FOREIGN COMPANIES' CSR THEMES AND OBJECTIVES IN CENTRAL ASIA

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ABSTRACT
The study showcases key themes and objectives of CSR of MNCs in transition economies, and the types of CSR activities reported to the audience. The contribution of the paper is in bringing insights into the goals, motives, and objectives of CSR of MNCs in Central Asia. The findings of the study are based on the content analysis of the companies' CSR activities explicitly reported to the audience. Multiple sources of publicly available data on MNCs (CSR reports, annual reports, websites of the companies, local news outlets reporting about CSR of foreign companies) were collected, coded, and analyzed to generate the findings. The limitation of the study is in the limited number of companies/countries reviewed. This paper contributes to the literature on CSR of MNCs in transition economies.

Keywords: transition economy, Corporate Social Responsibility, Multinational Corporations, Institutional Theory

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INTRODUCTION
Corporate Social Responsibility (CSR) of Multinational Corporations (MNCs) attracts a lot of attention in academic research. The expansion of the MNCs' operations has multiplied institutional contexts (economic, political, and cultural) for practicing their CSR as well as a variety of stakeholders' characteristics. Major stakeholders of a business are owners, employees, customers, government, host community, and nature (Carroll, 2004). The order in which major stakeholders are prioritized depends on the context. Global business ethics research in various settings is closely related to the CSR of the MNCs due to their status as powerful actors in the field of CSR, especially in the developing countries (emerging
economy, newly industrialized countries). Carroll (2004) states that “the social responsibility of business encompasses the economic, legal, ethical, and discretionary (philanthropic) expectations that society has of organizations at a given point of time” (page 116).

There is a broad understanding of developing countries which vary significantly by the level of political and economic development, cultural heritage, and geographic location, and the way they are considered in the research (South East Asia, Latin America, Central, and Eastern Europe, BRIC countries, Africa, Middle East, transition economy countries of former the Soviet Union etc.). In our paper, we are focusing on Central Asian (CA) transition economy countries, which were part of the former Soviet Union (USSR). Hoskisson (2000) identified 13 transition economies in the former Soviet Union, which are part of the emerging economies, along with countries in Asia, Latin America, Africa, and the Middle East. Even though in some international reports, CA countries are referred to as "developing countries," the International Monetary Fund (IMF) classified CA as transition economies. The criteria of classification include such points as per capita income level, export diversification (so oil exporters that have high per capita GDP would not make the advanced classification because around 70% of its exports are oil), and degree of integration into the global financial system (IMF, 2009). The heritage of the past Soviet regime mentality of the government and society and the influence of a turbulent period of transition has created a specific context for ethical standards and social responsibility of the business.

In our paper, we aim to add to the knowledge about CSR of MNCs in transition economy countries by focusing on five Central Asia (CA) countries, which were part of the former Soviet Union (USSR). All five countries' economies are resource-dependent, with three of them (Kazakhstan, Turkmenistan, and Uzbekistan) being big oil and gas exporters in the region. CSR activity is very important for oil and gas companies' long-term success. For Kazakhstan, Turkmenistan, and Uzbekistan, the oil and gas industry is the main source of economic growth and stability as well as a significant risk to society, in terms of costs that include air pollution, oil spills, injuries, and death. CA has strong MNCs presence due to considerable natural resources and economic opportunities, but unfortunately, it has not been represented in the business and management research. CA countries have undergone a period of transition from their legacy of planned economies (power of the state and state-owned enterprises) to the market economy (liberalization of markets, a rise of private sector etc.). There is a strong influence of socio-economic and cultural context on CSR development and implementation in these countries. Government institutions provide the rules of the game in transition economies of former the Soviet Union in general and in Central Asia in particular, and MNCs operating in those countries have to follow formal and informal rules dictated by local institutions in order to get legitimacy. Economic, social, political, legal, and environmental circumstances faced by MNCs, especially in Central Asian countries, are economic policy transition, unequal distribution of wealth, income disparity, etc. Hence, studying CSR practices in transition economies is very important for academic and business communities as well as policymakers.

In our paper, we follow the stream of research focused on CSR of foreign companies operating in developing countries in transition economies in particular. There are two main research questions: what are the key themes and objectives of CSR of MNCs in transition economies, and what CSR activities are reported to the audience? We address our research questions by examining explicit CSR expressions of MNCs in Central Asia, using the example of Turkmenistan. Our study strives to make three contributions. First, we showcase explicit CSR activities (practices, policies, strategies addressing the expectation of various stakeholders) of MNCs operating in the transition economy of Central Asia in order to bring insights into the relational CSR expressions of MNCs for their home and host country stakeholders. Second, based on the content analysis, we identify key themes and insights into the goals, motives, objectives of CSR of MNCs in the country of operation. Third, we discuss managerial and research implications.
LITERATURE REVIEW

CSR, Institutions, Actors

In addition to Carroll's (2004) definition of CSR, there is also understanding of CSR as a very broad set of values and behaviors exercised by business, and which influence business' stakeholders, such as employees, customers, suppliers, local communities in the West (McCarthy, 2008). CSR is also referred to as 'the firm's consideration of, and response to, issues beyond the narrow economic, technical, and legal requirements of the firm' by Davis (1973, p. 312). On a small scale, CSR carries two meanings: the firm knowingly cannot undermine stakeholders' interests, and the firm is taking responsibility for a consequence in case some harm is made (Campbell, 2007). On a broad scale, CSR requires firms to think, act, and behave ethically and respect laws and cultural norms of countries it is operating in (McCarthy, 2008). There are such aspects of CSR as commitment to local community protection, protection of human rights in the company's operations, development of a code of ethics, support of sustainable development (Welford 2004, 2005), community investment, environments, business ethics, human rights governance, marketplace and workplace issues reduction of environmental impacts, investments in infrastructure development for local communities, and pursuing philanthropic initiatives (Aguilera, 2007; McWilliams and Siegel, 2001).

In developing countries, institutional contexts are ambiguous and not stable, which affects MNCs' implicit and explicit CSR activities in various complicated ways. Many questions still need to be answered regarding CSR in developing countries, where the institutional context can be characterized by weak labor, financial, and social institutions with a background of poorly functioning markets challenge a classic understanding of national business systems (NBS) (Jamali and Karam, 2016). These authors identify such institutional macro-level forces in developing countries as geopolitical past and present; political; financial, economic and business; cultural systems; and local ecosystems. Organizational level antecedents of CSR are identified such as ownership, structure, governance of the organization; motives; mission, identity and culture of the organization; trade orientation and strategy; primary stakeholders and individual level antecedents such as personal values and socio-cultural characteristics of managers, employees and other stakeholders; CSR knowledge and expertise of managers and decision-makers. In addition, one other personal characteristics of individuals (employees, leaders, consumers). Guided by Basu and Palazzo's (2008) treatment of CSR as a sense-making process, the authors categorize their analysis of developing countries' CSR research into CSR Understanding (theories used, questions asked, definitions and methodologies used) and CSR Expressions (specific issues and are examples of strategies, activities and implementation steps). Similarly Aguilera et al. (2005) noted that CSR commitment level is likely to be influenced by individual, organizational, national and transnational actors and agencies in developing countries. Hence, there is no single formula for CSR (Birch and Moon, 2004).

Institutional theory helps to understand drivers of CSR practices in different contexts (Aguilera and Jackson, 2003), and institutional theory is often employed to look into the CSR behavior of MNCs in different contexts and compare and explore the relationships between the stakeholders involved.

Chappel and Moon (2008) proposed the implicit-explicit framework designed to better understand the differences in CSR among countries on descriptive (what CSR consists of in various institutional contexts), instrumental (how national context influences CSR agenda) and normative (institutional frameworks to integrate businesses into social responsibility and regulate social impact, as well as characterization of dynamic institutional context) levels. Explicit CSR describes socially responsible activities of the business, which consist of policies, practices and strategies beyond legal requirements, and which are aimed to meet expectations of stakeholders involved, while implicit CSR depicts business's role among formal and informal institutions of the society, expectations from the businesses dictated by values, norms, and rules of the society, and is motivated by agreement in the society regarding the contributions of various institutions.
Gulbrandsen & Moe (2005) categorize CSR activities in developing countries as micro CSR activities (a country's community focus) and macro CSR (a country's economic, political, and social development focus). Examples of micro CSR include the employment of local people, the building of schools, establishment of new hospitals and maintenance of other vital infrastructure. Examples of macro CSR include the promotion of transparency—of payments to host governments—and accountability, good governance, anti-corruption programs, human and social rights, and democratic development. MNCs have external stakeholders and are watched by international organizations, transnational NGOs and civil society groups. They are expected to have macro CSR activities such as the promotion of transparency, good governance, social equality, and human rights in the region (Haufler 2004) in order to satisfy the expectations of international stakeholders. Through the lens of neo-institutional theory, Matten and Moon (2008) suggest homogenization of institutional environments between countries (globalization), which leads to standardized practices in businesses across industries and countries, in order to gain legitimacy. While it is a rather far away prospect for domestic companies in many transition economies, the first to experience these isomorphic pressures and adopt explicit CSR are MNCs, which are part of their original NBS and global market. MNCs operating in transition economies are expected to conform to their home country NBS expectations to meet environmental, health, safety, and human rights standards in their international operations and explicit CSR best practices (examples: the Global Business Coalition on HIV/AIDS, the UN Global Compact, ISO 14000, stakeholder engagement, CSR reporting etc.) are a way to take greater responsibility for social empowerment (Prahalad, 2005). Miller (2005) suggests that MNCs’ CSR in transition economies, such as the former Soviet Union and China, whose NBS are characterized by the strong role of government and weak role of other national institutions, might focus on their implicit CSR, due to explicit CSR being affected by local regulation.

CSR of MNCs in transition economy countries

While MNCs’ CSR activities in developed countries are frequently sponsorships of cultural events and research and science institutions, MNC’s CSR in developing countries most often supports the basics, such as building of schools, hospitals, clean water supplies, the use of the local workforce, and goods and services from local suppliers (Pursell, 2001; Qiu and Tao, 2001). CSR activities in developing countries are also reflected in environmental and social projects (De Venanzi, 2002). The way foreign firms adopt CSR practices in developing countries is influenced by differences in a national context (Aaronson, 2003; Chapple and Moon, 2005). CSR activities usually supplement, but do not engage with government policies. MNCs operating in transition economies have greater visibility than local companies and could face exposure and serious public scrutiny; as a result, CSR activities are more important for them than for local companies (Fougere and Solitander, 2009).

CSR research focusing on CSR of MNCs in transition economies of Central Asia is rare and thematically scattered (Altaliyeva, 2003; Chapple and Moon, 2007; Potluri et al., 2010; Preuss and Barkemeyer, 2011, Smirnova Y.V. 2012, 2015, Mahmood M., Humphrey J. 2013). Firms operating in post-Soviet countries have to work in a complicated and unpredictable institutional environment. MNCs in transition economies have no clear picture of what are suitable and acceptable CSR practices (Altaliyeva, 2003; Puffer and McCarthy, 2003). Another study looking into determinants of Russian companies’ CSR concluded that understanding and practices of CSR are determined by the local institutional environment, being based on traditional social roles assumed as a heritage of communist times (Fifka and Pobizhan, 2014). The authors point to the special role of Western institutions in creating CSR awareness in Russia. McCarty (2008) discusses the critical role of corporate governance in Russian business and management and its potential to promote CSR in Russia. Soboleva (2006) talks about principles of CSR, the criteria of socially responsible behavior, and mechanisms to encourage it. Stoian (2012) draws on stakeholder theory and the evolutionary approach to institutions to investigate the channels through which CSR is
developed in post-communist economies. Mahmood (2013) talks about the economic, legal and ethical responsibilities expectations of managers, employees, and customers in transition economy Kazakhstan. Their findings show that although ethical expectations are high, the priority is put on economic and legal CSR responsibilities. Frynas (2010) focuses on the oil and gas sector as the leading industry in championing CSR. The author investigates the affect oil and gas companies can have an improvement of political, economic, and societal conditions in oil-rich countries by exercising transparency. Gulbransen and Moe (2005) investigate CSR practices through common efforts and collaboration of oil and gas companies in Kazakhstan and Azerbaijan. Kotilainen et al. (2015) present a finding of a strong influence of local context on CSR activities of mining companies in Kyrgyzstan and Tajikistan and with differences in how companies adapt their CSR practices to the different sets of stakeholders.

Companies strive to avoid ambiguity regarding external stakeholders’ interpretation and reaction. MNCs’ country of origin was found to have an influence on inconsistent CSR reporting, including US firms, due to a tradition of litigation, a formal legal approach, and dispute (Kagan & Axelrad, 2000; Kolk, 2010). Unfavourable reactions of international stakeholders of MNCs due to unmet expectations regarding CSR activities seem to lead to reduced levels of CSR communication disclosure. Following the literature discussed above and based on our research question key themes and objectives of CSR of MNCs in transition economies, we aim to bring examples of explicit macro and micro CSR expressions of MNCs reported to the audience in Central Asia, using the example of Turkmenistan. We aim to showcase explicit CSR activities (practices, policies, and strategies addressing expectations of various stakeholders) of MNCs operating in Central Asia in order to bring insights into the relational CSR expressions of MNCs for their home and host country stakeholders, by identifying key themes and insights into the MNCs’ CSR goals, motives, and objectives on the agenda through content analysis of CSR reporting.

**METHODS**

**Data and Sample**

Due to scarcity of research into the CSR in transition economy countries in general and in Central Asian countries in particular, especially research into CSR practices of foreign firms operating in the region, a qualitative research approach using the multiple case study method was selected to carry out this research. To make a list of companies for analysis we first searched through foreign and local reports on the topic (U.S. Geological Survey Minerals Yearbook—2013, US Census Bureau, Oil and Gas Ministry of Turkmenistan, Turkmen gas Congress, Asian Development Bank, WDB, UNCTAD, EBDR), followed by consultations with professionals working for foreign companies in the country. This led to the list of 8 companies selected for this study. All companies in the list are 8 biggest MNCs operating in the country as well as have long term presence in the region. Companies in the sample have been operating in Turkmenistan between 8 and 20 years and are in the oil and gas industry. Countries of origin for these MNCs are in Europe – 2 countries, US – 1 country, Asia -1 country, Middle East – 1 country, and Eurasia -1 country. Details about the companies in the sample are presented in Table 1. (See Appendix A)

We followed by searching for any official information available at the companies’ home or host country website, annual reports, CSR reports and other materials related to CSR between January 2016 and April 2017. We were searching for information available in English, Turkmen, and Russian languages. The latest available reports dates range of 2012-2016. Official reports are often used in research, as they are considered to be official documents and this approach in researching CSR in developing countries was adopted in other studies (Chapple and Moon, 2005; Amran and Devi, 2008; Wanderley et al., 2008; Sotorrio and Sanchez, 2009; Kolk, 2005, 2008, 2010; Preuss, 2011; Zhao 2012; Bashovaya, 2012; Fifka, 2014; Kotilainen et al., 2015; Azizi and Jamali, 2015, etc.). CSR disclosure is a firm’s self-reported CSR information without confirming real CSR activities (Maignan and Ralston, 2002; Ullmann, 1985). It is assumed that voluntary disclosure of
CSR information represents a firm's beliefs and attitudes toward social and environmental issues, which may diverge from its actual CSR activities (Wang, 2012). All collected data were analyzed by assigning points for presence of each CSR theme, such as community, employee relations, environment, products and production, and other stakeholders that are pursued by the firm, mentioned in annual reports, and web pages (about us, history, mission and vision) of MNCs under investigation. Overview of companies in the sample CSR disclosure is in Table 2.

Table 2. Overview of companies in the sample CSR disclosure (n =8)

<table>
<thead>
<tr>
<th>Do companies engage in CSR reporting?</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Yes (%)</td>
<td>No (%)</td>
</tr>
<tr>
<td>Reporting global</td>
<td>57</td>
<td>43</td>
</tr>
<tr>
<td>Reporting on the host country</td>
<td>14</td>
<td>86</td>
</tr>
<tr>
<td>Micro CSR activities</td>
<td>57</td>
<td>43</td>
</tr>
<tr>
<td>Macro CSR Activities</td>
<td>0</td>
<td>100</td>
</tr>
</tbody>
</table>

ANALYSIS

After an in-depth examination and analysis of the CSR-related information disclosed by the MNCs in the sample, we have identified recurring CSR activities. The CSR activities communicated by MNCs are shown in Table 3. (See Appendix B)

We see that three out of eight MNCs did not communicate any information regarding their CSR in the country. Only one MNC had a CSR report dedicated to the host country, in contrast with other seven MNCs which had only global operations reports, and three which didn't have any CSR report. There was no statistical or financial data in relation to MNCs' CSR activities disclosed by all companies in the sample. Based on the analysis of the data, the most recurring themes under CSR narrative are those related to employees, followed by CSR activities related to community and one company mentioning and one company describing CSR efforts regarding the environment.

Employees: MNCs report about employee training and development and health and safety. 50% of the companies in the sample communicate their efforts regarding the training of technical personal, providing internships for graduates. Two out of eight MNCS in the sample reported the provision of scholarships to host country populations for higher education. It is worth mentioning that only two companies in the sample talked about leadership/management development among their employees. The second MNCS' CSR agenda is health and safety. Only one out of eight companies in the sample had a code of conduct for employees and contractors.

Community: CSR activities addressing community issues are drinking water safety management, addressed by two companies, followed by one company reporting contribution to the local Children’s Fund and helping Vulnerable Groups (purchasing pillows, bedding and blankets), support for local NGO mentioned by two companies, construction of waste facility mentioned by one company, kindergarten and school refurbishment mentioned by two companies, and local hospital support and construction of medical center mentioned by one company. Sponsorship of two local team's trips to international sports competitions was mentioned by the same company. One of the MNCs reported multiple CSR activities targeting youth, giving such examples as awards to high school competition, providing scholarships for study in the university, sponsorship of Girls Volleyball Tournament, and annual MNC initiative - Junior Sports Cup (volleyball, basketball, football, and boxing).

Environment: Environmental protection directly related to operations of the company (gas flaring reduction to increase water re-injection capacity) was mentioned once. Planting trees in cooperation with local NGOs and initiating The Earth Day campaign together with employees and contractors mentioned by the same company.

DISCUSSION

The aim of this study was to showcase key themes and objectives CSR of MNCs in transition
economies and what CSR activities are reported to the audience on the example of a Central Asian country, Turkmenistan. First, our analysis points out MNCs engaging and reporting in explicit CSR activities, focusing on employee training, development, health, and safety, followed by a provision of scholarships and internships for the local population, with occasional support for local community issues and sponsorship of sports events. Second, based on the CSR themes narrated by MNCs operating in the transition economy of Turkmenistan, we can clearly see that CSR goals, motives, and objectives are closely aligned with MNCs internal needs, addressing human resource issues of the company. Third, we proceed with a discussion of managerial and research implications.

We can see that in the institutional context and low level of other local stakeholders’ involvement, only half of oil and gas MNCs in the country are pursuing CSR activities. Basic CSR activities allow oil and gas MNCs to get legitimacy with outside host country stakeholders as well as solve the internal human resource needs of the company. The lack of talent pool can be explained by the rapid shift from socialism to capitalism, which was very sudden, not only in terms of restructuring the economy but also in terms of education in transition economies. Specialists educated in the Soviet period had no prior knowledge or experience of working in a capitalist system. Regarding CSR communication, CSR disclosure in general, and CSR in transition economies communication for external stakeholders in particular, we can see that only one out of eight companies had a separate CSR report for Turkmenistan, and only 4 out of 8 had a CSR report for their global operations. Official websites of the MNCs in the sample are in English or MNC’s home country language. All the documentation collected for this study was in English, meaning CSR information is mainly for outside stakeholders’ attention. Assuming that CSR disclosure is information that represents firms’ beliefs and attitudes toward social and environmental issues and taking into account that five out of eight companies had clear and detailed CSR statements and commitments on the corporate website and very limited CSR reporting about actual activities, we see that MNCs minimize CSR disclosure. Almost half of the MNCs incorporated their CSR activities information into their annual report.

Stakeholders’ expectations in developed countries regarding CSR activities of businesses and oil and gas companies, in particular, tend to be high and require high ethical and discretionary activities. In transition economies of Central Asia, CSR activities have different priorities (Husted and Allen, 2007). It is clear that the transition economy institutional context is a complex and high-risk environment for MNCs, but CSR activities could be more diversified and distinctly aligned with wider social needs of the host country. MNCs’ CSR strategies employed currently in the country can be characterized as short-term with no long-term impact. Discovering the reason for the lack of proactive behavior and low cooperation with local institutions can be addressed in future studies. Such economically sustainable CSR activities as support of local small and medium enterprises, creation of CSR awareness through the establishment of CSR association, and CSR educational activities could be mutually beneficial in the long run for both home and host country stakeholders of MNCs. In the long run, small and medium business is a high priority area for investment and highly important, especially for natural resource-dependent economies in Central Asia. We agree with Gulbrandsen & Moe’s 2005 recommendations for Azerbaijan that CSR association in the host country could be a platform for increasing CSR awareness and education among host country stakeholders, not only in oil and gas industry but in all other industries in the country, local businesses, and government intuitions. MNCs have the necessary international experience and intellectual and financial resources that could be utilized by the host country government in terms of CSR regulation, reporting, and oil and gas CSR industry strategy development.

This study aimed to analyze CSR activities of MNCs operating in the oil and gas-rich transition economies using the example of Turkmenistan. The findings, to some extent, fulfilled the research objectives but not without limitations. Small sample size, secondary data and lack of access to CSR information of a more representative sample size of oil and gas
companies the main limitations and undermine the generalizability of the findings. This aimed to be improved by future studies. It needs to be noted that despite its limitations, this study could serve as a foundation of future research on CSR activities of MNCs in Central Asia and the rest of CIS transition economies with similar geopolitical past. The suggestions could help the MNCs consider diversification of CSR activities and CSR communication and move towards sustainable CSR strategy, as well as contribute to the CSR field and economic development in transition economy countries. Future research could investigate in more detail forces affecting MNCs CSR in transition economy countries of CIS.

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Foreign companies’ CSR themes and objectives in Central Asia

Jennet Achylurdyyeva et al

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### Appendix A

#### Table 1. Companies in the study.

<table>
<thead>
<tr>
<th>Profile/Industry</th>
<th>Oil and gas</th>
<th>Oil and gas</th>
<th>Oil and gas/cotton</th>
<th>Oil and gas</th>
<th>Oil and gas</th>
<th>Oil and gas</th>
<th>Construction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate website</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>CSR report for Tm</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>CSR report/global</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Annual report</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Info. about operation in Turkmenistan on the corporate website</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Activity as stated on the official documents of the company</td>
<td>Exploration and production</td>
<td>Assets and equity, oilfield services</td>
<td>Operations, drilling</td>
<td>Exploration and production services</td>
<td>Exploration and production</td>
<td>Exploration and production</td>
<td>Upstream oil and gas</td>
</tr>
<tr>
<td>Size of operation/ Financial disclosure</td>
<td>US$450 million investment in 2008</td>
<td>Project output over 30 billion cubic meters of natural gas since its launch in 2009</td>
<td>In 2013 signed contract to build 3 plants for US $421,475,000 in total</td>
<td>US$ 8 billion investment in 2014, US$705 million in 2007</td>
<td>Expects to drill up to 25 wells</td>
<td>n/a</td>
<td>The largest foreign investors in Turkmenistan. Capital expenditure for the first three quarters of 2008 was US $200 million.</td>
</tr>
<tr>
<td>No of employees</td>
<td>1,148 (in 2015)</td>
<td>1,470 (70%) local employees</td>
<td>n/a</td>
<td>554</td>
<td>n/a</td>
<td>n/a</td>
<td>Over 2,000</td>
</tr>
<tr>
<td>Ownership</td>
<td>46% state-owned and investment bank which is 80% owned by government</td>
<td>State-owned</td>
<td>Private</td>
<td>State-owned</td>
<td>Institutional holdings 89%</td>
<td>n/a</td>
<td>State-owned</td>
</tr>
</tbody>
</table>
Appendix B

Table 2. Evaluation of CSR–related Content by oil and gas companies in Turkmenistan. 0 = no information; 1 = information is available

<table>
<thead>
<tr>
<th>Company Origin</th>
<th>Italy</th>
<th>China</th>
<th>Turkey/Greece/US</th>
<th>Malaysia</th>
<th>Dubai</th>
<th>Korea</th>
</tr>
</thead>
<tbody>
<tr>
<td>CSR activities communicated by the company</td>
<td>- Training Centre for technical personnel - vocational training for youth graduates - improve the conditions of safety, efficiency and environmental protection</td>
<td>- training centers for local employees and engineering staff - water purification plant for the community</td>
<td>n/a</td>
<td>-Vocational Training for Local Talents -leadership program -since 1998, 80 Turkmen have received scholarship for studies at University Technology PETRONAS (UTP), Malaysia -Technician Training - contribution to the Children’s Fund of Turkmenistan -Restoring Infrastructure, roof replacement for local school -Assisting Vulnerable Groups -support of local NGO</td>
<td>-Training, Internship, Scholarships -Educational assistance -code of conduct for employees and contractors - Center of Excellence runs regular training courses by internal and external specialists. -Construction of waste disposal facility - agreement with Balkanabat Nature Protection Society about the planting of approximately 1,500 plants (trees, flowers and grasses) in 2012 - The Earth Day campaign involving company employees and contractors - the refurbishment of two kindergartens -building of US$5mn medical center - long term support of the local hospital sponsored - an award for the winners of the High School Olympiads. -Youth Scholarship Program- sponsor 10 students from Hazar to study engineering disciplines at Tomsk Polytechnic University in Russia -provision of internships for students at Dragon Oil field facilities, as well as funding training on cost management for three State Agency employees provided - sponsorship of a trip by the Girls Volleyball team to the International Youth Volleyball Tournament -Sponsorship of local team to the European Paralympic Powerlifting Championship -yearly Dragon Oil Cup for Junior teams in volleyball, basketball, football, boxing - sportswear for the Turkmenistan National Belt Wrestling team who took part in the 2015 World Championship in Poland - water treatment activities concerned improvements to the supply and treatment of water, such as the seawater desalination plant, etc. -support of support cultural events</td>
<td></td>
</tr>
</tbody>
</table>

| Micro CSR | 1 | 1 | 0 | 1 | 1 | 1 |
| Macro CSR | 0 | 0 | 0 | 0 | 0 | 0 |
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