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An Analysis of Institutional Environments on Corporate Social Responsibility Practices in Nigerian Renewable Energy Firms

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Abstract: Several studies have proposed a one-size fit all approach to Corporate Social Responsibility (CSR) practices, such that CSR as it applies to developed countries is adapted to developing countries, ignoring the differing institutional environments (such as the regulative, economic, social and political environments), which affects the profitability and practices of businesses operating in them. CSR as it applies to filling institutional gaps in developing countries, was categorized into four themes: environmental protection, product and service innovation, social innovation and local cluster development. Based on the four themes, the study employed a qualitative research approach through the use of interviews and review of available publications to study the influence of institutional environments on CSR practices engaged in by three renewable energy firms operating in Nigeria. Over the course of three 60-minutes sessions with the top management and selected workers of the firms, four propositions were made: regulatory environment influences environmental protection practice of Nigerian renewable firms, economic environment influences product and service innovation practice of Nigerian renewable energy firms, the social environment impacts on social innovation in Nigerian renewable energy firms, and political environment affects local cluster development practice of Nigerian renewable energy firms. It was also observed that beyond institutional environments, the international exposure of an organization's managers reflected in their approach to CSR. This finding on the influence of international exposure on CSR practices creates an area for further study. Insights from this paper are set to help policy makers in developing countries, CSR managers, and future researchers.

Keywords: corporate social responsibility, renewable energy firms, institutional environment, social entrepreneurship

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