



A COMPARATIVE CASE STUDY ON ACCOUNTABILITY OF CORPORATE SOCIAL RESPONSIBILITY (CSR) PRACTICES IN OMAN LNG AND OMIFCO AT SUR CITY IN OMAN

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Abstract

Purpose: The objective of the study is to familiarise policymakers and practitioners in both the companies in their achievements of CSR projects and specialization by comparing Corporate Social Responsibility Practices (CSR) in Oman Liquefied Natural Gas Company LLC (Oman LNG) and Oman India Fertilizer Company (OMIFCO).

Design /methodology/approach: A questionnaire survey was adopted and the details of the companies' business CSR approaches, CSR projects, measurements of CSR projects, disclosure, and challenges, in the long run, were obtained from the CSR experts in the companies. Further, secondary data was also collected from the companies' websites, annual reports, and CSR bulletins.

Findings: The results of the study indicate that both the companies contribute to society in a positive way as they are accountable to implement CSR as they are the main players in Sur. Both the companies, value developing a practical CSR strategy in their business model concerning customers, stakeholders, contractors, and suppliers, more importantly, the society. However, there is no systematic approach and assessment approach to the level of impact on their CSR projects.

Research Limitations / Implications: It is suggested that there is a need to establish a formal mean of dialogue between both the companies and the rest of the stakeholders in order to harmonize CSR projects so that replication of projects can be avoided. To achieve harmony of CSR projects, it is necessary to unite and share the best practices and innovative initiatives of CSR, through the development of a guide to familiarise the CSR concepts along with the tools and methodologies.

Practical Implications: It can be seen that setting measurable goals, techniques, sustainability issue mapping, sustainability management system, life cycle assessment and CSR reporting are the significant gaps in the CSR approach of both the companies and the model practices should prescribe the same.

Originality/value: This is the first-hand study of its kind as there is no comparative study of O&G companies has been done.

Keywords: *Corporate Social Responsibility, CSR initiatives, Social Investment, Community Development, SME Development, Key Sustainability Indicators.*

INTRODUCTION

Corporate Social Responsibility (CSR) and the companies' philanthropic support to the society is not a new idea in developing countries such as the Sultanate of Oman and is increasing in recent years under the direction of His Majesty Sultan Qaboos. CSR is defined as a 'socio-political advancement' and the law's own specific focus on management commitments (Sheehy, 2015). CSR is known by different names – Corporate Responsibility / Accountability, Corporate Citizenship / Stewardship, Responsible Entrepreneurship, Sustainable development and Environment, and Corporate Ethics (Al Salmi, 2018). The aspect of ethical business in modern times can be traced back to 19th-century Quaker-owned businesses, which made money while offering honest products and treating their people honestly (Roddick, 1999). The industrial revolution and the adoption of laissez-faire economics may have prompted a value shift in society whereby wealth, and wealth creation, gained prominence over social obligation.

Since Victorian times in Britain and since the industrial revolution, it has become obvious that the activities of business corporations have resulted in significant ecological footprints and social costs for which they have not been held accountable despite their growing financial power (Bowen, 2013; Carroll, 1977). In 1977, less than half of the Fortune 500 firms mentioned CSR in their annual reports and by the end of the 1990s, close to 90% of Fortune 500 firms embraced CSR and actively promoted their CSR activities (Boli & Hartsuiker, 2001). The change has been so dramatic and was stated that the world has changed and a new reality of business has emerged (Lee, 2008). Industry in general and the oil sector, in particular, was in denial that their activities were harming the environment and rejected the scientific integrity of the evidence presented by civil society activists, particularly environmentalist groups (Hoffman, 2000; Skjærseth & Skodvin, 2001). Oil & Gas (O&G) producing companies and the related ones had been the target of several negative civil society actors despite their contribution to the



development of society (Tuodolo, 2009). However, the trend of being a controversial industry, O&G sector companies turn to CSR as a means to obtain legitimacy (Du & Vieira, 2012).

In the Sultanate of Oman, the private sector plays an important role in developing Oman's economy and as a community responsibility, they pay serious attention to CSR (Ali, Nusair, Alani, Khan, & Al Badi, 2017; Khan & Al Mamari, 2016). Various summits and conferences on Oman's CSR have thrown light on how to develop CSR initiatives and drive towards sustainable development. CSR conferences are held annually in Oman to discuss the changing role of companies and to emphasize the significance of the economic and social development and environmental sustainability in the Sultanate of Oman (Taher, 2015). Although many researchers emphasized the importance of CSR and its role in community service, some companies ignore the importance of it and do not have any strategy towards these issues and few others not at all consider or recognize the concept of CSR and do not apply CSR or implement only limited initiatives. These companies not even provide any report in this regard (Al Shezawi & Khan, 2018; Sangeetha & Pria, 2011). Therefore, the focus of the study is to evaluate the effect of CSR as implemented by the selected companies and the performance of these companies in these areas.

The present study would try to compare two companies from different industries in this geographical setting from various CSR dimensions viz. Oman Liquefied Nitrogen Gas Company LLC (Oman LNG) and the Oman India Fertilizer & Chemicals Company (OMIFCO) located in Sur city and will identify similarities and differences between the two social entities. The objective of the study is to familiarise policymakers and practitioners in both the companies in their achievements of CSR projects and specialization. This comparative study tries to fill in the gap of early stages of CSR development by comparing CSR practices and activities and revealing the challenges faced by the two different mega gas and chemicals companies. The study would enable policymakers and practitioners to understand and improve the CSR from company's perspective and also in a national setting.

REVIEW OF LITERATURE

Ruggiero and South (2013) pointed out that while the environmental and social hazards associated with Multi-National Companies (MNCs) activities increasingly dominated the public agenda, and caught the interest of the public in industrialized societies, they simultaneously became a cause for concern in developing countries. This prompted an avalanche of negative protests against MNCs, driven by a coalition of the global environmental justice movement, the anti-globalization activists and local community activists. Kooskora and Vau (2011) claimed that ethical behavior and leadership are the primary keys for organizational sustainability and are critical for establishing and maintaining an ethical culture in the companies. Lindgreen and Swaen (2010) identified the drivers of CSR as employee benefits, policies, and practices related to the well-being of the workforce, human rights, and employee motivation. Tai and Chuang (2014) stated that the advantages of CSR are motivating employees, improving work culture and internal communication, creating a good organization culture along with a better corporate image with the environment. Khan and Al Mamari (2016) investigated the roles of CSR towards the community development in Oman confirmed that the O&G manufacturing companies have a high tendency towards CSR activities compared to other ones. However, the adoption of CSR policies and corporate-community relation (CCR) strategies by oil companies has failed to reduce the incidence of violent conflict between the host communities and oil companies (Idemudia & Ite, 2006). The industry faced pressure from the external institutional environments comprising consumers, community activists, and Non – Government Organization (NGOs), which gradually convinced corporations that they were facing an irreversible movement (Hoffman, 2000; Zadek, 2001). It is argued that this pressure strengthened the case for CSR and its position within the business community, and led to a realization that a global shift in values was taking place (Andriof, Waddock, Husted, & Rahman, 2017; Hollender, 2004). Kirat (2015) reported that the CSR activities of O&G companies are limited focusing on health, sports, education, and environment while neglecting other important areas such as human rights, labor rights, work conditions, anti-bribery and anti-corruption measures. Many oil-rich nations have been poorly governed due to inadequate attention to environmental and social costs. However, most of the O&G companies have reached the conclusion that they should pay greater attention to the needs and wants of external stakeholders, and to their environmental and social legacy in the places of their operation (Spence, 2011). Frynas (2009) expressed concern over the world's most pressing problems – climate change and poverty which the CSR initiatives will not be able to tackle the key social challenges in the O&G sector without addressing governance. A company with more transparency gets more reputation and trust. Transparent CSR brings both benefits and difficulties to companies engaging in sustainable operations (Ha, 2016).

RESEARCH METHODOLOGY

Based on the review of the literature, a well-defined questionnaire was prepared to trace the CSR activities and the reporting patterns and mode of publishing of the same. Further, the secondary data was obtained from the company annual reports and CSR reports to find out the details of the social investments, budget allocations and CSR projects executed and the performances and the benefits from such projects. The questionnaire was handed over to the CSR specialists in both the companies and the

same has been confirmed and verified. The questions aimed to understand the CSR activities practiced in their surrounding business environment or in a national context. In short, questions were ranging from companies' business CSR approaches, CSR projects, measurements of CSR projects, disclosure, and challenges in the long run. The content analysis was used for case studies.

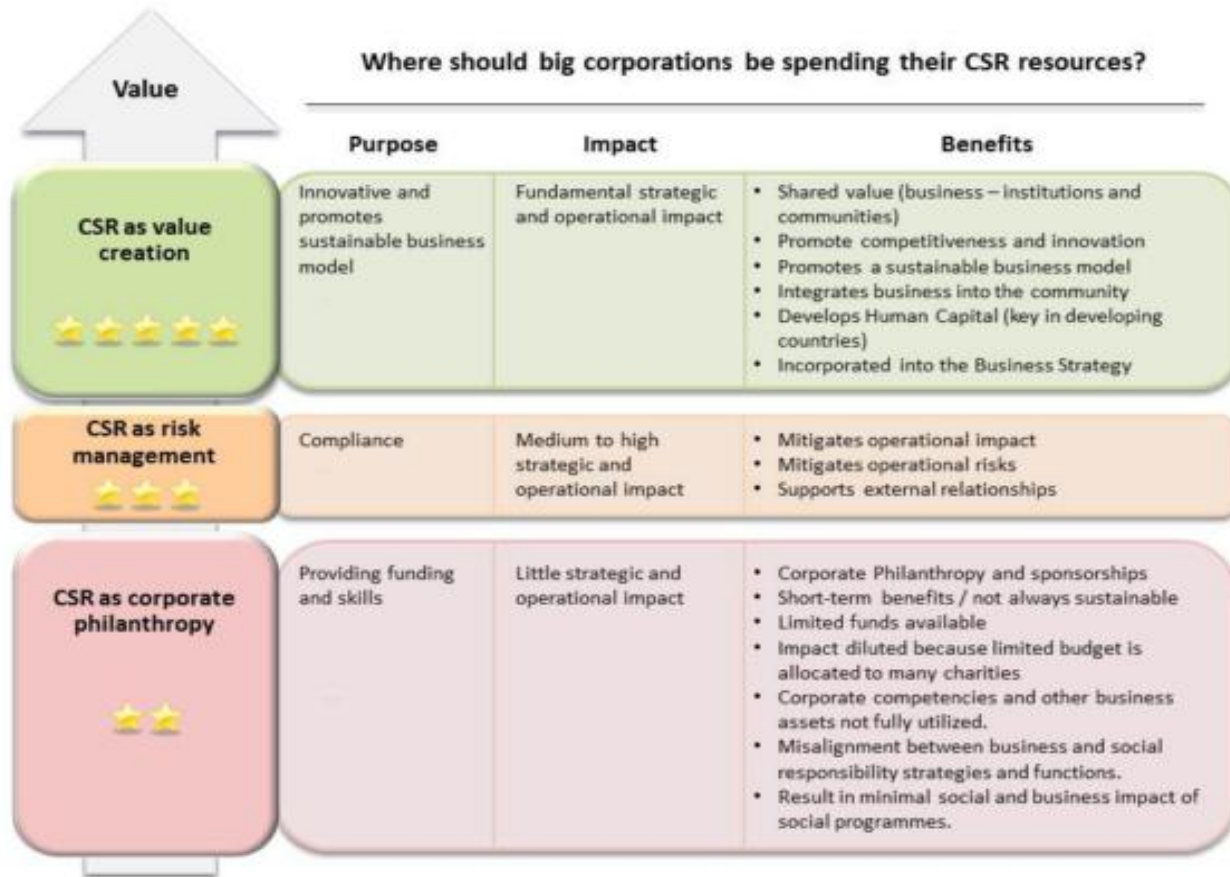


Figure 1. Big corporations spending on CSR resources (Ajayi & Ovharhe, 2016)

FINDINGS

Table 1. Demographic details

	Oman LNG	Oman India Fertilizer Company (OMIFCO)
1 Main products	Liquefied Natural Gas	UREA & Ammonia
2 Legal Status	Limited Liability Company (LLC) – incorporate joint venture company	Societe Anonyme Omanaise Close (SAOC)
3 Shares	Three liquefaction trains owned by Oman LNG LLC. One owned by Qalhat SAOC.	–Two Oman Oil Company (OIC) - 50% Krishak Bharati Cooperative Limited (Kribhco) - 25% and Indian Farmers Fertilisers Cooperative (IFFCO) - 25%
4 Market Share	Not disclosed	Not disclosed



5	National Standards	Safety	Safety is the first priority; a high score of safety recorded	Safety is the main domain for operations
6	Pollution caused to the environment		Not disclosed	Not disclosed
7	A mechanism to mitigate pollution damages		Not disclosed	Not disclosed
8	Company practicing CSR activities		Since 1994	Since 2006
9	Risk management as a tool		Using to satisfy various stakeholders	Using to satisfy various stakeholders

Source: company websites

CASE STUDY ANALYSIS

Case I. Oman LNG

Oman LNG is a joint venture company established in 1994, engaged in producing and selling Liquefied Natural Gas (LNG), and its by-product - Natural Gas Liquids (NGLs). It operates three liquefaction trains through which it liquefies, stores, transports, and markets Oman's natural gas thereby contributing to the Government's objective of diversifying the economy. Oman LNG operates as a joint venture with a shareholding structure comprising the Government of Oman along with various shareholders (Oman LNG LLC, 2015).

CSR Purpose by Oman LNG

The Oman LNG business strategy is tied on to a five watchtowers model including customers, employees, stakeholders, contractors, and suppliers. The objective of the model is to show commitment to the interests and the protection of interests of all stakeholders. The watchtowers play a major role and stand as a symbol of strength and honor (Al Matani, Voet, & Bosma, 2005). CSR drive of Oman LNG aims at the following:

- Serving the local community and Omani society at large.
- Managing their business safely, reliably and efficiently.
- Creating a new concept for CSR sustainability projects in Oman.
- Being a role model in partnering, knowledge sharing, and capacity building in projects in national development.
- Building a good image of corporate citizenship in and outside Oman (Oman LNG LLC, 2015).

The primary goal is to foster national competitiveness and at the same time focusing on socio-economic development through increased local employment and training, and technological transfer (Minniee, Shanka, Taylor, & Handley, 2013).

Oman LNG - CSR Initiatives

Since its inception, CSR has been part of Oman LNG and it keeps emphasizing the contribution towards socio-economic growth and development. Over the past sixteen years, CSR programs have spanned the length and breadth of the country and have invested USD 150 Million in more than 3600 various projects (Oman LNG LLC., 2016). Every year, Oman LNG provides 1.5% of its net income after tax (NIAT) to community funds for CSR development projects.

Oman LNG forum which encompasses government officials, businessmen and senior members of the community, decides on the funding of projects nationally wide housing projects, infrastructural works, educational and medical facilities. In July 2015, Oman LNG Development Foundation (ODF) was launched with US\$ 10,572 million and the foundation continues to serve communities through Oman LNG's CSR. The foundation comprises of the following:

- **Community Fund:** targets the local community of its three-train liquefaction plants.
- **National Fund:** covers the company's social development programs viz., Human Resources Development (HRD), National Projects (NP), and Sponsorship and Donations (SD).
- **Reserve Fund:** addresses the sustainability and continuity of the company's CSR programs.



More details of the fund-wise investments and the corresponding project funded are shown in detail in Table.2 & Table.3.

Table 2: Details of the ODF Social Investments
 (USD in billions)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Total
Community Fund	3924	5646	1238	2073	2223	1595	1766	3335	3877	3149	1302	3269	966	3872	38237
National Fund	215	997	967	1090	1522	1005	327	1063	2016	557	242	1395	1308	521	13225
National Projects	1210	3080	4491	4763	4322	4717	6357	5750	5541	2890	1122	1796	1219	2318	49576
Sponsorship & Donations	157	207	259	3959	744	765	1329	1200	855	1549	1598	1937	1767	1303	17630

Source: (Oman LNG LLC., 2017)

Table 3: Key Sustainability Indicators of the ODF by Oman LNG
 (USD in millions)

Funded Projects	2013	2014	2015	2016	2017	2018
Community Funded Projects	3.9	3.9	3.6	3.5	1.8	2.7
National Funded Projects	3.9	3.9	3.6	2.4	1.6	2.0
Human Resource Development	1.9	1.9	1.8	1.0	0.6	0.7
Sponsorship and Donation	1.9	1.9	1.8	1.3	1.2	1.3

Source: Oman LNG annual reports

The company introduced many initiatives and supported various projects in Sur city and other geographical areas of Oman, vide

- 1. Community Development** – Oman LNG focuses on Sur city and its surrounding areas by investing in various CSR initiatives as shown in Table No. 3. through facilitating and enriching the healthy lifestyle of the community.
- 2. A Gift to the Nation** – enhance the socio-economic fabric of Oman by contributing to the welfare and the prosperity of society on an agreed selected criterion.
- 3. Human Resource Development** – the focus is to support the initiatives of the Government of Oman to bring strong, capable and equipped human resource base through imparting specialized skills to Omani youth. Technical competency-based training modules and on the job training part of such initiatives (Al Matani et al., 2005).
- 4. National Projects** - Projects and initiatives to improve the quality of life across the country beyond the company's' plant area – Sur.
- 5. Sponsorship and Donations** – aimed by this initiative to support small-scale social investment initiatives, for which the requests come from individuals, associations, Non-Governmental organizations (NGOs), and from various locations in Oman.
- 6. Centre of Excellence** – a platform that enables the development of CSR initiatives through partnering, knowledge sharing, funding and investments with ODF.

Table 4: Classification of CSR Initiatives by Oman LNG

A	Philanthropic Donation to Charity
1	Oman Development Fund
2	Sponsorship & Donations
3	Reserve for Sustainability
4	Community Fund
B	Community Development



1	Fund for National Projects	√
2	Sur Community Development Initiative	√
3	Harah Project – Playgrounds for the disabled children	√
4	Center for Autism, Muscat	√
5	Safety Institute, Sur	√
6	Donation of Ambulances	√
7	Donation of vehicles to Charitable Organizations	√
8	Medical Equipment to Khoula Hospital	√
9	Rehabilitation of House for Disabled	√
10	Provision of Equipped Fishing Boats	√
11	New Equipment to Hospitals	√
12	Training Omani ladies in Sewing	√
13	Braille Sense devices for Al Noor Blind Association	√
14	Buses for Sur Sports Club	√
15	Smart Classroom initiative to Dhofar Governorate Schools	√
16	Hay Al Shrouq International School	√
17	Science and Robotic Labs in Buraimi	√
18	Al Sahwa Park	√
19	New Coastal Boulevard, Sur	√
20	Encouraging Healthy Life Cycle – Gym Facilities	√
C Human Resource Development		
1	Enhancing Employee Welfare	√
2	National Fund for Human Resources	√
3	HR Development of Omani Youth	√
4	On the job Development Support	√
5	Center of Excellence	√
D Environment		
1	Social Infrastructure & Awareness	√
2	Road Safety Infrastructure Projects & Pedestrian bridges	√
3	Preservation of Falaj Irrigation System	√
4	Safety Day	√
5	Protecting Environment and caring for People	√
E Entrepreneurship & SME Development		
1	Small-Scale Social Investment Initiative	√
F Accountability		
1	Reporting Annual Report	√
2	Stakeholder Engagement	√
3	Trust / Respect	√
4	Integrity / Transparency	√
G Business Conduct		
1	General CSR	√
2	Whistle-Blowing Policy	√
3	Compliance with the law	√
H Corporate Governance		
1	General Reference	√
2	Rights of Shareholders	√



Case II. OMIFCO

Oman India Fertilizer Company (OMIFCO) founded in 2003 is an initiative by the Governments of Oman & India, to construct, own and operate a modern world scale two-train ammonia-urea fertilizer manufacturing plant at the Sur industrial estate in Oman.

CSR Purpose by OMIFCO

The CSR drive of OMIFCO aims at the following:

- Serving the local community and Oman society at large.
- Managing their business quality performance standards in health, safety, and environmental protection.
- Building CSR sustainability culture of excellence.
- Being an international CSR model in its industry.

OMIFCO CSR initiatives

CSR at OMIFCO is a business management mechanism to engage the company and its employees with the community to determine the socio-economic and environmental priorities in the community in line with the company's objectives.

OMIFCO has adopted sustainability management with the aim of delivering value for all the stakeholders - Government, shareholders/customers, employees, local community, partners and suppliers. Three percent (3%) of OMIFCO annual net profits are allocated for CSR projects. The company's primary aims to reduce the environmental impacts resulting from its operations. OMIFCO (2017) has identified four priority areas for its social investment purposes, viz.

1. **Entrepreneurship and Micro Business Development** – the emphasis is on developing microbusinesses due to the increasing number of youth entering the workforce and increasing demand for creating employment opportunities.
2. **Education and Workforce Development** – aims to develop local youth, especially those entering the technical workforce from science, technology, or engineering discipline, by providing scholarships annually and provides vocational training to Omani youth.
3. **Environmental Stewardship** – a huge investment to ensure that its operations have minimal impact on the environment. Further, it seeks opportunities to support environmental education and awareness programs.
4. **Cultural, Heritage & Quality of Life Programs** – supports projects which benefits the most people in the community, by addressing key issues in the community.

From 2013 to 2015, OMIFCO has invested around OMR 3 million for supporting about 159 CSR projects in diversified categories including employment generation, education, women empowerment, health, human resources development, sports and culture, community development and environment, vide

1. **The Cell** – an innovative program launched in 2012 with the consultation of experts specialized in SME and start-up operations. This has been developed to encourage self-employment through supporting entrepreneurship and the development of micro-businesses.
2. **OMIFCO Football School** – is one of the sustainable community projects started in 2007 to provide basic training in the fundamentals of football games provided by professional football coaches which is managed by a group of local coaches – former national team players.
3. **Enhancing Education** – to improve the educational environment of schools so as to make it more attractive for students and updated technologically.
4. **Youngster Preparation Centre** – implemented in cooperation with the Ministry of Sports Affairs. The center will be a hub for the youth with gym and multi-purpose facilities to help them improve their skills and talents.

Figure 5 below indicates OMIFCO expenditure on CSR funds and the total number of projects allocated, i.e. entrepreneurship and human capital development was 1,877, 613 OMR with 75 projects funded from 2013- 2015.

OMIFCO has made a great stride thorough evaluation of the performance of CSR in economic, social and environmental parameters (OOC, 2013). The systematic approach is an integrated feedback system that helps the company to improve its CSR strategies (Weber, 2008). The company's CSR programs support small projects that provide employment opportunities both to the project owners and other job-seeking Omanis (OMIFCO, 2015). Further, it provides training to the youth bridging the gap



between the required vocational training and university education (Fenwick & Bierema, 2008). This leads to the absorption of skilled workers in both the public and private sectors.

Table 5: Details of OMIFCO Social Investment from 2013-2015

Social Invest Programmes	No. of Projects	Amount OMR
Entrepreneurship & Microbusiness Development	75	1877613
Environmental Stewardship	15	180314
Enhancing Quality of Life	54	744712
Preserving Cultural and Heritage	15	255430

Source: (OMIFCO, 2016)

Table 6: Classification of CSR Initiatives by OMIFCO

A	Philanthropic Donation to Charity	
1	Preserving Cultural & Heritage	√
2	Enhancing Quality of Life	√
3	Education and Workforce Development	√
4	Environmental Stewardship	√
B	Enhancing Quality of Life	
1	Cultural Heritage & Quality of Life Programs	√
2	Al Shabaniya Day	√
3	Paving Internal roads	√
4	Establishing kids playground	√
5	Establishing Nema Beach Park	√
6	Elevating Quality of Life for the Disabled	√
7	Home Respiratory Equipments for patients	√
8	OMIFCO football school	√
9	Kids Playgrounds for AlNahda & Ibri Hospitals	√
10	IN Day for persons with disabilities	√
11	Omani dates festival	√
12	Compensatory devices for the disabled - University of Nizwa	√
13	Al Nawader Camel Race Festival	√
C	Education & Workforce Development	
1	Higher Education Admission Center	√
2	Vocational Training to Omani Youth	√
3	AFA Technical Conference	√
4	Health Risk System	√
5	Scientific Excellence Awards	√
D	Environmental Stewardship	
1	Environmental Education	√
2	Environmental Awareness Programs	√
3	Ras Al Jinz Turtle Reserve	√
4	Artificial coral reefs - II phase	√
5	Environmental Education	√
E	Entrepreneurship & SME Development	
1	CELL Business Hub, College of Applied Sciences, Sur	√
2	Scholarship to Science & Technology Students from HEIs	√
3	Vocation Training to Omani youth	√

F	Accountability	
1	Reporting Annual Report	
2	Stakeholder Engagement	√
3	Trust / Respect	
4	Integrity / Transparency	
G	Business Conduct	
1	General CSR	√
2	Whistle-Blowing Policy	
3	Compliance with the law	√
H	Corporate Governance	
1	General Reference	√
2	Rights of Shareholders	√

Table 7: Comparison between the CSR activities, practices and achievements of Oman LNG and OMIFCO

	Oman LNG	OMIFCO	
1	CSR concept to the company in Community Development	Working with stakeholders, capacity building	Conducting business with responsibility, preserving traditions, and culture
2	CSR strategy in place and the main features	Yes. Corporate Citizenship	Yes. Corporate reciprocal strategy – does not clearly reveal
3	CSR projects – approval criteria	Programs focus on sustainability, capacity building, social impact, and project value	Programs within CSR policy, Community investment area, Impact in social return
4	CSR initiatives Deciding authority	Company Board of Directors with community representatives	Company Board of Directors only. No official representation of local community
5	CSR activities involved	Through Community fund, National fund, and reserve fund	Capacity building, environmental stewardship, preserving culture, heritage, & enhancing life quality
6	Company contribution to long term CSR projects	No long-term commitment, but annually evaluated; has social impact factor due to scope and scale of involvement in CSR national projects	Very high Involvement in long term impact projects, like the cell for new entrepreneurship
7	CSR programs geographical coverage	Sur city and Oman as a whole	Not limited to Sur city but all governorates
8	Percentage of coverage	Not known; but a number of nationwide projects	70% to Sharqia South & North Governorate; 30% to rest of other Governorates
9	Budget allocation to CSR activities during the period of 2013-2015	Invests 1.5% net income after tax (compare to OMIFCO, it is higher)	Allocate 3% of its net income to CSR projects
10	Evaluation of CSR projects	By using a dedicated team, using a post-implementation review as a social impact assessment	By community feedback forum from time to time and conducting social return on investment study for major projects after implementation
11	Systematic assessment approach	Not used	Not used
12	Spreading CSR activities information through media	Yes. Using social media and others. Oman LNG is historically being far front	Yes. Using social media and others.
13	Disclosure of CSR information	Massive and comprehensive in the website, annual reports, and special	Available in all social media and local media. Due to the lack of availability of

	bulletins	annual reports, it could not be distinguished
14	Challenges faced during CSR projects execution	Expectations of community, addressing the current needs, aligning with government objectives and sustaining the efforts
15	Overcoming challenges	By continuous engagement with communities and stakeholders
16	Future CSR vision	Create a sustainable income channel and being an enabler for others to develop CSR initiatives through partnership, and knowledge sharing
17	CSR goal	Vision is promising and the level of commitment is conditional; current weaknesses need to be addressed for a good CSR road map

Table 8. Comparison between the Group of CSR activities of Oman LNG and OMIFCO

CSR Activities	Oman	
	LNG	OMIFCO
Philanthropic Donation to Charity	4	4
Community Development/Quality of Life	20	13
HR/Workforce Development	5	5
Environment	5	5
Entrepreneurship & SME Development	1	3
Accountability	2	1
Business Conduct	3	2
Corporate Governance	2	2

	Value	df	Asymp. Sig (2-sided)
Pearson Chi-Square	2.402	7	.934
Likelihood Ratio	2.447	7	.931
N of Valid cases	77		

It is evident from table No. 8 that the null hypothesis is rejected (as p-value > .05) i.e. there is no relationship between the CSR activities and the two companies i.e. Oman LNG and OMIFCO are independent in choosing their CSR related activities. It is confirmed that Oman LNG and OMIFCO are involved in CSR activities but there is no interrelation between them.

RESULTS

Oman LNG and OMIFCO are indulging in different CSR projects and activities in Sur where they operate. Both these companies have a clear CSR concept and approach leading to good strategy implementation (citizenship strategy for Oman LNG and reciprocal one for OMIFCO), by which both the companies respond to the calls of the community in satisfying different stakeholders.

Although both the companies are in compliance with national safety standards, neither Oman LNG nor OMIFCO revealed the percentage of pollution caused to the environment and the mechanism for mitigating such damages.

It is also found that no official representation of the local community in OMIFCO-CSR projects compared to Oman LNG. Oman LNG has no annual commitment compared to OMIFCO and Oman LNG has not shown the percentage of CSR projects covered, but the total number of their nationwide projects represent an excellent quota in comparison to OMIFCO whose main



focus (70%) is allocated geographically to the North and South of Sharqiah Governorate only. On the other hand, CSR budget allocation in Oman LNG is 1.5% net income after tax in comparison with OMIFCO whose budget allocation for CSR stands at 3% net income; however, with high revenues of Oman LNG, CSR budget allocation of Oman LNG stands higher than that of OMIFCO. Further, both the companies lack a systematic assessment approach to the level of success on their CSR projects. Both companies have chosen similar CSR approaches but with few differences towards community development like funding youth training, education and supporting the different associations and clubs. In media usage, both companies disseminating their CSR activities through various media tools. Oman LNG is historically far front in quantity and quality and by its diversified usage of multimedia as well as traditional ones.

Oman LNG's Oman Development Fund (ODF) has taken an important milestone with a dedicated team and budget from its board of directors, in framing its CSR shape towards the local community and national level. Further, 'Gift of the Nation' – a capital project funded made Oman LNG go the extra mile in CSR road map compared to OMIFCO.

Though both Oman LNG and OMIFCO serving the local communities in their own ways, there is a need to establish a formal mean of dialogue between both the companies and the rest of the stakeholders in order to harmonize CSR projects so that replication of projects can be avoided. As far as risk management procedure is concerned, both Oman LNG and OMIFCO should disclose their mechanism on mitigating air pollution or environmental wastage. It is suggested that an evaluation of CSR projects in planning, designing, implementing, and in the completion, the phase is highly recommended for both the companies.

CONCLUSION

Despite many multinational companies practicing CSR in Oman with different approaches, CSR still in its infant phase in many industries in Oman. The results indicate that both the companies contribute to society in a positive way as they are accountable to implement CSR in Sur as these are the main players in Sur. Both the companies value developing a practical CSR strategy in their business model concerning customers, stakeholders, contractors, and suppliers, more importantly, the society. However, there is no systematic approach and assessment approach to the level of impact on their CSR projects. A well-defined team of experts and expertise is highly required to achieve harmony of CSR projects by both the companies. Therefore, it is necessary to unite and share the best practices and innovative initiatives of CSR, through the development of a guide – primarily intended to familiarise the CSR concepts along with the tools and methodologies. It can be seen that setting measurable goals, techniques, sustainability issue mapping, sustainability management system, life cycle assessment and CSR reporting are the significant gaps in the CSR approach of both the companies and the model practices should prescribe the same.

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