>	<b>400</b>	<b>100%</b>

Source: Field Survey, 2023

The table highlights a significant concern regarding the perceived effectiveness of CSR activities undertaken by oil-producing companies in Bayelsa State. A substantial portion of the respondents views these activities as having limited impact, with the majority rating them as either "low effectiveness" or having "no effect at all." This underscores a widespread dissatisfaction with how these initiatives are addressing the socio-economic needs of the host communities.

Only a small fraction of respondents consider CSR activities to be highly or moderately effective. This indicates that while some initiatives may have yielded positive results, they are not extensive or impactful enough to shift the overall perception. The data points to a gap between the expectations of the community and the outcomes delivered by these CSR efforts.

The data suggests that oil companies need to reevaluate their approach to CSR by ensuring better alignment with community needs, increasing stakeholder engagement, and adopting more targeted and sustainable solutions. Addressing these gaps is crucial for improving the effectiveness of CSR activities and fostering better relationships with host communities.

**Table 8: Key areas oil-producing companies focus on to improve CSR activities in Bayelsa State**

Options	Frequency	Percentage
Community involvement	87	22%
Transparency	80	20%
Sustainability	153	38%
Impact assessment	80	20%
<b>Total</b>	<b>400</b>	<b>100%</b>

Source: Field Survey, 2023

The table reveals key priorities identified by stakeholders for improving the CSR activities of oil-producing companies in Bayelsa State. The most emphasized area is sustainability, with the highest proportion of respondents prioritizing long-term, impactful CSR initiatives. This reflects a strong desire for programs that provide lasting

benefits to the community and the environment, rather than temporary or superficial measures.

Community involvement is the next notable area, highlighting the need for better integration of local voices in CSR planning and execution. This suggests that many community members feel excluded from decision-making processes and recognize the potential for improved relevance and effectiveness of CSR initiatives when they are actively engaged.

Transparency and impact assessment share equal importance, emphasizing the need for oil companies to adopt open and accountable practices. Transparency is critical for building trust and ensuring that CSR activities are carried out fairly and with clear communication. Meanwhile, impact assessment underscores the importance of evaluating CSR outcomes systematically to ensure that initiatives meet their objectives and drive meaningful change.

**Test of Hypothesis**

Two Alternate hypotheses were tested in the study.

H0<sub>1</sub>: There is no significant relationship between the community relations initiatives of oil-producing companies and the socio-economic development of their oil-producing communities in Bayelsa State

**Correlations**

		community relations initiatives of oil-producing companies	socio-economic development of their oil-producing communities in Bayelsa State
community relations initiatives of oil-producing companies	Pearson Correlation	1	.443**
	Sig. (2-tailed)		.000
	N	400	400
Rating of the socio-economic development of their oil-producing communities in Bayelsa State	Pearson Correlation	.443**	1
	Sig. (2-tailed)	.000	
	N	400	400

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Table 9 shows the cross-tabulations of the extent of community relations of the oil-producing companies and the socio-economic development of their oil-producing communities in Bayelsa State. Using the table, one can analyse the values of the correlation coefficient, which is 0. 443, especially in connection with the community relations initiatives of the oil-producing companies and the socioeconomic development of their oil-producing communities. The associated p-value of them is 0. 000 level means the difference is statistically significant at 0. 01 level (2-tailed). The evidence of a moderate positive relationship was indicated by the 0. Having a correlation coefficient of 0. 443, it suggests that beneficiaries of the CRMs of the oil-producing firms will experience enhanced socio-economic development quantitatively in the oil-producing communities of Bayelsa State. Therefore, the following hypothesis was accepted, and the hypothesis that there was no relationship between the community relation initiatives of oil-producing companies and the socio-economic development of the oil-producing communities in Bayelsa State was rejected.

H0<sub>2</sub>: There is no significant relationship between oil-producing companies' Corporate Social Responsibility (CSR) activities and the socio-economic well-being of the oil-producing communities in Bayelsa State.

**Correlations**

		Level of Corporate Social Responsibility (CSR) activities of oil-producing companies	the socio-economic well-being of the oil-producing communities in Bayelsa State
Level of Corporate Social Responsibility (CSR) activities of oil-producing companies	Pearson Correlation	1	.524**
	Sig. (2-tailed)		.000
	N	400	400
the socio-economic well-being of the oil-producing communities in Bayelsa State	Pearson Correlation	.524**	1
	Sig. (2-tailed)	.000	
	N	400	400

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Table 10 shows the coefficient of the relationship between the volume of CSR activities of the oil-producing companies and the socio-economic development of the oil-producing communities in Bayelsa State. Based on the synoptic of the table above, it would be observed that the correlation coefficient between the level of Corporate Social Responsibility (CSR) of oil-producing companies and the socio-economic benefits accruing to the oil-producing Communities is 0.524. When plotted graphically, the results show a positive relation with an R-value of 0.524. The p-value connected with this correlation is at a level of 0.000, which shows the degree to which the correlation revealed by the study is significant with a value of 0.000—01 level (2-tailed). The Pearson correlation coefficient was also positive at 0.524, implying a moderate positive correlation between the CSR activities of the oil-producing firms and the socio-economic standard of the oil-producing communities in Bayelsa state. This means that to the extent the oil-producing companies engage in CSR, there is a corresponding enhancement in the socio-economic coherences of the host communities in Bayelsa State. Thus, the results revealed a significant positive connection between the variance of oil-producing companies' CSR activities and the socio-economic development of Bayelsa State's oil-producing communities, providing grounds for rejecting the null hypothesis. However, it is important to note that the alternate hypothesis that there is a significant relationship between the CSR activities of oil-producing firms and the socio-economic development of the oil-producing communities in Bayelsa State is supported.

**Answers to Research Questions and Discussion of Findings**

**RQ1: What is the level of trust between oil-producing companies and host communities in Bayelsa State?**

Table 1 of this study holds the answer to this research question. The results from the Table indicate that trust is predominantly low. Specifically, only 9% of respondents rated the trust as high, 33% rated it as moderate, 38% as low, and 20% expressed no trust at all. These figures demonstrate that a significant majority of respondents (58%) perceive trust between oil-producing companies and the host communities as either low or non-existent, reflecting a critical trust deficit.

This finding aligns with previous studies that have explored trust dynamics in oil-producing regions. For instance, Frynas (2005) emphasized that inadequate corporate social responsibility (CSR) efforts and poor community engagement are key contributors to the erosion of trust in such contexts. Similarly, Ibaba (2008) highlighted that trust issues often stem from environmental degradation caused by oil extraction activities, coupled with a lack of transparency in addressing community grievances. Further supporting this, Amadi and Abdullah (2012) observed that the exclusion of communities from CSR decision-making processes significantly undermines trust, leading to strained relationships.

These findings mirror a broader trend, illustrating that the low levels of trust are not isolated but part of a persistent pattern in the entire Niger Delta. This reinforces the need for oil-producing companies to implement more inclusive, transparent, and impactful CSR strategies to rebuild trust and strengthen their relationships with host communities.

**RQ2: How effective are the CSR activities of oil-producing companies in meeting the socio-economic needs of host communities in Bayelsa State?**

The answer to the effectiveness of the Corporate Social Responsibility (CSR) activities of oil-producing companies in meeting the socio-economic needs of host communities in Bayelsa State is reflected in Table 2 and Table 7 of this study.

In Table 2, the survey results on the effectiveness of CSR activities show that only 6% of respondents rated them as "very effective," 18% as "effective," while a significant 76% rated them as either "somewhat effective" (40%) or "not effective at all" (36%). These figures suggest that a majority of respondents view CSR activities as having limited or insufficient effectiveness in addressing their socio-economic needs.

Table 7 further corroborates this finding by detailing community perceptions of the effectiveness of CSR initiatives. Only 8% of respondents rated the CSR activities as "highly effective," and 23% as "moderately effective." In contrast, 44% rated them as having "low effectiveness," and 25% stated they had "no effect at all." This distribution highlights that nearly 70% of respondents perceive CSR efforts as falling short of their intended goals.

These findings align with previous studies that have analyzed the effectiveness of CSR activities in the Niger Delta region. For example, Frynas (2005) identified that many CSR initiatives implemented by oil companies fail to address the pressing socio-economic challenges faced by host communities, such as employment creation and infrastructure development. Similarly, Ebiede (2011) argued that CSR programs often lack alignment with community priorities, thereby limiting their impact and relevance. Furthermore, Okoye (2012) pointed out that the absence of sustained community engagement and participatory planning frequently undermines the effectiveness of CSR initiatives.

The data from this study reinforce these prior conclusions, indicating that oil-producing companies in Bayelsa State face significant challenges in designing and executing CSR programs that effectively meet the socio-economic needs of their host communities. To enhance effectiveness, companies must ensure that CSR initiatives are community-driven, adequately funded, and transparently executed to address the core concerns of the people they aim to serve.

**RQ3: What are the perceptions of community members regarding the impact of oil-producing companies' activities on socio-economic development in Bayelsa State?**

The perceptions of community members regarding the impact of oil-producing companies' activities on socio-economic development in Bayelsa State are presented in Table 3 and Table 5 of this study. Table 3 provides insights into how respondents perceive the impact of Corporate Social Responsibility (CSR) activities on their communities. The data show that 26% of respondents consider the impact "very impactful," 42% rate it as "somewhat impactful," 24% see it as "impact not effective," and 8% believe there is "no impact at all." This distribution suggests that while a majority (68%) acknowledge some level of positive impact, the depth and sustainability of this impact are limited, with only a small fraction considering it substantial.

Table 5 further elaborates on the broader socio-economic impact of oil-producing companies' activities. Here, only 24% of respondents perceive a "positive impact," and 22% note a "somewhat positive impact." On the other hand, 25% report a "negative impact," and 29% see "no impact." This demonstrates a highly divided perception, with nearly half of the respondents associating the companies' activities with negligible or adverse effects on socio-economic development. The notable proportion of respondents indicating negative impacts highlights ongoing issues such as environmental degradation, lack of equitable benefit distribution, and inadequate socio-economic initiatives.

These findings are consistent with previous studies in the Niger Delta region. For instance, Frynas (2005) and Ibaba (2008) noted that while oil companies' activities sometimes bring localized benefits, such as employment and infrastructure, the overarching socio-economic impacts often fail to meet community expectations. This is attributed to factors like environmental pollution, inequitable resource allocation, and limited community involvement in decision-making. Similarly, Omofonmwan and Odia (2009) emphasized the paradox of resource wealth, where the economic activities of oil companies create more socio-environmental challenges than tangible socio-economic benefits.

The current findings aligns with previous findings, highlighting that while oil-producing companies in Bayelsa State have initiated activities that some perceive as beneficial, the overall socio-economic impact remains contentious and limited. To address these challenges, companies must prioritize inclusive development strategies, focusing on sustainable and community-driven initiatives to mitigate the perceived negative impacts and foster long-term socio-economic growth.

**RQ4: What types of CSR activities are most frequently implemented by oil-producing companies in Bayelsa State?**

The types of Corporate Social Responsibility (CSR) activities most frequently implemented by oil-producing companies in Bayelsa State are presented in Table 6 of this study. This data shows that environmental cleanup and infrastructure development are the most frequently implemented CSR activities, together accounting for 67.5% of respondents' observations. Education and scholarship programs are moderately prioritized, while job creation ranks lowest, with only 11% of respondents acknowledging it as a key activity.

These findings align with patterns identified in previous studies. Frynas (2005) highlighted that CSR initiatives in oil-producing regions like the Niger Delta often focus

on high-visibility activities such as environmental restoration and infrastructure development. However, these efforts frequently fail to address the broader socio-economic needs of host communities, such as employment opportunities and capacity building. Similarly, Okonta and Douglas (2001) emphasized that while infrastructure development and environmental initiatives are prominent, they often serve as reactive measures to mitigate the negative impacts of oil exploration rather than proactive strategies for long-term development.

The data also corroborate Ibaba (2008), who noted that while education and scholarship programs are common CSR activities, they often lack adequate funding and alignment with community needs. Job creation, though crucial for sustainable socio-economic development, tends to be underrepresented in CSR efforts, reflecting a gap in addressing one of the most pressing challenges in host communities. The findings suggest that while oil-producing companies in Bayelsa State prioritize certain types of CSR activities, there is a mismatch between the implemented programs and the broader socio-economic needs of the communities. To enhance the effectiveness of CSR, companies must adopt a more balanced approach, incorporating job creation and community-driven initiatives alongside environmental and infrastructure projects.

**RQ5: What is the relationship between community involvement in CSR planning and the perceived satisfaction with and effectiveness?**

The relationship between community involvement in CSR planning and the perceived satisfaction with and effectiveness of these initiatives is reflected in Table 8 and partially supported by the findings in Table 7. According to Table 8, 22% of respondents identified "community involvement" as a critical area for improving CSR activities by oil-producing companies in Bayelsa State. This suggests that a significant portion of the population views participation in planning as vital to enhancing the relevance and impact of CSR initiatives. Community involvement ensures that CSR activities align with the actual needs and expectations of the host communities, which can directly influence satisfaction levels and perceptions of effectiveness.

In Table 7, only 8% of respondents rated CSR activities as "highly effective," while 44% categorized them as having "low effectiveness," and 25% believed they had "no effect at all." This low level of perceived effectiveness, coupled with the dissatisfaction indicated by most respondents, highlights a gap in how CSR initiatives are planned and implemented. Without adequate community involvement, CSR programs may fail to address the specific needs of the communities, leading to lower satisfaction and effectiveness.

These findings align with existing research that underscores the importance of community participation in CSR planning. Frynas (2005) argued that the exclusion of host communities in the design and execution of CSR initiatives often results in programs that are poorly received or fail to address local priorities. Similarly, Eweje (2006) emphasized that genuine community involvement fosters trust, increases program acceptance, and enhances the perceived success of CSR efforts. Furthermore, Amadi and Abdullah (2012) noted that participatory approaches enable oil companies to identify and prioritize community needs effectively, leading to more impactful and sustainable CSR outcomes. The finding suggests that fostering greater community involvement in CSR planning could improve both satisfaction and perceived effectiveness. This would require oil companies to engage stakeholders in meaningful dialogue, integrate local

input into decision-making, and ensure transparency throughout the CSR process. By doing so, they can build stronger relationships with host communities and achieve better socio-economic outcomes.

### **Findings**

1. The study revealed a critical deficit in trust between oil-producing companies and the host communities in Bayelsa State. A significant majority of respondents expressed low or nonexistent trust in these companies. This finding aligns with Frynas (2005), who highlighted that mistrust in oil-producing regions often stems from inadequate corporate social responsibility (CSR) efforts and poor engagement with local communities. Additionally, Ibaba (2008) emphasized that environmental degradation and the exclusion of community voices in decision-making contribute significantly to the erosion of trust in such settings.
2. The study found that the CSR activities conducted by oil-producing companies are largely perceived as ineffective in addressing the socio-economic needs of host communities. A majority of respondents rated the activities as having minimal or no impact, underscoring significant gaps in how CSR initiatives align with community expectations. This observation is consistent with Okoye (2012), who noted that CSR programs in oil-rich regions often fail due to poor alignment with community priorities and inadequate resources. Ebiede (2011) similarly identified the lack of participatory planning as a key barrier to effective CSR implementation.
3. Community members reported a mixed perception of the socio-economic impact of oil-producing companies' activities. While a portion acknowledged positive contributions, such as infrastructure development and employment opportunities, others highlighted adverse impacts, including environmental degradation and inequitable resource distribution. This aligns with Omofonmwan and Odia (2009), who described the paradox of resource wealth in the Niger Delta, where economic benefits are often overshadowed by environmental and social challenges. Frynas (2005) also observed that while oil companies sometimes achieve localized benefits, they often fail to deliver transformative socio-economic outcomes.
4. The study identified environmental cleanup and infrastructure development as the most frequently implemented CSR activities by oil-producing companies. These activities, while beneficial, often overlook critical socio-economic needs, such as job creation and capacity building. This finding corroborates Frynas (2005), who noted that oil companies in the Niger Delta tend to prioritize visible, short-term projects over sustainable, community-driven initiatives. Ibaba (2008) similarly pointed out that education, job creation, and other capacity-building efforts remain underemphasized in CSR planning.
5. The study highlighted a strong correlation between community involvement in CSR planning and the perceived satisfaction and effectiveness of these initiatives. Respondents identified community participation as a critical factor in ensuring that CSR activities address their actual needs. This finding aligns with Eweje (2006), who emphasized that genuine community involvement fosters trust, increases program acceptance, and enhances the overall impact of CSR initiatives. Frynas (2005) and Amadi and Abdullah (2012) also underscored the importance of participatory approaches in achieving meaningful and sustainable development outcomes.

6. The study found a moderate positive relationship between the community relations initiatives of oil-producing companies and the socio-economic development of host communities. This supports Frynas (2005) and Okoye (2012), who argued that trust and collaboration are critical to the success of CSR efforts.
7. A significant positive relationship was also found between the volume of CSR activities and the socio-economic well-being of host communities. This finding echoes Eweje (2006), who highlighted the transformative potential of well-executed CSR programs when adequately resourced and aligned with community needs.

### **Conclusion**

This study has critically assessed the relationship between oil-producing companies and host communities in Bayelsa State, focusing on the trust levels, the effectiveness of CSR initiatives, socio-economic impact, and the role of community involvement in shaping perceptions of satisfaction and effectiveness. The findings indicate that the trust between oil companies and host communities is critically low, largely due to insufficient engagement, perceived neglect, and environmental degradation caused by oil exploration activities.

The study also reveals that CSR activities are generally perceived as ineffective in addressing the socio-economic needs of host communities. While some CSR initiatives, such as environmental cleanup and infrastructure development, have been implemented, they often fail to align with the broader needs and priorities of the communities. Furthermore, the socio-economic impact of oil companies' activities remains contentious, with many community members reporting mixed or negative outcomes, such as environmental pollution and inequitable benefit distribution.

A significant finding is the strong correlation between community involvement in CSR planning and the perceived satisfaction and effectiveness of these initiatives. Where communities are involved in decision-making, CSR programs are better received and perceived as more impactful. This underscores the importance of participatory approaches in designing and implementing CSR activities.

The hypotheses tested in the study further confirm that community relations and CSR initiatives have a positive but moderate impact on the socio-economic development of host communities. However, these efforts fall short of their potential due to gaps in transparency, inclusivity, and alignment with community needs.

In conclusion, while oil-producing companies in Bayelsa State have made efforts to engage in CSR, significant challenges remain. To bridge the trust gap and enhance the effectiveness of CSR activities, oil companies must adopt a more inclusive and transparent approach that prioritizes community involvement, addresses core socio-economic challenges, and fosters sustainable development. These efforts are crucial to improving relations with host communities and achieving long-term socio-economic benefits for all stakeholders.

### **Recommendations**

Arising from the findings and conclusion the study recommends that:

1. To address the low levels of trust, oil-producing companies must adopt transparent and consistent engagement strategies. Regular town hall meetings, open forums, and continuous dialogue with community representatives can foster understanding and collaboration. Companies should also establish grievance mechanisms to address

- community concerns promptly and equitably, ensuring accountability in resolving disputes.
2. To better meet the socio-economic needs of host communities, oil companies should implement CSR initiatives based on comprehensive needs assessments involving the communities themselves. This participatory approach will ensure that resources are allocated to areas of greatest need, such as healthcare, education, and job creation. Companies should also allocate adequate budgets and adopt best practices in project management to enhance the quality and impact of CSR programs.
  3. Companies must address the factors contributing to mixed perceptions of their socio-economic impact. This includes mitigating environmental degradation caused by oil exploration and ensuring equitable distribution of benefits such as employment opportunities and infrastructure development. Collaborative partnerships with local governments and non-governmental organizations can amplify the reach and sustainability of these initiatives, creating more consistent positive outcomes for communities.
  4. The focus on environmental cleanup and infrastructure development must be balanced with more diverse initiatives, such as vocational training, small business funding, and scholarships, to address broader socio-economic challenges. By expanding their scope of activities, companies can create long-term benefits that foster community self-reliance and resilience.
  5. Community involvement is critical to the success and acceptance of CSR initiatives. Oil companies should establish inclusive platforms for community members to participate in the planning, execution, and monitoring of CSR projects. Setting up local advisory committees and incorporating community feedback throughout the project lifecycle will ensure that initiatives are relevant, effective, and widely supported.

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