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Corporate Social Responsibility in Transnational Spaces: Exploring Influences of Varieties of Capitalism on Expressions of Corporate Codes of Conduct in Nigeria

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ABSTRACT. Drawing from the varieties of capitalism theoretical framework, the study explores the home country influences of multinational corporations (MNCs) on their corporate social responsibility (CSR) practices when they operate outside their national/regional institutional contexts. The study focusses on a particular CSR practice (i.e. corporate expressions of code of conducts) of seven MNCs from three varieties of capitalism – coordinated (2), mixed (2) and liberal (3) market economies – operating in the oil and gas sector of the Nigerian economy. The study concludes that the corporate codes of conduct of these MNCs operating in Nigeria, to a large extent, reflect the characteristics of their home countries' model of capitalism, respectively, albeit with certain degree of modifications. The home countries' model of capitalism is also found to have implications for the degree of adaptability of these MNCs' CSR practices to the Nigerian institutional context – with the mixed market economy model of capitalism adapting more flexibly than the liberal and coordinated market economies, respectively. The findings of this study will contribute to the emerging literature on the institutional embeddedness of CSR practices in transnational social spaces, understanding of varieties of capitalism, and CSR in developing economies.

KEY WORDS: comparative CSR, varieties of capitalism, MNCs, oil and gas, Nigeria

Introduction

Corporate social responsibility (CSR) discourse has, in the main, been dominated by managerialist thinking (Amaeshi, 2007). This managerialist approach to CSR tends to place managerial choices and rationality at the heart of organisational pursuit of CSR. Owen et al. (2000) succinctly describe this manager-centric approach to CSR as a 'managerial capture' of CSR. Whilst the managerialist approach could be a way of discussing and understanding the contemporary CSR movement, it tends to place excessive emphasis on managers, as *uber*-actors who appear to display unlimited powers in enacting their practices, irrespective of structural constraints inherent in their institutional contexts. On one hand, the attention paid to managers, in this instance, raises the societal expectations of managers to be held accountable for their practices, even where there are obvious institutional lapses (e.g. the Enron case); and on the other hand, appears to downplay the constraining and enabling characteristics of the institutional contexts in which these managerial practices are embedded and enacted. In other words, the managerialist approach to CSR tends to dominate and occlude other useful perspectives in the extant CSR literature. One of these views that have been marginalised for a long time now, in the CSR literature, is the institutionalist perspective – which emphasises the role of contexts in shaping and influencing managerial practices (Lounsbury, 2008; Whittington, 2006).

However, since the last decade or so, interest in the institutional dimension of CSR practices is beginning to emerge (e.g. Aguilera et al., 2006, 2007; Campbell, 2007; Husted and Allen, 2006; Jones, 1999; Langlois and Schlegelmich, 1990; Matten and Moon, 2008). This article leverages this institutionalist trend and tradition to examine CSR practices of MNCs when they operate outside the shores of their home countries and geo-political/economic regions. In order to give the study a narrower focus, the study takes on a specific CSR practice – corporate expressions of code of conducts – amongst multinational corporations (MNCs) in the Nigerian oil and gas sector. The interest in corporate expressions of code of conducts and the Nigerian oil and gas sector is not arbitrary. In the first instance, it has been argued that a major rationale for the adoption of corporate codes is that they allow corporations to symbolically demonstrate their willingness to take responsibilities (Matten, 2003) and at the same time define the limits and extent of the responsibilities (Salahuddin and Tsoi, 2003). Although Langlois and Schlegelmich (1990) in their study of European firms in Europe and American firms in the United States, found that corporate codes of ethics reflect national character, the literature on internationalisation of corporate codes of conduct appears to be silent in relation to: whether and how these national characters are sustained and/or maintained, through corporate codes of conduct, when MNCs operate outside their home countries or national/regional institutional contexts – especially when these MNCs operate within institutional contexts that do not bear resemblance to their home countries or regional contexts. Moreover, it has been argued that home countries could be clustered along different varieties of capitalism (Hall and Soskice, 2001), which tends to weaken home country influence, as a point of reference, in the study of internationalisation of organisational practices. This leads us to the question: does internationalisation of corporate expressions of code of conducts differ according to varieties of capitalism?

Given that the institutional contexts of most African economies have been described to be characterised by fragmented (Whitley, 1999) and segmented (Frynas et al., 2006) national business systems, the Nigerian oil and gas sector provides a fertile and novel empirical site to explore the main research problematique of this article – which is to explore whether and how expressions of corporate codes of conduct of MNCs operating outside their national institutional contexts reflect the characteristics of their home countries' varieties of capitalism. In other words, to what extent do MNCs' expressions of corporate codes of conduct mirror their home countries' models of capitalism when they operate in non-similar institutional contexts? A second reason for choosing this novel empirical site is that CSR practices are most prominent in the oil and gas sector in Nigeria and among MNCs (Amaeshi et al., 2006; Frynas, 2005; Ite, 2004).

An analytical framework chosen for this study is the comparative political economy perspective – particularly those of comparative business systems (e.g. Varieties of Capitalism – VoC). This is particularly so, because the literature on internationalisation of organisational practices tends to make a blanket statement of MNCs travelling to other regions with their home country influences (Kostova and Roth, 2002; Monteiro et al., 2008). What this study aims to figure out is whether MNCs from different varieties of capitalism behave differently with regards to travelling with their home country influences (in this case, the expressions of their corporate codes of conduct) and the VoC theory helps to tell this story. This constitutes the novelty of this study.

The article is set out in the following order: first, it explores corporate codes of conduct as artefacts of CSR – in a broad sense of the construct; secondly, it extends expressions of corporate codes of conduct, as CSR practice, to the comparative capitalism discourse. It further discusses MNCs in the Nigerian oil and gas sector; and explores how expressions of their corporate codes of conduct reflect (or do not reflect) the institutional contexts of their home countries or regions. The implication of the latter is the relevance of such code within the local context. The areas covered by codes initiatives of MNCs in this regard generally include human rights, labour issues, transparency: bribery and corruption, employees' welfare, environmental issues, disclosure of information and consumer protection (Amadi et al., 2006).

Expressions of corporate codes of conduct in perspective: managerial rationality and new institutionalist perspectives

Codes of conduct have become common artefacts of the contemporary business community. Various definitions have been offered for corporate codes of conduct. Langlois and Schlegelmich's (1990) definition is based on stakeholder principles; Schwartz

(2001) bases his definition of the concept on morality; Frankel's (1989) sees codes as professional norms; Forcese (1997) sees them as business principles; Bethoux et al. (2007, p. 78) posited that 'codes of conduct represent a heuristic tool through which companies enter into a discourse about themselves' and Moon (2002) sees them as self-regulation. For the purpose of this study, however, codes of conduct will be used in a narrow sense as: *voluntarily written declarations of companies' commitment to address the social and environmental conditions of their activities*.

The above definitions embrace the major characteristics of corporate codes found in the literature. They are: that codes demonstrate a corporation's willingness to take responsibility; that they are designed by corporations; that they are voluntary and not legally binding; that they are concerned with the management of externalities of business; that they introduce ethics and morality into the business management; and that they are part of corporate strategic planning. One thing the various definitions share in common is their emphasis on managerialist orientation to corporate codes of conduct.

Contrary to the under-socialised view of managerial discretional rationality that has dominated the broad management and business literature, new waves of interpreting organisational practices (corporate governance and CSR inclusive), which have been on the increase, have drawn insights from neo-institutionalism (DiMaggio and Powell, 1983; Meyer and Rowan, 1977) and comparative business systems (e.g. Varieties of Capitalism, Hall and Soskice, 2001 and National Business Systems, Whitley, 1998, in particular) perspectives. Despite their subtle differences (Geppert et al., 2006; Tempel and Walgenbach, 2007) proponents of neo-institutionalism and comparative business systems argue that managerial thoughts and actions are not only outcomes of managerial rationality, but are both enabled and constrained by the contextual attributes of the institutional environments in which they are crafted and executed. These contextual attributes could be in the form of social norms, beliefs, practices, routines, networks, regulations and other institutional characteristics and influences. In other words, managerial actions and decisions are socially embedded (Granovetter, 1985). Following this understanding, corporate codes (as organisational artefacts and expressions of corporate practices) can be interpreted as corporate governance and CSR mechanisms, which are negotiated outcomes of interactions between managerial discretion and institutional contexts; albeit, the institutional dimension appears to be under-emphasised in the extant social accounting and CSR literatures.

As an offshoot of institutional theory, the Varieties of Capitalism (VoC) model (Hall and Soskice, 2001) of comparative business systems, for instance, offers an analytical framework towards understanding the political economy of firm's behaviour and performance. It explains variations and change within capitalist systems through its broad dichotomization of institutional contexts into Coordinated Market Economies (CMEs) and Liberal Market Economies (LMEs). This line of thinking is championed by such scholars as Hall and Soskice (2001), Vitols (2001), Hancke et al. (2007), Amable (2003) and others. The central theme common to these scholars' studies is their emphasis on the distinctiveness of national institutional contexts in which firms operate, based on such indices as legal and governance system, sources of finance and skills, training systems and the influences of other social agents such as unions and regulatory authorities.

However, it is not uncommon in comparative capitalism literature to stylise CMEs as stakeholder oriented, and LMEs as shareholder oriented (Dore, 2000). The CME is theorised to be society oriented, and firms within it, thus, focus on meeting broad range of stakeholders' needs (e.g. employees, suppliers, shareholders, etc.), whereas the LME is market oriented and focusses more on meeting shareholders' needs than those of any other stakeholder groups (Dore, 2000; Hall and Soskice, 2001; Hancke et al., 2007; Vitols, 2001). Japan and Germany are usually typified as examples of CME whereas UK and the USA are examples of LME (Whitley, 1998). In this regard, it is argued that different national and institutional contexts provide some sort of comparative advantages to firms within them. And '[T]he architecture of ''comparative advantage'' is portrayed in terms of key institutional complementarities – between labour relations and corporate governance, labour relations and the national training system, and corporate governance and inter-firm relations. These relationships determine the degree to which a political economy is, or is not, ''coordinated''' (Hancke et al., 2007, p. 5). For example, the power, legitimacy and urgency of a unionised work group to impact on the activities of a firm would, for instance, depend on the complementarity between the legal institutions and societal expectations in which such unions are embedded in. Following this line of thinking, for example, corporate governance systems could be, therefore, considered as complementary 'coalitions between investors, employees and management' (Jackson, 2005). Furthering their distinction of CMEs from LMEs, Hancke et al. (2007, p. 5) state that: 'The ''coordinated market economy'' (CME) is characterised by non-market relations, collaboration, credible commitments, and the ''deliberative calculation'' of firms. The essence of its: liberal market economy'' (LME) antithesis is one of arm's length, competitive relations, formal contracting, and supply-and-demand price signalling'.

Subsequent parts of this article will examine how these different models and varieties of capitalism have been reflected in the expressions of corporate codes of conduct by MNCs from these two regions (i.e. Europe and North America) in the Nigerian oil and gas sector. Given that MNCs' practices are likely to differ depending on their institutional origins, it is particularly interesting to know how this works out in practice when they all operate in the same host setting (in this case Nigeria), where the societal reality, needs and problems are similar.

Empirical background and methodology

MNCs dominate major sectors of the Nigerian economy including manufacturing, construction, petrochemicals and telecommunication. However, their impacts are most felt in the oil production and extraction industry. Nigeria is currently the largest producer of crude petroleum in Africa, the fifth largest producer within OPEC and the eighth largest exporter of crude oil in the world. Today, Nigeria earns over 95% of its export revenue from the oil and gas sector, which accounts for over 40% of Gross Domestic Product. The major MNCs in Nigeria are from Europe and the United States. According to the Nigerian Investment Promotion Commission's website there are eighteen oil and gas MNCs operating in the country.[1] However, some of the MNCs are new entrants who have interests in the deep offshore blocks in partnership with other operators. The website listed the MNCs as follows:

Firms	Year of entry into Nigeria
Shell Petroleum Development Company Limited	1937
Mobil Producing Nigeria Unlimited	1955
Chevron Nigeria Limited	1961
Texaco Overseas Nigeria Petroleum Company Unlimited	1961
Elf Petroleum Nigeria Limited	1962
Philip	1964
Pan Ocean Oil Corporation	1972 Bought over Ashland Oil Nigeria Limited (1973)
Agip Energy & Natural Resources	1979
Abacan	1992
Amoco Corporation	1992
Chevron Exploration & Production Company	1992
Conoco	1992
Esso Exploration & Production Nigeria Limited	1992
Shell Nigeria Exploration & Production Company	1992
Statoil/BP Alliance	1992
Texaco Outer Shelf Nigeria Limited	1992
Total (Nigeria) Exploration & Production Company Ltd.	1992

Nigerian Investment Promotion Commission (2007)

All the foreign MNCs in the oil and gas sector operate in joint venture partnerships and/or production sharing agreements with the Nigerian National Petroleum Corporation (NNPC) – a statutorily established, government-owned corporation. Typically, MNCs operate in Nigeria through locally incorporated subsidiaries. The subsidiaries engage in joint venture partnerships with the Federal Government of Nigeria through the NNPC. Shareholding interests in the venture are typically in the ratio of 55–60% to the government and 40–45% to the corporation. The shareholders of the parent company are usually in the countries of the North, mostly in the United States and Europe. The MNCs maintain managerial control of the enterprise. The Nigerian Government contributes proportionately to the cost of carrying out the oil operations and receives a share of the production in the same proportion.

Major MNCs operations in Nigeria	NNPC/government interest (%)	MNCs interest
Exxon Mobil	60	Exxon Mobil 40%
Shell Petroleum Development Company	55	Shell International 30%, Elf Petroleum 10%, Agip Oil 5%
Chevron Nigeria Ltd	60	Chevron Texaco 40%
Nigeria Agip Oil	60	Agip Oil 20%, ConocoPhillips Petroleum 20%
Elf Nigeria Ltd (Total)	60	TotalElfFina 40%
Texaco Overseas (Nigeria) Petroleum Company	60	Chevron 20%, Texaco 20%

Statoil operates on the basis of production sharing agreements in conjunction with other MNCs such as Chevron and Petrobras

However, the fact that all the MNCs in the Nigerian oil and gas sector have joint ventures with the Nigerian government, exploring similarities (or differences) in the actual operations locally would be something that is relatively novel. Therefore, the central question this article sets out to address is whether CSR practices (proxied through expressions of corporate codes of conduct) amongst multinational firms in the Nigerian oil and gas sector, are influenced by their home country model of capitalism and corporate governance. In order to explore the central question of this article, we examine the codes of conduct of corporations from distinctive exemplars of varieties of capitalism: the US and European Union/Western Europe. For ease of analysis, we have clustered European countries together. However, this does not suggest a homogenisation of these European countries but suggests that, following Matten and Moon (2008) postulations, they would share more in common amongst themselves than with the US – with the exception of the UK, which is often classified along side the US as exemplars of LMEs. Even at that, the UK also still retains some elements of welfarism (Amaeshi, 2007). Firms were selected with particular nexus to Nigeria.

The firms that were selected for the analysis are the large MNCs who have engaged with CSR practices in their operations in Nigeria and have codes of conduct. The MNCs are in partnership with the NNPC and appeared in the 2007 edition of *Fortune Global 500* – to show their global reach and magnitude. The companies chosen have turnover of over $17,000 million. The researchers ensured that these firms are all from the oil and gas sector for effective comparison so as to minimise industry biases (Griffin and Weber, 2006). The selection criteria gave rise to the following MNCs: Exxon Mobil (US), ConocoPhilips (US), Royal Dutch Shell (UK and Netherlands), ChevronTexaco (US), Total (France), Eni (Agip International) (Italy), Statoil (Norway) and ConocoPhilips (US). One important point to note from the onset is that from the MNCs studied, their codes of practice are usually not contained in one single document. However, we shall focus on the primary code documents of each selected firm and where necessary, refer to the secondary documents for clarifications.

Taking the above points into considerations, we selected the following documents from each company, which embody their codes of conduct for our analysis:

Firms	Home country	Documents used	Length of document
Eni/Agip	Europe (Italy)	Code of Practice (2004)	59 pages
Royal Dutch Shell	Europe (UK/Netherlands)	Shell General Business Principle (1998)	10 pages
		Shell Code of Conducts (2006)	75 pages
Total/Elf	Europe (France)	Code of Conduct (2005)	26 pages
ConocoPhillips	US	Code of Business Ethics and Conduct (undated)	22 pages
		Codes of Business Ethics and Conduct for Directors and Employees (2007)	8 pages
Exxon Mobil	US	Codes of Ethics and Business Conduct (undated)	4 Pages
Statoil	Europe (Norway)	Code of Conduct: We in Statoil (2005)	8 pages
		Ethics in Statoil (2007)	36 pages
		Code of Ethics for Senior Officials (2004)	3 pages
Chevron/Texaco	US	The Chevron Way (undated)	2 pages
		Business Conduct and Ethics Code (undated)	20 pages

Similar to most studies in this area (e.g. Jose and Lee, 2007; OECD, 2001), we adopted a content analysis research methodology – albeit an interpretative approach of the technique (Hardy et al., 2004). The codes of conducts were content analysed, with particular attention paid by the researchers to the themes, headings and emphases of these codes (Gaumnitz and Lere, 2002). One of the researchers has legal expertise in both Nigerian and European legal systems, which was useful in interpreting the codes of conduct drawing from legal insights. The two main guiding questions in the content analysis process were:

- What are the issues addressed by the Codes of Conduct of oil and gas MNCs operating in Nigeria?
- To what extent are the expressions contained in these codes reflective of the MNCs' varieties of capitalism?

Findings

Drawing from the postulations of the varieties of capitalism theoretical framework and previous studies (e.g. Carasco and Singh, 2003; OECD, 2001), the content analysis yielded the following themes relevant to the Nigerian domestic contexts: recognised stakeholders, extent of application of codes, treatment of labour standards, reference to international standards, environmental issues/bribery and corruption, enforcement and implementation. For example, it is established in the extant varieties of capitalism literature that European and the US models of capitalism differ in the breadth of attention they, respectively, pay to various stakeholder groups other than stock or shareholders (Amaeshi, 2007; Hall and Soskice, 2001; Jackson, 2005; Vitols, 2001). Following this paradigm, we expected the divergent attention paid to stakeholder groups in the two models of capitalism to showcase through the corporate codes of conduct examined. Labour relation is, also, central to theorisation of comparative corporate governance models (Aguilera, 2005). As such, the treatment of labour standards is important to understanding the differences and or similarities between the varieties of capitalism models expressed through corporate codes of conduct examined.

Explicit reference to international standards is important because it is only when a company makes such explicit reference that it is possible to determine whether the company takes into account internationally recognised human rights or not (Eide et al., 2000, p. 1). According to Eide et al. (2000) when explicit references to internationally recognised human rights are incorporated in policies or codes of conduct of companies, compliance may become a legal necessity. It stands to reason that where an institutional system, such as in the US, is reluctant to sign up to international treaties, MNCs from the US would likely take the same approach to international treaties. Still, along the line of attention paid to different stakeholder groups in the European and US models of capitalism, respectively, the natural environment has become a major stakeholder in recent times (DesJardins, 1998; Starik, 1995, 1994), and we expected to see some form of convergence in emphasis and commitment in this area due to the international focus on global warming and climate change in recent times (Amaeshi, 2007).

Under the enforcement and implementation theme, we sought to explore the extent of CSR 'managerial capture' (Owen et al., 2000) exhibited by the MNCs in varieties of capitalism. This is also to ascertain the extent to which these MNCs would want to be held accountable by public scrutiny through external mechanisms or by self-regulation through internal mechanisms – especially when they operate in weak institutional contexts. Moreover, in the Nigerian scenario some major issues stand out as relevant within the local context. These are environmental stewardship, bribery and corruption, labour standards and human rights. The emphasis on labour standards is as a result of both the development on the international scene especially the influence of the ILO and also the constant dispute between MNCs, their local employees and their trade unions. All these constitute a dense configuration of corporate practices and motivations that require further unpacking and deconstruction.

Recognised stakeholders

Shell Nigeria, in its Shell General Business Principle identifies five areas of responsibility to shareholders, customers, employees, business partners and the society.[2] Eni/Agip in its Code of Practice also stated that it carries out its operations with the awareness of the social responsibility that the group has towards all of its stakeholders: employees, shareholders, customers, suppliers, communities, commercial and financial partners, institutions, industry associations and trade unions. The Total code follows this trend.

The above company codes can be contrasted with the codes of Chevron Texaco, Exxon Mobil, Conoco Phillips and Statoil. The Chevron Texaco code does not identify specifically the stakeholders recognised by the corporation. The corporation rather identified these vaguely in its vision statement where it stated as one of its aims the desire to earn the admiration of all its stakeholders which are stated to be investors, customers, host government, local community and employees. Exxon Mobil's 'Code of Ethics and Business Conduct' makes reference only to the corporation, directors and officers and place more emphasis on its expectations of its employees than any attention to other stakeholder issues. The position of Exxon-Mobil and ChevronTexaco are highly consistent with the prevailing approach to other stakeholder issues in the US. ConocoPhillips, however, differs from the other US companies because it explicitly stated in p. 2 of its code that the company have responsibility towards shareholders, customers, families, vendors and suppliers and host communities.

The Statoil code is similar to the US MNCs here. Statoil's code which is contained in its document titled '*We in Statoil*' only states in the opening statement by the corporation's president and CEO that 'we will build an even stronger Statoil for the benefit of our people and our stakeholders'. In its recently published '*Ethics in Statoil*' the company did not clarify the issue of stakeholders. The approach taken by Statoil may be explained by the fact that Norway is not within the EU and does not share the same corporate governance model. While the EU companies easily concede to responsibility consistent with the prevailing model of corporate governance and capitalism in Europe to other stakeholders in their Codes, there appears to be reluctance on the part of US to make explicit commitments.

It is observed that companies with clarity as to the recognised stakeholders tend to have a more elaborate CSR scheme within the local context.

Extent of application

The codes also differ in the extent to which they are to be applied. This factor is important as it shows how much the parent company is willing to shape the operations of its subsidiaries abroad through its codes. The Shell Code is to be applied by all the companies in the group. It is also applicable to contractors, consultants and partners. Similarly, Total Oil's Code of Conduct is designed to govern the company and its subsidiaries in more than 130 countries where it does business. The company expects its suppliers, service providers and business partners to adhere to principles equivalent to those in its Codes. The scope of applicability of the Eni/Agip Code is also very broad. According to the Code, '... the rules of the Code are applicable to each and every Eni employee without exception and to all those who work for the achievement of Eni's objectives' (p. 3). Furthermore the code went on to say that '[e]xternal collaborators (including consultants, representatives, agents, brokers etc.) are required to comply with the Code's Principles' (p. 27). In the case of Statoil, the company extends the applicability of its ethical standards to suppliers and partners in an indirect way. It provides in paragraph 3.3 of its *Ethics in Statoil* that it expects its suppliers and partners to adhere to ethical standards which are consistent with Statoil's ethical standards.

The US MNCs again are different in this respect. The ChevronTexaco code is vague on the scope of its applicability. Also, the ConocoPhillips Code focussed on responsibility and accountability of employees without stating directly the scope of the applicability of its code. This approach is followed by ConocoPhillips '*Code of Business Ethics and Conduct for Directors and Employees*' of 2007. The Exxon Mobil codes are silent on the scope of their applicability. Again, it is apparent that there is a divergence as to the provisions on the scope of applicability of the codes.

Treatment of labour standards

We found that there is no consistency in the treatment of labour issues in the codes. However, the European MNCs seem to deal with such issues more elaborately than US companies. Significantly, in Nigeria, the Shell code is further adapted to fit local situation through supplementary documents, which address in detail issues such as bribery and corruption, environmental standards and human rights.[3] However, this adaptation was significantly not extended to some labour issues relevant in the local context. Issues concerning casualisation and contract staffing and job security are, for instance, not covered by the code.[4]

Other EU-based MNCs are not much different in their approach. The Total Code pledges the corporation's commitment to pay particular attention to employees' working conditions, respect individuals, avoid discrimination and protect their health and safety. It further states that it fosters equal opportunity by recruiting personnel solely on the basis of its requirement and the qualities of individual candidates. The Eni Code commits the company to developing the abilities and skills of each employee, equal opportunity, the policy of non-discrimination and good working condition. The code further states that there should be no discrimination and harassment in the work place. The Statoil Code is also very brief in respect of issues relating to employees.

US based MNCs have less detailed commitment in this area when compared with the EU based MNCs. The ChevronTexaco code addresses generally the issues of wage policy and tenure, non-discrimination, equal opportunity, harassment and work place violence. The corporation categorically states that it does not guarantee employment for any particular period of time for any of its employees thereby taking job security out of its purview. As noted earlier, the Exxon Mobil's code is a rather brief document. The code places more emphasis on its expectations of its employees rather than any attention to workers' right or labour standards. The nearest the code came to addressing employees concern is the opportunity given to employees to ask questions, voice concerns and make appropriate suggestions concerning the business practices of the corporation.[5] ConocoPhillips treatment of labour issues is slightly broader than other US companies. It commits the company explicitly to equal opportunities, harassment-free workplace, and safe and healthy environment.

Reference to international standards

A similarity in all of the codes from the Europe is their reference to international instruments as the source of inspiration for the codes. According to Eni's code (p. 3), the company reaffirms its commitment to operate within the framework of the United Nations

Universal Declaration of Human Rights, the Fundamental Conventions of the ILO – International Labour Organisation – and the OECD guidelines on Multinational Enterprises. Total made similar commitment in its business principles. Though the Shell Code had no direct reference to these standards in its codes, it is mentioned in other supplementary documents on its webpage. The US companies do not generally follow this trend, which could be due to the fear that such explicit commitment may be used against them in the highly litigious American society as was the case in *Kasky v Nike* (02 C.D.O.S 3790) where Nike's advertisement, reports and other public statements led to costly litigations.

Environmental issues/bribery and corruption

We found that MNCs in both the US and the EU have been taken steps to portray themselves as being environmentally responsible. The only exception in relation to environmental standards is Exxon Mobil.[6] All the other codes made explicit commitment to environmental stewardship. Similarly, all the codes have explicit provisions prohibiting bribery. This again can be explained by the global focus on the area and the different national and international initiatives targeted at making MNCs more transparent; and particularly driven by the infamous reputation of Nigeria a corrupt country on the Transparency International country corruption index.

Enforcement and implementation

In demonstrating enforcement and implementation of their corporate codes, both European and US MNCs generally rely on internal compliance processes which, in some instances, are combined with monitoring procedure by appointed private corporate third-party monitors. The trend, however, in the codes of MNCs examined is a general reliance on internal procedures. The Statement of General Business Principle of Shell International, for example, provides for a good faith commitment which is at the discretion of the corporation and its subsidiaries to implement and enforce. Shell Nigeria's implementation process as stated on its website are as follows:

> We monitor compliance through an annual assurance letter process. It requires the relevant senior manager to report to the Chief Executive on the performance of his or her business or function in following our Business Principles and Group Standards. Results are reported to the Audit Committee of the Board.[7]

The corporation largely relies on internal monitoring system. However, this only makes the corporation the law maker and the judge of itself on the basis of the rule it made without subjecting it to any independent and objective external evaluation. It, thus, seems that the process may lack transparency. All of the codes examined followed this trend.

In a nutshell, enforcement and implementation is an area where all the codes examined are similar. They all favour internal mechanism for control and do not make provisions for external monitoring. This reinforces the question of managerial capture of CSR (Owen et al., 2000) and also raises the need for institutional governance of CSR practices. The table below presents summary of the findings, which are further discussed.

Discussions: varieties of capitalism and corporate social responsibility practices

Although the varieties of capitalism model is not a 'unified theory of everything' (Hancke et al., 2007, p. 8) it has been used as a theoretical lens to study such themes as innovation (Crouch et al., forthcoming), corporate governance (Aguilera, 2005), flows of financial investments (Goyer, 2006), macroeconomics (Soskice, 2007), corporate strategy (Lehrer, 2001), social protection and the formation of skills (Estevez-Abe et al., 2001), patterns of labour market (Wood, 2001) and standardization (Tate, 2001), globalisation (Crouch and Farrell, 2004; Panitch and Gindin, 2005) and recently on CSR (Matten and Moon, 2008). There is also an ongoing attempt to apply the framework to understanding corporate stakeholder salience (Amaeshi, 2007; Chapple and Gond, 2006), to mention but a few. This article has sought to apply the VoC framework to understanding the 'stickiness' of corporate home country influences across trans national spaces.

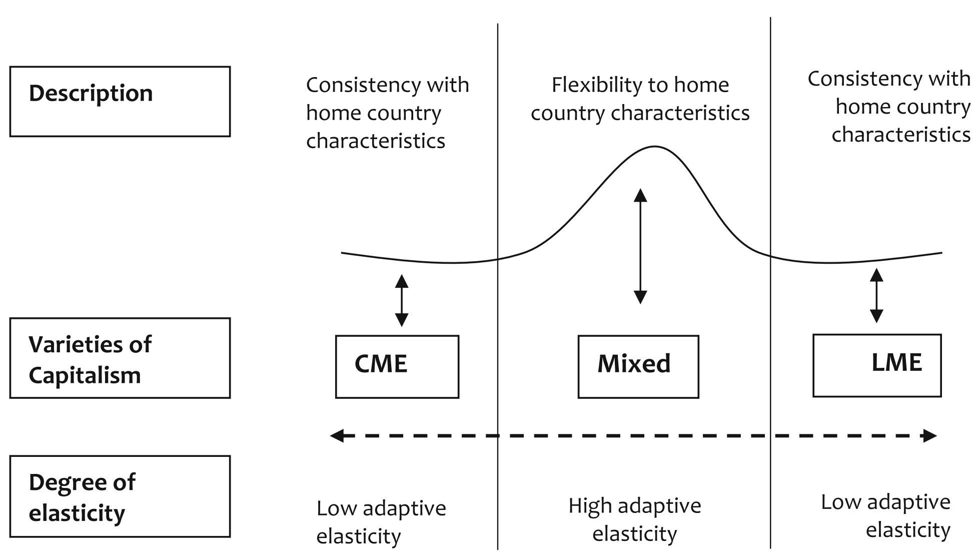
Summary of findings

MNC	Home country	Recognition of other stakeholders	Extent of application of code	Treatment of labour standards	Commitment on environmental issues	Enforcement and implementation	Reference to international human rights standards	Prohibition of bribery and corruption	Degree of alignment with home country model of capitalism
Exxon-Mobil	US	Vague	Vague	Vague	Yes	Internal procedure: less detailed	No	Yes	High
Conoco Phillips	US	Yes	Vague	Less detailed	Yes	Internal procedure: less detailed	No	Yes	High
Royal Dutch Shell	UK & Netherlands	Yes	The parent company, all subsidiaries, contractors, consultants and partners	Detailed	Yes	Internal procedure: less detailed	Indirect	Yes	Mixed
Chevron/ Texaco	US	Vague	Vague	Less detailed	Yes	Internal procedure: less detailed	No	Yes	High
Total	France	Yes	Parent Company, subsidiaries	Less detailed	Yes	Internal procedure: less detailed	Yes	Yes	High
Eni/Agip International	Italy	Yes	Parent company, subsidiaries, third parties including constituents, representatives and brokers	Less detailed	Yes	Internal procedure: detailed	Yes	Yes	High
Statoil	Norway	Vague	Parent Company, subsidiaries	Less detailed	Yes	Internal procedure: less detailed	No	Yes	Mixed

In the main, the findings of the study suggest that most firms in both CME and LME tend to retain the influences of their home countries' models of capitalism on their CSR practices even when they operate outside their national boundaries (this suggestion is also confirmed by Konzelmann et al., 2005). On one hand, the continental European firms – such as Total/Elf, and Eni/Agip – reflected those fundamental attributes of the CME model – e.g. recognition of broader stakeholder groups, emphasis on labour conditions and human rights. The LME firms, on the other hand, showed less or vague interests in these in line with the espoused characteristics of LME in the extant VoC literature. Although they varied from their home country model of capitalism in certain areas (e.g. ConocoPhillips showed stakeholder orientation contrary to the typical shareholder orientation of LME), these changes are arguably insignificant. The UK firm – Royal Dutch Shell – (as well as the Norwegian Statoil) showed mixed characteristics of both CME and LME and tends to reflect their characteristics at different instances to adapt to local conditions in Nigeria.

This adaptive capability of Royal Dutch Shell could be as a result of the company's long period of time in the Nigerian oil and gas sector, and, nonetheless, could be associated to the strategic political connection of the firm to the Nigerian government (Frynas et al., 2006). Even at that, one could argue that the firm to an extent also reflects the institutional characteristic of the UK capitalist system that tends to mimic both the welfarist orientations of CMEs and the free market orientation of LMEs. This has led us to theorise the UK capitalist economy as a mixed one. In other words, it could be argued that despite the wave of changes initiated since the Thatcher days, the UK model of capitalism still has come to find a 'third-way' (a middle ground) (Giddens, 2000) that stands it out as a unique capitalist system. The mixed nature of this capitalist system allows it, a high degree of elasticity to adjust to the demands and challenges of local and transnational socio-economic spaces. A good example of this high degree of elasticity is manifested in the case of the Royal Dutch Shell that is able to cherry-pick items of its code of conduct to maximise its investments in Nigeria (e.g. Shell de-emphasises casualisation of labour, which is contrary to the dominant European model of corporate governance).

The responses of MNCs to challenges posed by the local (host country) context in the enactment of their codes of conduct shed lights on how the home country institutional characteristics interact with MNCs' home country practices. Following the main findings of this study, we have sought to represent these responses and host–home interactions as degrees of adaptive elasticity across the broad spectrum of VoC in the schematic below:



The findings of this study reinforce the notion that corporate governance and CSR in EU member states differ in some respect from each other. The UK system has more in common with the US when compared with other European models hence the common nomenclature 'Anglo American Model'. The UK model is, however, shifting towards the stakeholder model of the corporation. In other European countries, the dominant corporate governance models are the Communitarian model and the stakeholder models of the corporation. The link between the two models is the extension of the responsibilities of the corporation to other constituent groups (Gamble and Kelly, 2000). A general trend, therefore, in the communitarian and stakeholder model is the link between public interest agenda and increased responsiveness to other stakeholders' issues.

Conclusion

It has been argued and demonstrated through this study that MNCs carry with them attributes of their national business systems as they forage into markets outside their nation states. In other words, it can be argued that while MNCs are profit driven, they also have an incentive to synchronise the business systems of their external markets (i.e. host countries) to the business systems of their nation states (i.e. home countries) to enable the development of complementary institutions in the external market to further drive the profitability of MNCs. However, the study found that despite the supposedly weak institutional context prevalent in most developing economies, MNCs from different models of capitalism adapt to these weak institutional contexts with different degrees of elasticity – with those from mixed economies (e.g. the UK) adapting more flexibly than those from LME (e.g. the US) and or CME (e.g. continental European model).

Perhaps, one way of explaining the different degree of elasticity in adapting to the weak institutional context is by looking at the analysis from the coevolutionary perspective put forward by Tan and Tan (2005). According to this perspective, 'an appropriate co-alignment between the environment and firm strategy plays a vital role in firm performance …' (Tan and Tan, 2005, p. 142). The perspective posits that firms' strategic adaptations co-evolve with the environment and changes in the environment. The firm is not always a passive recipient of influence from its environment, but can also shape it. One of the ways in which companies create and strategically shape their environment is through the adoption of codes. These codes demonstrate their strategic choices and responses to the local institutional environment, which have implications for the overall environment. In this regard, it will be nice for future studies in this area to track how the corporate codes of conduct of the firms used in this study are co-evolving with their institutional context.

Despite the restricted generalizability of the findings of this study due to limitations arising from the number of cases used, the study has provided some insights into the interaction between corporate home country and or regional influences on CSR practices of MNCs. It is anticipated that some of the findings and theorisation of this study will open new vistas for the study of MNCs' CSR practices, and offer some testable propositions amenable to varieties of research methods and institutional contexts.

Notes

1 http://www.nipc-nigeria.org/opportunities.html. Last visited 25 November 2007.

2 The Shell General Business Principle is incorporated in the Shell Code of Conduct, 2006 (p. 6). The Code of Conduct is complimentary to the Shell General Business Principle, which the Code elaborated upon.

3 See http://www.shell.com/home/Framework?siteId=envirosoc-en&FC2=&FC3=/envirosoc-en/html/iwgen/society/human_rights/dir_human_rights_16042007.html . Last visited 25 November 2007.

4 See, for example, a report on these practices: Onyebuchi Ezigbo 'FG to Tackle Oil Majors, Banks over Unfair Practices' *Thisday Newspapers* (Nigeria) 08/11/07.

5 In 2005, the shareholders of Exxon Mobil Corporation urged the Board of Directors of the corporation to adopt and implement a company-wide workplace human rights policy based on the ILO's Declaration of Fundamental Principles and Rights at Work. Till date, the corporation has not incorporated the ILO declaration into its code. http://www.iccr.org/shareholder/proxy_book05/PROMOTING%20HUMAN%20RIGHTS/ILO_EXXON.HTM. Last visited 24 November 2007.

6 It has been argued that Exxon Mobil is resisting proactive policies on climate change. See Rowlands 'Beauty

and the beast? BP'S and Exxon's positions on global climate change' (2000) 18(3) Environment and Planning C: Government and Policy 339–354.

[7] http://www.shell.com/home/content/envirosoc-en/making_it_happen/controls_incentives/controls_incentives_13042007.html. Last visited 13 November 2008.

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