

Impact case study (REF3)

Institution: University of Edinburgh		
Unit of Assessment: UoA17		
Title of case study: Implementing CSR in Nigeria		
Period when the underpinning research was undertaken: 2013-2020		
Details of staff conducting the underpinning research from the submitting unit:		
Name(s):	Role(s) (e.g. job title):	Period(s) employed by submitting HEI:
Kenneth Amaeshi	Professor of Business and Sustainable Development	2010-present
Period when the claimed impact occurred: 2014-2020		
Is this case study continued from a case study submitted in 2014? No		
1. Summary of the impact		
<p>Amaeshi's research on Africapitalism and Corporate Social Responsibility (CSR), embodied in the M.I.N.D (Map, Identify, Negotiate, Develop) practical tool, is widely used to support sustainability policy and practice in Nigeria. The research has:</p> <ul style="list-style-type: none"> • directly informed the sustainable development sections of the Financial Reporting Council of Nigeria's Corporate Governance Code; • led to changes in the Institute of Chartered Accountants of Nigeria's professional curriculum; • underpinned the implementation of CSR in industrial and finance corporations in Nigeria; and • shaped discussions on CSR nationally and internationally through the Central Bank of Nigeria and the President of Nigeria's Private Sector Advisory Group, and the Global Alliance for Banking on Values. 		
2. Underpinning research		
<p>Amaeshi's research on CSR in Nigeria has made a key contribution to Africapitalism [3.1], an intellectual and social perspective on routes to sustainable economic growth in Sub-Saharan Africa. Contextualised by Amaeshi's research on the Varieties of Capitalism [3.2], Africapitalism outlines a framework for aligning business and society in Africa. It focuses on the importance of place, offering a critique of unfettered globalisation. In a context characterised by weak institutional arrangements, Africapitalism rethinks the role of business in development to ensure long-term sustainable economic growth and social prosperity [3.1]. Effective CSR practice is a precondition of delivering Africapitalism.</p> <p>Amaeshi's research highlights that the implementation of CSR is contextually bound: as a contemporary management practice, CSR is a Western creation [3.3]. Consequently, CSR often struggles when implemented across borders and cultures. Amaeshi's research [3.4] engaged with this problem to highlight the mismatch between CSR as a core organisational practice and the dominant institutional arrangements in Sub-Saharan Africa. Implementing CSR strategies in Nigeria, and the wider Sub-Saharan African context is more challenging without the wrap-around infrastructures that western-styled typically economies enjoy, such as health, education and transport.</p> <p>Amaeshi's research critiqued the dominant approach to CSR in Nigeria as too closely bound up with ad-hoc philanthropic endeavours and corporate giving. It showed that this approach impedes CSR from playing a central role in strategic business decision-making [3.3; 3.4]. Amaeshi argued that for CSR to become a mainstream organisational practice, it needed to shift from the periphery of corporate philanthropy to core organisational practice.</p>		

Outside of the Nigerian mainstream corporate world, Amaeshi's research revealed the existence of many progressive CSR practices [3.4]. Nigerian SMEs provided loans to employees, served meals at work, and funded medical support, which helped to fill institutional voids arising from weak governments. The research demonstrated how SMEs moved from ad hoc philanthropic activity to providing institutionalised social welfare. This was a fundamental shift, which aligns with the Africapitalism agenda [3.5]. Amaeshi concluded that key Nigerian SMEs had developed 'best practices' that could usefully be adopted by larger corporates.

Historically, large corporates in Nigeria have a poor record of responsible business practices, including environmental degradation, corruption and capital flight [3.1]. Amaeshi's study of Fidelity [3.3], a large Nigerian bank, demonstrated how a financial services organisation had pursued responsible business practices in the sub-Saharan context. The research examined Fidelity's strategies for overcoming the difficulties of pursuing responsible business practices in a challenging and loosely institutionalised context. The research demonstrated that African business could flourish in adverse conditions. Amaeshi's field studies on SMEs and Fidelity Bank illustrated the efficacy of CSR and provided support for the Africapitalism approach.

Amaeshi developed the M.I.N.D model [3.6], as a practical application of his research. The model **M**aps key organisational activities and **I**dentifies their sustainability implications. It suggests how these implications can be **N**egotiated with key stakeholders, and helps to **D**evelop and implement effective Sustainability Strategies. The model promotes a shift in CSR from a minimalist rules-based compliance approach to a more strategic organisational resource/capability focus.

3. References to the research

- 3.1. Amaeshi, K. and Idemudia, U. (2015). Africapitalism: a management idea for business in Africa? *African Journal of Management*, 1(2):210-223
<https://doi.org/10.1080/23322373.2015.1026229>
- 3.2. Witt, M. A., Kabbach de Castro, L. R., Amaeshi, K., Mahroum, S., Bohle, D., and Saez, L. (2018). Mapping the business systems of 61 major economies: a taxonomy and implications for varieties of capitalism and business systems research. *Socio-Economic Review*, 16(1):5-38 [10.1093/ser/mwx012](https://doi.org/10.1093/ser/mwx012)
- 3.3. Egbon, O., Idemudia, U., and Amaeshi, K. (2018). Shell Nigeria's Global Memorandum of Understanding and corporate-community accountability relations: A critical appraisal *Accounting Auditing & Accountability Journal*, 31(1):51-74 [10.1108/AAAJ-04-2016-2531](https://doi.org/10.1108/AAAJ-04-2016-2531)
- 3.4. Amaeshi, K., Adegbite, E., and Rajwani, T. (2014). Corporate Social Responsibility in Challenging and Non-Enabling Contexts: Do Institutional Voids Matter. *Journal of Business Ethics*, 134(1):135-153 [10.1007/s10551-014-2420-4](https://doi.org/10.1007/s10551-014-2420-4)
- 3.5. Amaeshi, K., Adegbite, E., Ogbechie, C., Idemudia, U., Seny-Kan, K. A., Issa, M., and Anakwue, O.J. (2015). Corporate Social Responsibility in SMEs: a shift from philanthropy to institutional works? *Journal of Business Ethics*, 138(2):385-400 [10.1007/s10551-015-2633-1](https://doi.org/10.1007/s10551-015-2633-1)
- 3.6. Amaeshi, K., Ogbechie, C. and Allo, N. (2014). Translating Sustainability into Practice. *Stanford Social Innovation Review*.
https://ssir.org/articles/entry/translating_sustainability_strategy_into_practice#

4. Details of the impact

Amaeshi's research and practical use of his M.I.N.D. tool has shaped understanding and practice of CSR in Nigeria in three main areas.

1. Regulatory Changes in the Financial Reporting Council (FRC) of Nigeria

In 2012, the Central Bank of Nigeria (CBN) launched the Nigerian Sustainable Banking Principles. The adoption and implementation of these principles are compulsory and require banks to balance the environmental and social risks with their commercial activities. This

means the banks need to develop and implement sustainability strategies and report their sustainability activities to a broader audience beyond their shareholders. Amaeshi has shaped the implementation of these regulatory changes across several organisations in the financial sector. Supporting Amaeshi's work, the Special Advisor on Sustainable Banking at the CBN said: "Amaeshi has made a positive impact on the implementation of these banking principles by different government departments" [5.1].

While the CBN supervises the implementation of sustainability strategies in the banking sector, the Financial Reporting Council (FRC) of Nigeria is the Federal Government's regulatory agency that promotes trade and investment in Nigeria by maintaining oversight of accounting, auditing, and financial reporting standards. In addition, the FRC sets standards for corporate governance. One of its significant challenges in recent years has been to enshrine sustainable development into these reporting standards, and in 2017, the FRC developed a new Corporate Governance Code. They comment that "Amaeshi's research was central in two ways: he helped us develop sustainability measures, which correspond closely with the UN's Sustainable Development Goals. His research informed our approach to implementing the code as a mix of compulsion and self-regulation" [5.2].

The FRC confirmed that they have translated Amaeshi's ideas into effective regulation that is now implemented in the corporate sector: "Every stock market listed corporation in Nigeria is complying with a code that was derived, in part, from Professor Amaeshi's research". Furthermore: "Nigerian corporations of many different stripes utilise the M.I.N.D model, yielding cost efficiencies and preparing themselves for the future. This is the impact of Amaeshi's research" [5.3]. They conclude that "It is difficult to overstate how important Amaeshi's research is to the CSR conversation in Nigeria" [5.3]. Their position on the significance of Amaeshi's research in the regulatory space is corroborated by the Institute of Chartered Accountants of Nigeria (ICAN): "The effect of their research [*Amaeshi & colleague*] on the broader Nigerian regulatory sphere has been transformational. We now have a regulation and compliance code that fully integrates sustainability and is the leading one of its kind in Africa" [5.4].

2. Policy Changes to the Nigerian Accountancy Profession: Institute of Chartered Accountants of Nigeria (ICAN)

ICAN is a professional body established by an Act of Parliament in 1965. One of ICAN's prime functions is to set and administer the curriculum for students studying professional accountancy examinations. ICAN has embraced CSR, utilising Amaeshi's research to transform aspects of their professional training and practice. Based on Amaeshi's research recommendations, ICAN introduced Sustainability Reporting as a study topic in the ICAN professional accountancy curriculum. The new syllabus now requires all students to appraise companies' social, environmental, and ethical reporting [5.5]. On average, 56,000 students study a module on Sustainability every year as part of their professional qualifications [5.2]. The Chief Executive of ICAN stated: "Professor Amaeshi and Dr Okwuosa's work have had a positive effect on ICAN's Corporate Reporting curriculum which has been modernised as a result of their research" [5.4]. According to the FRC (the regulator), this modernisation of the ICAN curriculum transcends accountancy: "Amaeshi's work has dramatically moved the dial in helping Nigeria achieve sustainable development" [5.2].

3. Commercial Impact in Nigeria and the wider Sub-Saharan Africa

Amaeshi has successfully helped several organisations translate CSR strategy into practice and implement change yielding cost efficiencies and preparing themselves for the future. **The Nigerian Private Sector Advisory Group (PSAG)** was created by the United Nations and inaugurated by the Vice President of the Federal Republic of Nigeria in 2017 to understand how the UN and the private sector could better work together and partner to achieve the new Sustainable Development Goals. The PSAG note, "the Nigerian Private Sector leans on Amaeshi's research extensively, as he sketches out a compelling vision

backed up by his intellectual depth and practical tools”. The organisation specifies the benefit in the following: “For us, the appeal of Amaeshi’s body of work is that it functions cohesively at multiple levels: from the broad vista of Africapitalism, through specific insights into CSR, and is practically applicable through the M.I.N.D model” [5.3].

EY Nigeria are part of Ernst & Young, a leading global consultancy firm. They contacted Professor Amaeshi to request his involvement in a collaborative project using his M.I.N.D model, integrating it into their consulting practices. The ease with which they have integrated his model into their consulting practices has transformed how they operate and engage with clients. EY commented, “we have integrated his novel methodology into our consulting practices and have successfully used it to develop sustainability and CSR strategies and action plans” [5.6]. They continue: “This has been of substantial benefit to our client base and assisted in progression towards the Sustainable Development Goals”.

Dangote Group, the largest West African industrial conglomerate with a USD4.1bn market cap, commissioned Amaeshi in 2017 to its CSR implementation and used the M.I.N.D. model to comply with the Nigerian Stock Exchange’s Sustainability Disclosure Guidelines, refocusing the entire organisation to institutionalise its sustainability journey [5.7].

As an indicator of progress, the Sustainability Enterprise and Responsibility Awards named Dangote as one of the Top 5 ‘Most Responsible Business in Africa / Overall Winner’. Dangote’s former Group Chief, Sustainability & Governance confirmed, “Amaeshi’s work provides an approach to sustainability thinking that underlines the ethical-ecological and cultural nuances of People and Place as a key factor. It is difficult to overstate the importance of his work in supporting my facilitation of change management, collaboration, and partnership at Africa’s largest conglomerate” [5.3].

LAPO Microfinance Bank [LAPO] is committed to the social and economic empowerment of low-income households through provision of access to financial services. Implementation in 2013 of the M.I.N.D. model, involving workshops with ~200 staff (50% of the workforce) helped enact a new sustainability strategy. Influenced by Amaeshi’s research, **LAPO** established a new Environmental, Sustainability and Governance Committee (ESGC) to guide future initiatives. LAPO said: “We drew on Amaeshi’s research and applied the M.I.N.D model to help reduce costs and support our actions against deforestation. As a result, we have reduced our use of paper across the whole bank between 2017 and 2019 LAPO saved 2,929,427 sheets of paper ... saving the organization \$506,519” [5.8].

In 2016, the Chartered Institute of Bankers of Nigeria recognised LAPO as Nigeria’s ‘Most Supportive Bank’. Between 2018-2020 their client base increased from 3,940,443 to 4,865,555 and 19% of this has been attributed to Amaeshi’s input. In 2016 their application of Professor Amaeshi’s M.I.N.D model “facilitated their entry into the Global Alliance for Banking on Values (GABV), something that is of considerable benefit to them” [5.9].

The influence of Amaeshi’s research extends beyond Nigeria. The **Global Alliance for Banking on Values (GABV)**, comprising 66 financial institutions and 16 strategic partners serving more than 70m customers across the world, note that “Amaeshi has played an important role in the development of our thinking. He is a leading sustainable banking expert in Africa. His work on CSR and Africapitalism, in particular, has highlighted the critical role of institutional arrangements in embedding sustainability and ... has shaped our thinking. His work has supported our member banks – especially those in and from Africa” [5.9].

5. Sources to corroborate the impact

- 5.1. Central Bank of Nigeria testimonial.
- 5.2. Financial Reporting Council of Nigeria testimonial.
- 5.3. Private Sector Advisory Group (PSAG) Nigeria testimonial.
- 5.4. Institute of Chartered Accountants of Nigeria testimonial.

Impact case study (REF3)

- 5.5. ICAN Regulations and Examination Syllabus. <http://icanig.org/ican/documents/new-professional-examination-syllabus.pdf>
- 5.6. EY Nigeria testimonial.
- 5.7. Global Alliance for Banking on Values testimonial.
- 5.8. Dangote testimonial.
- 5.9. LAPO testimonial.