

Social Issues in Management and Business Ethics: Exercises and Activities

Exercise/Activity Title:

Royal Dutch Shell in Nigeria: Where do responsibilities end?

Exercise/Activity Explanation (150 words or less):

This case study discusses the scope of responsibilities and the basis of legitimacy of multinational corporations in a complex operating environment. In January 2013 a precedent was set when Shell was held liable in The Hague for oil pollution in the Niger Delta. The landmark ruling climaxed the ongoing dispute over the scope of Shell's responsibilities. Shell was considered a forerunner in CSR and had even assumed public responsibilities in a context of a public responsibility void. However, the company remained a regular target of civil society activism and legal proceedings concerned with malpractice. The court case attracted international attention for its novelty and increasing media and civil society pressure required immediate action. How can Shell keep its license to operate? What is the scope of the company's responsibilities in such a controversial human rights context? Students are expected to discuss these questions going beyond a simple moralistic or liability thinking.

Assignment is on the following page.

Optional – Contact Information:

If interested in additional information, please contact Esther Hennchen
esther.hennchen@gmx.de

Royal Dutch Shell in Nigeria: Where Do Responsibilities End?

Esther Hennchen, esther.hennchen

Case Objectives

- Analyze and understand the economic and political role of MNCs like Shell in a context of a public responsibility void at the local and global level.
- Become aware of the challenges for the scope of corporate responsibilities and the basis for corporate legitimacy that a politicized role entails.
- Familiarize students with Young's social connectedness model.
- Find out and reason on the scope of corporate responsibilities and legitimacy beyond a narrow liability model.

Teaching Plan/Timing

Depending on how comprehensively the instructor wishes to discuss the case, and how extensive and lengthy is the discussion or role play, this case can run from a single 90-min session to two such sessions. To discuss the main questions, the instructor can divide the discussion into two groups so that one group can focus on one dimension—corporate responsibility and legitimacy. As an alternative the instructor can set up an interchange between different case actors in form of a role play to foster greater empathy with the case protagonists and increase class attentiveness. Depending on the class size, roles can be assigned to individual or groups of students during class or prior to the session. We recommend splitting the class into different roles such as the company Shell, civil society, the Nigerian government, etc. discussing all dimensions with regard to their respective role. In a later exercise these different perspectives can be contrasted with each other. Apart from the information in the case study, the instructor should provide stimulating inputs and questions (see below) for each group discussion and students could search for updated facts and figures in real time.

NOTE: The case can be found in: Esther Hennchen (2015). "Royal Dutch Shell in Nigeria: Where Do Responsibilities End?" *Journal of Business Ethics*, 129, 1, p1-25.
esther.hennchen@gmx.de