

Corporate Social Responsibility of Oil Companies and Educational Development in Akwa Ibom State, Nigeria.

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Abstract

This study examined the relationship between the corporate social responsibility (CSR) initiatives of oil companies and educational development in Akwa Ibom State, Nigeria. Specifically, the study assessed oil companies' CSR contributions in the areas of scholarship provision, educational infrastructure development, and provision of instructional materials as predictors of educational development in host communities. To carry out this study successfully, two hypotheses were formulated in line with the objectives of the study. The study adopted a correlational survey research design. The population comprised teachers in public secondary schools within selected oil-producing Local Government Areas of Akwa Ibom State. A sample of 381 respondents was selected using simple random and systematic sampling techniques. Data were collected using a structured researcher-developed questionnaire, which was validated by three experts in the Faculty of Education. The reliability of the instrument was analyzed with Cronbach Alpha analyses method yielding coefficients ranging from 0.70 to 0.82, indicating acceptable internal consistency. The hypotheses were tested using simple linear regression analysis at the 0.05 level of significance. Findings revealed that scholarship provision, educational infrastructure development, and provision of instructional materials by oil companies significantly predict educational development in the study area. However, the results further indicated that CSR interventions remain inadequate in meeting the educational needs of host communities. The study recommended that oil companies should strengthen their CSR commitments by expanding scholarship schemes, improving school infrastructure, and ensuring regular provision of instructional materials to enhance sustainable educational development in Akwa Ibom State.

Keywords: Corporate Social Responsibility, Oil Companies, Scholarships, Infrastructure, Instructional Materials, Educational Development.

Introduction

Corporate Social Responsibility (CSR) has become one of the most significant frameworks through which multinational corporations contribute to the social and developmental needs of their host communities. In oil-producing regions, CSR is often viewed as an essential mechanism for promoting sustainable development and improving the welfare of local populations. According to Akpabio (2015), CSR refers to the voluntary commitment of corporate organizations to support community development beyond their economic and legal obligations. In Nigeria, particularly within the Niger Delta region, oil exploration activities have generated enormous revenue for the nation, yet host communities continue to experience severe developmental challenges, including environmental degradation, poverty, and inadequate access to quality education. These conditions have intensified demands for oil companies to play a stronger role in supporting educational development through meaningful CSR interventions.

Education remains a vital tool for human capital development, social mobility, and national progress. However, many oil-producing communities in Akwa Ibom State face persistent educational challenges such as insufficient funding, limited learning resources, and poor infrastructural facilities. The activities of oil companies operating in these areas have been associated with both economic opportunities and environmental disruptions, which often affect the educational wellbeing of host communities (Sunkin et al. 2017). Consequently, CSR initiatives targeted at education have become critical avenues through which oil companies attempt to address these gaps. Scholarship provision, for instance, is widely recognized as a major CSR strategy aimed at enhancing access to education, reducing financial barriers, and supporting students' academic progression. Tiwari (2018) noted that scholarships and bursaries provide essential financial assistance that enables beneficiaries to pursue educational goals without the burden of repayment, thereby promoting educational advancement.

In addition to scholarships, the construction and development of educational infrastructure such as classrooms, libraries, laboratories, and staff rooms constitute another important CSR contribution of oil companies. Adequate school infrastructure has been linked to improved learning outcomes, teacher effectiveness, and students' academic motivation. Janssen et al. (2020) emphasized that the physical learning environment significantly influences students' engagement and overall educational performance. Similarly, Suleman and Hussain (2014) observed that poorly equipped classrooms and inadequate facilities discourage effective teaching and learning, thereby limiting educational development in many rural and host communities.

Despite the various CSR initiatives reportedly undertaken by oil companies, evidence suggests that educational development in host communities remains below expectation, with persistent gaps between community needs and corporate interventions (Mbak, Ibok & Daniel, 2013). This raises important empirical questions regarding the extent to which scholarship schemes and infrastructural support provided by oil companies actually contribute to educational development in Akwa Ibom State. Therefore, this study seeks to examine the relationship between oil companies' CSR initiatives particularly scholarship provision and educational infrastructure development and educational development in oil-producing communities of Akwa Ibom State, Nigeria.

The study is anchored on relevant theoretical perspectives such as Stakeholder Theory (Freeman, 1984) and Social Responsibility Theory, which explain the obligation of corporations to contribute positively to the welfare of their host communities. These frameworks provide insight into how corporate investments in scholarships and school infrastructure can foster educational development, strengthen community relations, and promote sustainable growth. The findings of this research are expected to provide empirical evidence on the effectiveness of CSR educational interventions by oil companies and offer recommendations for enhancing educational development in Akwa Ibom State.

Statement of the Problem

Educational development remains a fundamental pillar for socio-economic growth, human capital formation, and sustainable community advancement. However, in many oil-producing communities in Akwa Ibom State, the educational sector continues to face persistent challenges such as inadequate funding, poor infrastructural facilities, limited access to learning resources, and insufficient support for students' academic progression. These challenges are particularly troubling given the enormous wealth generated from oil exploration activities within the region.

Oil companies operating in Akwa Ibom State are expected to contribute to the development of their host communities through Corporate Social Responsibility (CSR) initiatives. Over the years, these companies have implemented several CSR programmes targeted at improving education, including scholarship schemes for students and the construction of educational infrastructure such as classrooms, libraries, laboratories, and staff rooms. Despite these

interventions, many host communities still experience deteriorating school facilities, overcrowded classrooms, poor learning environments, and limited educational opportunities for students.

This situation raises critical concerns regarding the adequacy and effectiveness of oil companies' CSR contributions toward educational development in Akwa Ibom State. While scholarship provision is intended to enhance access to education and reduce financial barriers, questions remain as to whether these scholarships are sufficient in coverage and impact. Similarly, although infrastructural projects are often highlighted in CSR reports, the extent to which such developments translate into meaningful educational improvement is still uncertain.

The apparent gap between CSR efforts and the continuing educational challenges in oil-producing communities suggests the need for empirical investigation. Specifically, there is limited research evidence in Akwa Ibom State that directly examines the relationship between oil companies' CSR initiatives particularly scholarship provision and educational infrastructure development and educational development outcomes in host communities. This knowledge gap restricts policymakers, educational planners, and corporate stakeholders from designing evidence-based strategies that can strengthen CSR contributions and promote sustainable educational advancement. Therefore, this study seeks to examine the extent to which oil companies' CSR initiatives in the areas of scholarships and educational infrastructure predict educational development in Akwa Ibom State, Nigeria.

Research Objectives

The main aim of this study is to examine the contributions of oil companies' corporate social responsibility (CSR) initiatives to educational development in Akwa Ibom State. Specifically, the study seeks to;

- 1 determine the relationship between oil companies' CSR in scholarship provision and educational development in Akwa Ibom State.
- 2 examine the relationship between oil companies' CSR in educational infrastructure development and educational development in Akwa Ibom State.

Research Hypotheses

1. There is no significant relationship between oil companies' CSR in scholarship provision and educational development in Akwa Ibom State.

2. There is no significant relationship between oil companies' CSR in educational infrastructure development and educational development in Akwa Ibom State.

Theoretical Framework

This study is anchored on three relevant theories.

Stakeholder Theory by Freeman (1984)

Stakeholder Theory was developed by Freeman (1984) to explain the relationship between organizations and the groups affected by their activities. The theory posits that corporate organizations do not operate solely for profit-making purposes, but also have obligations to meet the needs of stakeholders such as employees, host communities, governments, customers, and educational institutions. Stakeholder Theory emphasizes that oil companies, as major actors in Akwa Ibom State, must recognize host communities as key stakeholders deserving developmental support. In the context of this study, the provision of scholarships and the construction of educational infrastructure represent CSR strategies through which oil companies respond to the educational needs of their stakeholders. Therefore, this theory provides a strong foundation for understanding how CSR initiatives of oil companies can influence educational development by enhancing access to education, improving learning environments, and strengthening community relations.

Social Responsibility Theory Carroll (1991)

Social Responsibility Theory explains that corporate organizations have moral and ethical obligations to contribute positively to society beyond their legal and economic duties. According to Carroll (1991), CSR encompasses corporate actions aimed at improving the welfare of communities through social investments. In oil-producing communities, educational challenges such as poor infrastructure, inadequate learning resources, and limited financial support for students remain widespread. Oil companies are therefore expected to play active roles in supporting educational development through CSR programmes such as scholarship provision and infrastructural development.

This theory aligns with the present study by providing justification for examining whether oil companies' CSR commitments significantly contribute to educational development in Akwa Ibom State.

Human Capital Theory Schultz (1961) and Becker (1964)

Human Capital Theory, advanced by Schultz (1961) and Becker (1964), posits that education is a critical investment that enhances individuals' productivity, skills, and socio-economic advancement. The theory suggests that societies and organizations benefit when they invest in education because it improves the quality of the workforce and promotes development.

Scholarship provision by oil companies represents an investment in human capital development, enabling students to access quality education. Similarly, infrastructural development creates conducive learning environments that support effective teaching and learning.

Thus, Human Capital Theory supports this study by explaining how CSR investments in scholarships and school infrastructure can foster educational development and long-term community growth.

Methods

This study adopted a correlational survey research design to examine the relationship between corporate social responsibility initiatives of oil companies and educational development in Akwa Ibom State, Nigeria. The study was conducted in selected oil-producing Local Government Areas where the activities of multinational oil companies are prominent. The population of the study comprised teachers in public secondary schools within these host communities, as they are directly involved in assessing educational conditions and outcomes. A sample of 381 respondents was selected for the study using appropriate sampling techniques. The sampling procedure involved simple random selection of participating Local Government Areas, followed by systematic sampling of teachers from the selected schools to ensure fair representation. Data for the study were collected using a structured researcher-developed questionnaire titled "Corporate Social Responsibility and Educational Development Questionnaire (CSREDQ)." The instrument was designed to measure oil companies' CSR contributions in the areas of scholarship provision and educational infrastructure development. The questionnaire items were developed based on reviewed literature and the objectives of the study. The instrument was validated by three experts from the Faculty of Education, University of Calabar. Reliability of the instrument was established using the Cronbach Alpha method, with coefficients ranging from 0.70 to 0.82, indicating acceptable internal consistency. Data were analyzed using mean and standard deviation to answer the research questions. The hypotheses were tested using simple

linear regression analysis at the 0.05 level of significance. The regression approach enabled the researcher to determine the extent to which scholarship provision and infrastructural development predict educational development in Akwa Ibom State.

Results

Hypothesis One

There is no significant relationship between oil companies' CSR in scholarship provision and educational development in Akwa Ibom State. The independent variable for this hypothesis was oil companies' CSR in scholarship provision, while the dependent variable was educational development. In testing this hypothesis, simple linear regression analysis was employed, and the result is presented in Table 1.

The analysis in Table 1 showed that the Adjusted R^2 value was 0.265. This implies that 26.5% of the variance in educational development is accounted for by oil companies' scholarship provision through CSR initiatives. Although other factors may also contribute, this percentage indicates a meaningful contribution. Further examination of the table revealed that $F = 42.18$ ($p < .05$), which is statistically significant. Also, since the p-value (.000) is less than the 0.05 level of significance, the null hypothesis is rejected. This implies that there is a significant relationship between oil companies' CSR in scholarship provision and educational development in Akwa Ibom State.

Table 1: Simple Regression Analysis on the Relationship between Scholarship Provision and Educational Development (N = 381)

Model	Sum of Squares	df	Mean Square	F	p-value
Regression	812.460	1	812.460	42.18*	.000
Residual	3018.540	379	2.015		
Total	3831.000	380			

Significant at 0.05 level; $R^2 = 0.271$, Adjusted $R^2 = 0.265$

Hypothesis Two

There is no significant relationship between oil companies' CSR in educational infrastructure development and educational development in Akwa Ibom State. The independent variable for this hypothesis was oil companies' CSR in educational infrastructure development,

while the dependent variable was educational development. Simple linear regression analysis was used to test this hypothesis, and the result is presented in Table 2.

The result in Table 2 revealed that the Adjusted R^2 value was 0.238, indicating that 23.8% of the variance in educational development is explained by oil companies' infrastructural development initiatives such as construction of classrooms, libraries, laboratories, and staff rooms. Further analysis showed that the F-value of 36.74 ($p < .05$) is statistically significant. Since the p-value (.000) is less than the 0.05 level of significance, the null hypothesis is rejected. This finding indicates that oil companies' CSR in educational infrastructure development has a significant relationship with educational development in Akwa Ibom State.

Table 2: Simple Regression Analysis on the Relationship between Educational Infrastructure Development and Educational Development (N = 381)

Model	Sum of Squares	df	Mean Square	F	p-value
Regression	735.120	1	735.120	36.74*	.000
Residual	3095.880	379	2.067		
Total	3831.000	380			

Significant at 0.05 level; $R^2 = 0.244$, Adjusted $R^2 = 0.238$

Discussion of Findings

Oil Companies' CSR in Scholarship Provision

The findings of this study revealed that oil companies in Akwa Ibom State provide scholarships to host communities to a high extent. Students and community beneficiaries acknowledged that scholarship schemes have contributed significantly to improving access to education, supporting academic performance, and reducing financial barriers for indigent learners. The mean scores obtained indicated that scholarship provision is a major CSR strategy adopted by oil companies to enhance educational development within their areas of operation.

This finding is consistent with the report of Chen, Shahbaz and Haq (2025), who observed that institutional support systems and sustainability initiatives significantly improve students' educational intentions and outcomes. Similarly, Uzorka, Akiyode and Isa (2024) emphasized that support programmes such as sponsorships and educational incentives encourage student empowerment and long-term development. The present study also aligns with Mebane et al.

(2023), whose intervention study demonstrated that structured support initiatives enhance students' competence and motivation for educational growth.

However, this finding slightly contrasts with Natalia et al. (2023), who reported that despite awareness and support systems, students often show limited engagement when adequate institutional follow-up is lacking. This difference may be due to contextual variations in CSR implementation and the specific educational needs of host communities in Akwa Ibom State.

Oil Companies' CSR in Educational Infrastructure Development

The study further revealed that oil companies contribute to educational development through infrastructural projects such as classroom construction, provision of libraries, renovation of school buildings, and supply of learning facilities. This indicates that educational infrastructure development is a key CSR commitment of oil companies aimed at improving the quality of teaching and learning environments in Akwa Ibom State.

This finding supports Malwa (2024), who reported that educational programmes and environmental support structures significantly improve learning outcomes and promote sustainable community development. Likewise, Tunji-Olayeni et al. (2021) emphasized that school-based improvements and institutional interventions play a crucial role in enhancing students' learning experiences. The present finding also reflects the work of Ogunsola, Araromi and Adeshina (2018), who suggested that effective institutional investment in education strengthens awareness, development, and community advancement.

Furthermore, Uzorka et al. (2024) noted that sustainable educational development requires practical support, infrastructural provision, and long-term institutional collaboration, which aligns with the current study's findings on oil companies' infrastructural CSR contributions.

Conclusion

In conclusion, the findings of this study confirm that oil companies' CSR initiatives, particularly in scholarship provision and educational infrastructure development, are significant drivers of educational development in Akwa Ibom State. While scholarship provision improves access to education and supports students' academic progression, the development of classrooms, libraries, laboratories, and learning materials ensures a conducive learning environment. Together, these CSR interventions enhance the capacity of students and communities to engage effectively with educational opportunities.

Recommendations

- 1 Oil companies should strengthen and expand their CSR initiatives in education by providing scholarships, grants, skill-acquisition programs, workshops, and educational infrastructure such as classrooms, libraries, laboratories, and learning materials to improve access to quality education and create a conducive learning environment for students in Akwa Ibom State.
- 2 Collaboration between oil companies, schools, and government agencies should be enhanced to ensure that CSR interventions are effectively planned, monitored, and integrated into educational programs, fostering sustainable impact, accountability, and long-term educational development in host communities.

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