

Stakeholder pressure and social sustainability of quoted oil and gas companies in Rivers State, Nigeria

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Abstract

The growing expectations for responsible corporate behaviour have heightened the expectations of stakeholders on the social sustainability performance of oil and gas companies especially in environmental sensitive areas like Rivers State, Nigeria. While some regulatory changes and stakeholder activism have occurred, there remains a concern on how much stakeholder pressure can help to shape the social sustainability practices of quoted oil and gas companies. This study therefore, investigated the relationship between stakeholder pressure and social sustainability of quoted oil and gas companies in Rivers State, Nigeria. In particular, it explored how the social sustainability is affected by regulatory pressure, social community pressure and market pressure. Stakeholder Theory, Institutional Theory and Legitimacy Theory were underpinning the study. The research design that was used was a cross-sectional survey research design with the positivist research philosophy. The population of this study was 265 managerial and supervisory staff of eight quoted oil and gas companies and the sample size of 155 respondents was obtained using Krejcie and Morgan sampling table and two sampling techniques which are proportionate stratified sampling and simple random sampling. A structured questionnaire was used to collect primary data. Descriptive statistics and Spearman Rank Order Correlation Coefficient at 5% level of significance was used to analyse the data obtained. Results indicated that there was a positive and significant relationship between regulatory pressure and social sustainability ($\rho = 0.237$, $p = 0.011$), a positive and significant relationship between social community pressure and social sustainability ($\rho = 0.493$, $p = 0.000$), and the highest positive and significant relationship between market pressure and social sustainability ($\rho = 0.546$, $p = 0.000$). The results of the study indicated that there is a significant influence of stakeholder pressure on social sustainability of the quoted oil and gas companies. It stated the need for enhanced regulatory compliance, the need for a culture of community involvement, and the need for Sustainability in corporate governance and strategic decisions. The study adds knowledge by offering empirical results about the differential impact of regulatory, community, and market pressures on social sustainability of the quoted oil and gas industry in Nigeria.

Keywords: Stakeholder Pressure; Regulatory Pressure; Social Community Pressure; Market Pressure; Social Sustainability.

1. Introduction

With the increasing emphasis on sustainable development, the expectations on companies, especially in more sensitive sectors like oil and gas, have changed. In addition to profitability, companies now face the challenge of building sustainable social benefits through employee welfare, host community benefits, human rights, equitable job practices and clear stakeholder relationships. Elkington's (2018) triple bottom line framework reiterates that long-term success of a company does not rely on the economy alone, but also on social and environmental sustainability. This has positioned social sustainability as a strategic call to action for quoted oil and gas companies, which have direct impact on the livelihood and wellbeing of the communities in the oil and gas producing communities like Rivers State.

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Stakeholder pressure has become a major outside force that pushes organisations to improve their sustainability performance. Stakeholder theory suggests that businesses can gain legitimacy by meeting the expectations of various stakeholder groups, not just shareholders (Freeman et al., 2020). As a result, the regulatory institutions, host communities, investors, customers, civil society and market actors are increasingly demanding responsible business behaviour and quantifiable social impact. Mehmood et al., (2020) noted that the pressures created by stakeholders drive companies to include sustainability in their decision-making process, and Ahmed et al., (2023) found that external stakeholder expectations have a strong impact on CSD and responsible business practices in high impact industries.

Regulatory pressure is a powerful one among the different aspects of stakeholder pressure in oil and gas, since governments set environmental standards, labour laws, corporate governance and sustainability reporting requirements. The expectations of good corporate citizenship have grown in Nigeria in response to changes in legislation and by the regulatory bodies controlling petroleum operations, especially after the implementation of reforms to improve accountability in the petroleum sector. According to Ezejiofor et al., (2016), compliance with regulations creates an incentive for firms to practice sustainability while Wokoma and Iheriohanma (2020) stated that poor compliance in the Niger Delta is a source of confrontation between the companies and host communities. However, the approach to regulation differs between companies and business conditions.

Social community pressure has also been emerging as a factor as the host communities now want to be included, have jobs, need infrastructure, and demand environmental justice and respect for local rights. Several years of living with oil spills, environmental pollution, joblessness and the lack of corporate social responsibility in Rivers State has made community expectation on social responsibility to be widespread. At the same time, market pressure from institutions, customers, financial market and sustainability focused markets, drives quoted companies to improve their ESG performance to maintain competitiveness and corporate legitimacy. According to Bansal and Song (2017), sustainability is now an organizational skill, shaped by institutional expectations and Franco et al. (2024) suggested that social sustainability is becoming the critical factor in organizational resilience and trust from stakeholders. With the strategic position of Rivers State in the Nigeria petroleum industry, the study of the influence of the regulatory pressure, social community pressure and market pressure on the social sustainability of listed oil and gas companies can no longer be ignored on both academic and practical grounds.

Although significant progress has been made in the field of stakeholder pressure in relation to corporate sustainability, several conceptual and contextual gaps exist. A lot of empirical literature has focused on stakeholder pressure as a composite construct, failing to differentiate between the specific effect of regulatory pressure, social community pressure and market pressure on social sustainability outcomes. Consequently, research by Ezejiofor et al. (2016), Mehmood et al. (2020), Ahmed et al. (2023), and other researchers to date has been mainly on environmental sustainability, disclosure of CSR, environmental compliance, or sustainability performance as a whole; not the social sustainability dimension which involves employee welfare, community wellbeing, stakeholders' inclusion, social equity, and corporate legitimacy. Furthermore, most of the studies have focused on developed economies where the institutional settings are very different from those in Nigeria's petroleum-producing areas. The available literature within the Nigerian context has largely focused on environmental degradation, conflict management and CSR efforts in the Niger Delta with little empirical evidence of the effect of different stakeholder pressures on social sustainability performance of oil and gas companies quoted in Rivers State. This study aims to fill these gaps by disaggregating stakeholder pressure into regulatory pressure, social community pressure and market pressure and by directly linking them to social sustainability among quoted oil and gas companies in Rivers State.

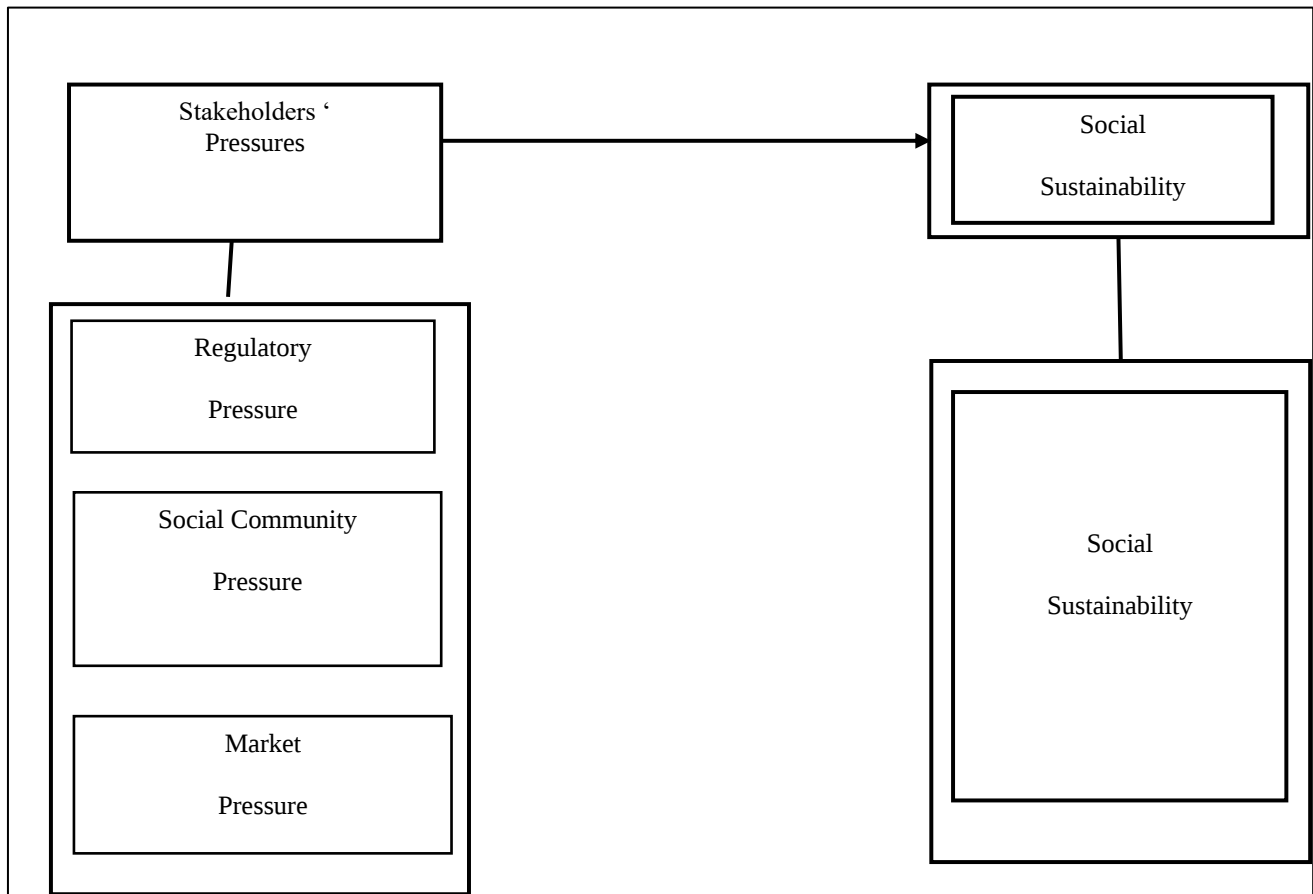
2. Literature Review

2.1. Conceptual framework

2.1.1. Stakeholders' Pressure

Stakeholders' pressure: The pressure of those who have or can have an impact on the company's activities, decisions and performance. This pressure leads organizations to take up responsible business practices which are desirable by society and mandated by the law. Stakeholder theory states that an organization is embedded in a network of relationships with governments, investors, customers, employees, host communities, suppliers, civil society organizations and financial institutions, which may influence its actions through demands, expectations, sanctions or incentives (Freeman et al., 2020). Stakeholder pressure thus is an external governance mechanism which pushes companies to become more accountable, transparent, and to report on their social performance and sustainability. Additionally, the current research confirms that stakeholder pressure is gaining more importance in an era where

environmental, social, and governance (ESG) issues are gaining increasing attention by the general public and growing importance for investment and purchasing decisions (Ahmed et al., 2023).



Sources: Stakeholders Pressure: Regulatory pressure, social community pressure, and market pressure (Ezejiakor et al., 2016; Mehmood et al., 2020; Ahmed et al., 2023; Wokoma & Iheriohanma, 2020). Sustainability: Social sustainability (Elkington, 2018; Freeman et al., 2020; Bansal & Song, 2017; Franco et al., 2024).

Figure 1 Conceptual Framework Showing the Relationship Between Stakeholders Pressure and Social sustainability

In the oil and gas sector, stakeholders usually exert their pressure in the form of regulatory pressure, social community pressure, and market pressure. Regulatory pressure comes from regulatory bodies, such as government departments and statutory bodies that enforce environmental laws and regulations, labour laws and regulations, corporate governance codes and sustainability reporting requirements. Social community pressure comes from the groups of people who live in the host country communities and NGOs, labour unions and civil society organizations that pressure for jobs, environmental protection, infrastructure development and social justice. Market pressure is generated by investors, customers, lenders, international partners, and stock markets that increasingly reward companies with good sustainability performance, and penalize companies with poor social or environmental performance (Mehmood et al., 2020). Such pressures in various forms induce companies to enhance the participation of the stakeholders, minimize operational conflict and increase their social legitimacy. Thus, stakeholder pressure is no longer just a compliance issue but a strategic force shaping sustainable corporate behavior, with stakeholder expectations impacting corporate reputation, continuity, and long-term competitiveness, especially in sectors like oil and gas, which are closely tied to the environment (Freeman et al., 2020; Ahmed et al., 2023).

2.1.2. Social Sustainability

Social sustainability is the capacity of an organisation to build, sustain and improve social wellbeing and to ensure that the organisation's business activities deliver long-term benefits to employees, host communities, customers, suppliers and society as a whole. While the social sustainability is based on the profitability and the environmental sustainability is based on the ecological preservation, the social sustainability is based on the social equity, human rights, employment with dignity, community development, participation of stakeholders, occupational health and safety, diversity, inclusion and social justice. Elkington (2018) suggests that if an organization is effective in balancing economic success with

environmental stewardship and social responsibility, then it can be considered to have achieved sustainable development. Likewise, Bansal and Song (2017) define social sustainability as the ability of the organization to institutionalize society's expectations in the decision-making process and generate shared value for more than one stakeholder group.

In the corporate world, social sustainability is not just about philanthropy or corporate social responsibility, but is about institutionalized policies for employee welfare, ethical practices in the workplace, stakeholder engagement, equitable resource allocation, community empowerment, human capital development, and the protection of the human rights. According to Freeman et al. (2020), companies that are successful in managing stakeholders' concerns are more likely to gain organizational legitimacy, build trust among stakeholders and gain sustainable competitive advantage. Social sustainability is especially relevant in the oil and gas industry, as businesses can impact livelihoods, the environment, health and community stability. According to Franco et al. (2024), there is a growing focus on how social sustainability is viewed as a strategic resource to improve organizational resilience, company image, and confidence among stakeholders, whilst simultaneously minimising conflict and boosting long-term continuity. As a result, organisations that are striving for social sustainability invest in good relationships with stakeholders, transparency in governance, community partnerships, wellbeing of employees, and inclusive development that will bring social value in the long run as well as financial returns.

2.2. Theoretical Framework

2.2.1. Stakeholder Theory

The main theoretical underpinning for the analysis of the relationship between stakeholder pressure and social sustainability, is stakeholder theory, which was developed by Freeman (1984) and later refined by Freeman et al. (2020). The theory suggests that organisations have a responsibility to all the parties that affect or are affected by their operations. These stakeholders are government bodies, regulators, employees, investors, customers, suppliers, host communities, financial institutions, environmental organizations, labor unions and civil society organizations. The theory holds that the success of an organization can only be achieved if the interests of these various stakeholders are balanced, and not just those of the shareholders. Freeman et al. (2020) also suggest that companies build long-term value by building trust-based relationships with stakeholders through ethical decisions, transparency, responsiveness and responsible corporate behavior.

Stakeholder theory views stakeholder pressure as a key external governance mechanism, which can drive organisations to enhance their sustainability performance. Pressure from regulatory agencies in the form of laws, standards, licensing conditions and reporting requirements. The interaction with host communities through protests, negotiations, requests for development projects and expectations for jobs and environmental protection affect the firms. Investors and customers put market pressure by rewarding organizations that have good environmental, social and governance (ESG) practices. Thus, companies that want to be taken seriously and maintain access to their resources react to this by taking up socially sustainable policies to boost employee welfare, deepen relations with the community, advance occupational safety and involve the stakeholders. Therefore, based on the theory, it could be presumed that stakeholder pressure is positively related to social sustainability, since organizations always react strategically towards the expectations of stakeholders, which is essential for the continuity of their operation and organizational legitimacy (Freeman et al., 2020; Schaltegger et al., 2017).

2.2.2. Institutional Theory

According to Institutional Theory, formulated mainly by Meyer and Rowan (1977) and DiMaggio and Powell (1983), the structures, policies and practices that organizations adopt depend upon institutional pressures that operate in their environment and not just economics. Organizations want to be legitimate by following accepted standards in society, law, profession, industry and culture. According to the institutional theory, there are three main types of institutional pressure: coercive, normative and mimetic. Coercive pressure is the one that comes from governments and regulatory agencies, normative pressure is the one that comes from professional bodies, industry associations and societal expectations while mimetic pressure is the one that comes from organizations imitating the successful ones in times of uncertainty. These institutional forces have a major impact on corporate sustainability behaviour (Scott, 2014).

In the research field of sustainability, the Institutional Theory addresses the question of why firms start applying Environmental, Social, and Governance principles even though it may not be immediately profitable for them. Governments force compliance with legislation, environmental regulations, labour laws and sustainability reporting standards. Industry guidelines and ethical standards are set up by professional institutions to promote responsible business behaviours, and firms face competitive pressures to emulate sustainability leaders in order to maintain their

reputation and competitiveness. Conformity can boost organizational legitimacy, confidence by stakeholders, and long-term survival which is why institutional pressures are seen to encourage organizations to integrate sustainability in strategic management, as put forward by Mehmood et al. (2020). Recent sustainability research in the same vein also reveals that institutional settings play a key role in the uptake of ESG and social performance of companies in emerging economies.

The relevance of the institutional theory in the study of quoted oil and gas companies in Rivers State is that the industry is a highly regulated industry where the environment is legislated, petroleum in the state is regulated, the quoted companies are required to disclose to the stock exchange and the international sustainability requirements do exist and it is also a situation where there are community expectation. Regulatory pressure is coercive institutional pressure, market pressure is a normative pressure from investors and industry players and the community pressure is a broad social pressure that organizations face to uphold their 'legitimacy'. Therefore, the theory suggests that higher institutional pressures will result in stronger social sustainability efforts in organizations via employee welfare, stakeholder engagement, community investments, ethical governance and social accountability.

2.3. Empirical Review

Dos-Santos et al. (2026) studied the effect of stakeholder pressure on green innovation and environmental performance of agribusiness firms in Brazil. Survey data from 172 managers were analyzed using structural equation modeling. The result of the serial mediation verified that the variables analyzed are self-promoting in nature and consequently improve the performance. The total mediation observed showed that stakeholder pressure served as an initial step towards the green innovation, which influenced the environmental performance through innovation, which further influenced the strategic resources to reach environmental management goals and to increase the economic-financial performance of the companies. The results indicated that stakeholder influence is the power that leads companies to invest in resources and to be involved in innovative green practices.

Stakeholder pressure was investigated by Sun et al. (2025) for its impact on sustainability practices through the lens of green innovation in a developing economy in Sub-Saharan Africa (SSA). The study employed primary data obtained from 567 respondents in manufacturing and mining companies in Ghana, which was analyzed by the partial least squares structural equation modeling technique with the aid of the software smart-PLS, Version 4.0. The survey questionnaire was used to collect data. Purposive sampling method was employed for the selection of the companies of the participants. The results indicated that the pressure of shareholders and government factors have significant positive effect on sustainability practices, while the pressure of community factor had insignificant positive effect on sustainability practices. Consumer pressure revealed an insignificant detrimental influence on sustainability practices. The study found that the relation between stakeholder pressure and sustainability practices is completely and fully mediated by green innovation.

Alomar et al. (2025) investigated the effect of various stakeholders on the environmental performance of the oil and gas industry. Survey method was used in data collection. Structural equation modelling was used for factor analysis in the study. The findings showed that governmental, customer and employee pressures had significant positive influence on the environmental performance at the oil and gas sector. A lax government attitude therefore emerged as a huge threat to the environmental credentials of oil and gas players.

Alessa et al. (2024) explored how stakeholders' pressure impacts sustainability disclosure and used green technological innovation as a mediator. The study concentrated on mining and manufacturing companies as processes in these companies are known to generate carbon dioxide, produce waste. The data used were obtained from 383 respondents in Ghana using online questionnaires. The data was analyzed and the hypothesis for the study was tested using the partial least square structural equation model (PLS) via the software SMART-PLS 4. The findings showed that stakeholder pressure has a significant positive effect on the sustainability disclosure performance. Also, the results revealed that a firm's green technological innovation mediated the connection between stakeholder pressure in terms of shareholder and consumer pressures. However, pressure from the government and sustainability disclosure were not found to be significant. The study suggested that managers should involve GTI into the product design and manufacturing process as it helped companies not only meet the needs of their customer, but also minimize their environmental footprint, such as CO₂ emissions and solid waste.

3. Methodology

A cross-sectional survey research design was used in the study as it allowed the researcher to collect data from the respondents at a particular time, to analyse the relationship between the pressure of stakeholders and social

sustainability in quoted oil and gas companies in Rivers State, Nigeria. This design was deemed suitable because the variables studied were perceptions of the employees about the organisation practices and not experimental variables. Cross-sectional survey designs are well recommended for organisational and sustainability studies as they are an effective foundation for understanding the relationships between behavioural and managerial constructs in naturally occurring organisational settings (Saunders et al., 2023). The design also allowed the researcher to collect the empirical evidence from several organisations at once and so enhancing the generalisability of the findings.

This study was based on the positivist research philosophy. The principle of positivism is that an organizational phenomenon can be objectively measured with observable facts and statistically analysed to determine relationships between variables. Stakeholders' pressure and social sustainability were operationalised using structured questionnaire items that were administered to the managerial and supervisory employees, the philosophy was considered appropriate. Additionally, positivism values objectivity, hypothesis testing and empirical verification which were consistent with the quantitative nature of the study and the use of inferential statistics for hypothesis testing (Creswell & Creswell, 2023). Thus, as much as possible subjective interpretations have been avoided and conclusions have been derived from empirical facts gathered from respondents.

The respondents of the study were the managerial and supervisory staff of eight quoted oil and Gas Companies operating within the oil and gas industry in Nigeria with operational presence in Rivers State. The companies include Aradel Holdings Plc, Conoil Plc, Eterna Plc, 11 Plc, MRS Oil Nigeria Plc, Oando Plc, Seplat Energy Plc and TotalEnergies Marketing Nigeria Plc. A total of 265 employees who were managerial and supervisory employees were obtained from the respective Human Resource Departments of the selected companies in 2025 as the total accessible population. Managerial and supervisory employees were targeted for selection because they had sufficient knowledge of stakeholder pressures, sustainability initiatives, regulatory compliance, and community relations and organizational decision-making processes. The choice of the quoted firms also made sure that the organizations are covered by the corporate governance and sustainability reporting guidelines of the Nigerian Exchange Group (NGX Group, 2025) and the regulatory supervision of the Nigerian Upstream Petroleum Regulatory Commission (2024).

The sample size was determined using Krejcie and Morgan (1970) sample size determination table. The sample size of the respondents was selected using the Taro Yemane of 155 respondents for a finite population of 265. However, we added extra 80 structured questionnaires to take care of invalid/non-responses. The proportionate stratified sampling method was initially used to distribute questionnaires among the eight companies, with a population proportional to the number of participants in each company. Thereafter, simple random sampling was used to select individual managerial and supervisory employees within each company. By using proportionate stratified sampling and simple random sampling, it ensured the representativeness of the sample and reduced sampling bias, improving the reliability of the study results (Saunders et al., 2023).

The study was only based on primary data. Data collected using a structured questionnaire from the managerial and supervisory employee of the selected oil and gas companies. The questionnaire was built with a five-point Likert scale from Strongly Disagree to Strongly Agree, where the respondents could indicate their perceptions regarding pressure of the different stakeholders and social sustainability. It was decided that the data should be primary data since it was data obtained from the participating organizations directly relevant to the goals of the study and reflecting the current sustainability practices of the organizations (Creswell & Creswell, 2023).

Operationalization of the independent variable, stakeholders' pressure, was based on three dimensions: regulatory pressure, social community pressure, and market pressure. Regulatory pressure was the degree to which regulations, statutory agencies, and compliance requirements affected decisions made by organizations. Social community pressure measured the impact of stakeholders including host communities, civil society organizations and the local community on corporate sustainability practices. Market pressure measured pressures from investors, customers, competitors and other market actors calling for socially responsible business behavior. The dependent variable, social sustainability, was assessed based on the indicators of employee welfare, community development, stakeholder engagement, social equity, ethical labour practices, and organizational commitment to long-term societal wellbeing. For the purpose of operationalization, the variables were adapted from the existing sustainability literature and previous studies in order to maintain conceptual consistency (Freeman et al., 2020; Ahmed et al., 2023; Franco et al., 2024).

Face and content validation were used to determine the validity of the research instrument. The questionnaire was reviewed by management experts, sustainability studies and research methodology experts to evaluate the relevance of the items measuring the constructs in relation to the study objectives, clarity, and adequacy. The observations and recommendations were used prior to the final administration of the instrument. The Cronbach's Alpha coefficient was used to test the reliability after performing a pilot study among respondents who had some of the characteristics of the

study population, but were not selected for the main survey. As recommended by Hair et al. (2022), Cronbach's Alpha coefficient of 0.70 or above was used to establish internal consistency and reliability of the measurement scales.

The completed questionnaires were coded and analysed using the SPSS software. Demographic characteristics of respondents and distribution of responses for each variable of the study were summarized by using descriptive statistics such as frequencies, percentages, means, and standard deviations. The test of the hypotheses was done by using Spearman Rank Order Correlation Coefficient because the variables in this study were measured on ordinal Likert scales and the technique does not make strict assumption of normality. Spearman's correlation coefficient was suitable to assess the strength and direction of the relationship between the regulatory pressure, social community pressure, the market pressure, and the social sustainability. The hypothesis in this study was tested using the statistical test at the 0.05 significance level to provide objectivity in deciding whether to accept or reject the hypothesis (Field, 2024).

4. Results

Table 1 Questionnaire Distribution and Number Retrieval

S/No	Descriptions	Frequency	Percent
1	Questionnaires Distributed	237	100.0
2	Questionnaires Retrieved	224	94.5
3	Valid Questionnaires	216	91.1

Source: Field Survey, 2026

A high rate of return for the questionnaires was obtained and the data used for the analysis were deemed to be sufficient and represent the population of the study. Of the 237 questionnaires distributed, 224 were retrieved (94.5% retrieval rate) and 216 questionnaires were found to be valid for analysis (91.1% of the total distributed questionnaires). A few of the questionnaires were not returned or were not completed and discarded. This extremely high rate of valid response was above the minimum recommended for organizational and social science studies, lending credibility, reliability and generalizability to the results. The high participation further indicated that the managerial and supervisory staff of the selected oil and gas companies which were quoted exhibited good interest in matters of stakeholder pressure and social sustainability.

Table 2 Demographic Results

		Frequency	Percent	Valid Percent	Cumulative Percent
Gender	Female	97	44.9	44.9	44.9
	Male	119	55.1	55.1	100.0
	Total	216	100.0	100.0	
Age	20-35	36	16.7	16.7	16.7
	36-50	132	61.1	61.1	77.8
	51 and above	48	22.2	22.2	100.0
	Total	216	100.0	100.0	
Marital Status	Single	42	19.4	19.4	19.4
	Married	154	71.3	71.3	90.7
	Separated	11	5.1	5.1	95.8
	Divorced	9	4.2	4.2	100.0
	Total	216	100.0	100.0	
Educational Attainment	WAEC/OND	19	8.8	8.8	8.8
	HND/Bachelor	136	63.0	63.0	71.8

	Master and above	61	28.2	28.2	100.0
	Total	216	100.0	100.0	

Source: SPSS 28.0 Output

The demographic characteristics of the respondents showed that the respondents were 119 males (55.1%) and 97 females (44.9%). This distribution suggests a fairly even male/female ratio, with a slight male majority. The age distribution revealed that the age group 36–50 years old was the most dominant age group with 132 respondents (61.1%). The mean age of the respondents was 51 years and above 48 (22.2%) and 20–35 years 36 respondents (16.7%). Having such experienced employees with mature careers in their positions suggests that most of the respondents had valuable insights into how their organisations interacted with stakeholders, regulatory requirements and sustainability activities.

For marital status, the results showed that 154 respondents (71.3%) were married, 42 respondents (19.4%) were single, 11 respondents (5.1%) were separated and 9 respondents (4.2%) were divorced. The high proportion of married respondents indicated a relatively stable workforce with a lot of organizational experience and long tenure in the jobs. Education level also showed that the participants had a good education level necessary to understand organizational sustainability issues. Specifically, 136 respondents (63.0%) had HND or Bachelor's degree; 61 respondents (28.2%) had Master's degree and above while 19 respondents (8.8%) had WAEC or OND qualifications. The high proportion of respondents who had tertiary education gave the researcher confidence in the responses they were able to get since they were educated enough to understand the concepts which were investigated in this study.

Table 3 Stakeholder Pressure and Social Sustainability

Correlations						
			Social Sustainability	Regulatory Pressure	Social Community Pressure	Market Pressure
Spearman's rho	Social Sustainability	Correlation Coefficient	1.000	0.237*	0.493**	0.546**
		Sig. (2-tailed)	0.	0.011	0.000	0.000
		N	216	216	216	216
	Regulatory Pressure	Correlation Coefficient	0.237*	10.000	0.299**	0.250**
		Sig. (2-tailed)	0.011	0.	0.001	0.007
		N	216	216	216	216
	Social Community Pressure	Correlation Coefficient	0.493**	0.299**	1.000	0.624**
		Sig. (2-tailed)	0.000	0.001	0.	0.000
		N	216	216	216	216
	Market Pressure	Correlation Coefficient	0.546**	0.250**	0.624**	1.000
		Sig. (2-tailed)	0.000	0.007	0.000	0.
		N	216	216	216	216
*. Correlation is significant at the 0.05 level (2-tailed).						
**. Correlation is significant at the 0.01 level (2-tailed).						

Source: SPSS Output 25

The relationships between the dimensions of stakeholder pressure and social sustainability were analyzed by Spearman Rank Order Correlation. It was found that Regulatory Pressure was significantly and positively correlated to Social

Sustainability ($\rho = 0.237$, $p = 0.011$). However, despite its low correlation, the results revealed that there was a positive link between increased regulatory pressure from government agencies and statutory institutions and improvement in social sustainability practices of the quoted oil and gas companies. Because the p value was less than the 0.05 level of significance, it was statistically significant; this indicated that compliance with the regulations is positively related to employee welfare, community engagement, and social sustainability initiatives.

In addition, the analysis revealed a moderate positive and statistically significant correlation between social community pressure and social sustainability ($\rho = 0.493$, $p = 0.000$). In line with this finding, higher levels of demand by the host communities, civil society groups and other community stakeholders were correlated with increased commitment by the firms towards socially sustainable practices. The community expectations are more influential on the social sustainability performance of the oil and gas companies quoted in the Bursa Malaysia than the regulatory pressure as reflected by the relatively higher correlation coefficient. The discovery underscores the need for fostering a peaceful relationship with the host communities in Rivers State where community acceptance is paramount towards uninterrupted operations in the oil-producing environment.

Likewise, the results showed that the market pressure had the highest positive and statistically significant correlation with social sustainability ($\rho = 0.546$, $p = 0.000$). This positive correlation is moderate and suggests that the pressures from investors, customers, competitors, financial institutions and market expectations have played a significant influence in encouraging organizations to enhance their social sustainability initiatives. Market pressure dimension showed the highest correlation coefficient, indicating that the pressure acting on social sustainability aspects from the external environment is mostly due to market pressure and investor expectations of the selected quoted companies in the Oil and Gas industry. Looking at the correlation matrix, it can be seen that all three aspects of stakeholder pressure were positively and significantly correlated with social sustainability, thus providing initial empirical support that higher stakeholder expectations drive organisations to act socially responsibly in ways that benefit employee wellbeing, community development, stakeholder engagement and longer-term organisational legitimacy.

5. Discussion of Findings

The results of the Spearman Rank Order Correlation showed that there was a positive and significant correlation between regulatory pressure and social sustainability ($\rho = 0.237$, $p = 0.011$). The positive coefficient reveals that as the regulatory pressure increases the social sustainability of the quoted oil and gas companies also improves. The correlation coefficient indicates that there is a weak relationship, but the probability value is less than 0.05 level of significance, thus the relationship was statistically significant. This discovery suggests that adherence to government laws, industry norms and statutory requirements prompted companies to improve employee welfare, community development programmes, ethical working practices and stakeholder engagement. The discovery is in line with Institutional Theory, which suggests that organizations under coercive institutional pressures react by adopting practices that align with the expectations of the law and regulation to gain legitimacy and thus long-term survival. It also resonates with the concept of Legitimacy Theory that states that organisations bolster socially accepted practices in order to preserve their social licence to operate. The finding is supported by the empirical results of Mehmood et al. (2020), who reported that regulatory and stakeholder pressures had a significant positive effect on organizational sustainability practices, and is in line with the results of Haleem et al. (2022), who found that regulatory expectations are important drivers for sustainable management practices.

The study also found a positive and statistically significant association between social community pressure and social sustainability ($\rho = 0.493$, $p = 0.000$). The coefficient shows that the association is moderate and positive and the probability value shows that the relationship is highly significant. This result indicates that the higher the pressure exerted by host community, civil society groups, community leaders and other stakeholders, the better the social sustainability performance of the selected firms. The more expectations grew within the community, the more that organizations were willing to invest in employee wellbeing, community development programmes, stakeholder dialogue, social inclusion, and responsible business practices. This result has strongly reinforced the Stakeholder Theory which argues that companies create sustainable value when they are able to respond effectively towards the expectations of different groups of stakeholders, not just shareholders. The result also confirms Legitimacy Theory because companies in the environment-sensitive community always strive for social acceptance with their actions. This finding is in line with the findings of Mehmood et al., (2020), finding that stakeholder pressure positively affects the organizational performance and employee wellbeing and Wulan, (2025) report that stakeholder pressure significantly contributes to improving sustainability practices and sustainability reporting among environmentally sensitive companies.

The results also indicated a strong positive correlation between market pressure and social sustainability ($\rho = 0.546$ at $p = 0.000$) which was statistically significant. The coefficient shows a moderate positive relationship and is the highest of all the dimensions of stakeholder pressure studied in the research. The significance level provides confirmation that the relationship is not by chance. This finding suggests that higher expectations from investors, customers, financial institutions, competitors and other market participants helped the social sustainability initiatives of the quoted oil and gas companies. The discovery reveals that market forces are a key way through which organizations enforce their employee welfare, stakeholder engagement, ethical governance, and community development efforts to stay competitive and appealing to investors. The outcome validates Stakeholder Theory which suggests that investors and customers are key stakeholders who can influence a company's decisions. It also reflects Institutional Theory, as organisations tend to mimic sustainability leaders and align with market expectations to be competitive in their sector. Empirically, the finding is consistent with the work of Kulsum et al. (2025); the authors found that the stakeholder pressure has a significant influence on stimulating sustainability initiatives within organizations. And Gürlér et al. (2025); the authors' meta-analysis found that stakeholder pressure is a significant trigger for sustainable organizational behavior and innovation.

6. Conclusion

The study found that social sustainability of quoted oil and gas firms in Rivers State, Nigeria was significantly improved by stakeholder pressure. Each of the three pressures (regulatory, social community, and market) had a positive and statistically significant relationship with social sustainability; with the market pressure having the strongest impact. These findings show that when organizations respond effectively to external stakeholder expectations, there are benefits for the employees, stakeholders, the ethical practices within the organization, and community development. The study thus confirmed the importance of the relationship between the stakeholders and the incorporation of a sustainability approach in corporate strategy for organizations to gain legitimacy, stability in their operations and sustainable performance.

6.1. Limitations of the Study

The study was carried out among quoted oil and gas companies with operational presence in Rivers State, Nigeria; hence, the findings of the study may not be directly generalizable to other organizations in other sectors or geographical locations and unquoted oil and gas companies. The cross-sectional survey design prevented causal relationships being drawn as only one sampling point in time was used. Also, the study is based on self-reporting data from managerial and supervisory workers, and whilst respondents were assured of confidentiality may still have suffered from Respondent bias, Perception bias or Social Desirability bias. Additionally, the study focused solely on three dimensions of stakeholder pressure: regulatory pressure, social community pressure and market pressure and excluded other potential pressures from other stakeholders like media, political, and international stakeholder expectations. The constraints notwithstanding, the study produced credible empirical evidences that have meaningful impact on the understanding of the stakeholder pressures and social sustainability in the Nigeria's oil and gas industry.

6.2. Recommendations

- i. Compliance management systems in the management of quoted oil and gas companies need to be improved by incorporating regulatory requirements in strategic planning and on day-to-day operational basis. This can be done by compliance audits at regular intervals, constant monitoring of statutory duties, periodic training for staff on environmental and social rules and the setting up of separate compliance units for sustainability. These steps would help businesses to meet the new regulatory demands effectively, reduce the likelihood of penalties and sanctions, and enhance the well-being of their workers, their working environment, and their ethical conduct. In addition, strong engagement with the regulatory bodies is encouraged so that sustainability efforts align with national and international standards.
- ii. The chosen companies should build community engagement processes to ensure that there is regular communication with the host communities throughout the project. When developing and executing corporate social sustainability programmes, community relations departments should regularly involve community leaders, youth groups, women associations and other relevant groups. Efforts towards employment, education, healthcare, entrepreneurship development, skill acquisition and social infrastructure should be given priority. The adoption of open grievance management systems and inclusive decision-making processes would also help to minimize conflicts, foster trust among stakeholders, and enhance the social sustainability of company operations in Rivers State.
- iii. In the scenario of growing market pressure, management needs to act strategically, by incorporating social sustainability into corporate governance, investment decision-making and business strategy instead of solely considering it a responsibility of corporate social responsibility. Organizational performance evaluation

systems should include sustainability performance indicators including employee wellbeing, diversity and inclusion, stakeholder engagement, ethical labour practices and community development. Compliance with environmental, social and governance (ESG) standards should also be encouraged through regular sustainability reporting, which will facilitate greater transparency, boost investor confidence, boost company's reputation, and strengthen companies' competitiveness in domestic and international capital markets.

Compliance with ethical standards

Disclosure of conflict of interest

No conflict of interest to be disclosed.

Statement of informed consent

Informed consent was obtained from all individual participants included in the study.

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