

Perception of Corporate Social Responsibility in Nigeria: An Empirical Investigation

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ABSTRACT : *This study examines perceptions and attitudes of business leaders towards corporate social responsibility (CSR). Using random sampling procedure, primary data were collected from 500 business leaders across three (3) different states of Southwest, Nigeria. The questionnaire was structured to elicit information on perceptions of what CSR entails. Results show that perceptions of what constitute CSR spans economic, legal, ethical and philanthropic responsibilities. Findings suggest that businesses should uphold these responsibilities in their quest to fulfil their corporate social responsibility.*

KEYWORDS: *CSR, Perceptions, Attitude, Nigeria, Business.*

I. INTRODUCTION

Literature is replete with increasing interest in evaluating the perceptions of ranked management towards corporate social responsibility (CSR) and their reactions towards issues surrounding social responsibility. CSR as a concept entails the practice whereby corporate entities consciously incorporate both social and environment upliftment in their various production philosophy and operations. Studies (e.g. Lovins *et al.*, 1999) have shown that failure to manage social and environmental issues may be dangerous to the long-term stability and sustainability of the populace. As noted by Marrewijk and Werre (2003), CSR entails provision of benefits in business operation based on social and environmental need of the business environment. If in doing this, there is a linkage between CSR strategies a business adopts and its core business, the strategy has the potential to create social benefits beyond what is possible for individual donors (Porter and Kramer, 2002) Pressure from consumers and stakeholders and historical mistrust towards international business, has put demand on business leaders especially multinational corporations (MNCs) to develop CSR strategies to handle the increased responsibilities (Kumar *et al.*, 2001). These business leaders are currently seen to be playing a greater role in the transformation of value systems and institutional arrangements for the purpose of shaping the society (Van Marrewijk, 2003). However, the progress in social and environmental issues will rest heavily, in a larger way, on the perceptions of what constitute CSR by the business leaders in various communities. To this end, this study seeks to analyse people's perceptions of CSR and what it should entail.

II. LITERATURE REVIEW

The management literature is replete with various meaning of CSR, yet there has been no agreement on a particular definition of the concept. In the view of Crowther and Jatana (2005), social responsibility is an emerging popular concept which however remains vague and represents different set of ideas to different set of people. For example, as far back as 1972, Votaw posits that corporate social responsibility implies an idea which is different to different people in meaning and concept. CSR also implies different ideas and principles to some individual; it connotes the concept of legal responsibility and in some situation a liability. For some set of people, it denotes a socially responsible attitude from the ethical perspective; yet, some still take the meaning to imply responsibility in a causal form. Several people take it to imply a voluntary contribution to societal goal and development. As viewed and opined by Marrewijk (2003), the current concepts and definitions are usually biased towards specific interest. This conceptual problem has therefore been identified as a factor influencing the extent of firms' responsiveness towards the concept. Dearth of methodological approach built on CSR principles and concepts further compound the understanding of the link between social responsibility and firm performance. In most circumstances of research, measures of CSR are built on subjective indicators such as rankings of fortune and a survey of those involved in business activities and those learning (Akathaporn and McInnes, 1993; Preston and O'Bannon, 1997). Considerably, it is ambiguous how these indicators are compounded and what exactly they measure. Further, studies often employ information on CSR from annual reports to shareholders or the like. In spite of employing these sources, it is difficult to statistically evaluate the status of CSR in terms of under-reporting and over-reporting of social performance of firms.

Given the dimension with which CSR reports is being verified, facts about social responsibility performance is often subjected to perception and impression management which are often subjectively bias. There are fewer firms whose CSR reports are subjected to external evaluation establishing the causes of subjective evaluation of corporate social responsibility performance. Bowen recognized that businessmen should make decisions which are generally desirable for the values in society (Carroll, 1999). These concepts are dependent upon the social processes existing in different societies, implying that what is seen as 'wrong' or 'not done' in one culture can be seen as acceptable in another. Consequently, business decisions and actions taken regarded as socially responsible will also differ in different societies. Organizations from different countries display varying levels of devotion to corporate social responsibility and most often use their own means to communicate their corporate social responsibility. Overall, this complicates the development of a globally accepted definition and guideline for Corporate Social Responsibility. In 1958, five years after Bowen's publication, the actual phrase "Corporate Social Responsibility" was introduced by Theodore Levitt and he could therefore be given credit for starting the ongoing debate concerning CSR (McWilliams, Siegel and Wright, 2006). Yet, as opposed to many recent publications, in Levitt's article a clear distinction between a 'business's responsibility of creating wealth' and 'the government's responsibility of securing a healthy and safe environment' is emphasized, and the expected dangers of combining the two are outlined. According to Levitt, it would not be beneficial for businesses to interfere with conventional government issues. Nevertheless, several years and publications later, the concept of CSR is viewed in a more positive light, even though still no unambiguous definition is established. With the emergence of stakeholder theory in the nineteen eighties, a different view concerning the position of a firm within society is presented. According to this theory a business success and ability to persist depend on its relationship with all relevant stakeholders.

All individuals or groups in some way related to an organization should be considered as stakeholders (Donaldson and Preston, 1995), and companies need to take into account all affected entities (Post, Preston and Sachs, 2002). Thus, stakeholders can be internal (e.g. employees, stockholders) as well as external (e.g. suppliers, local communities), and their actions can have considerable consequences for a firm (McWilliams et al. 2006). Normally, a company needs and uses the environment for its resources. Therefore, as with other stakeholders, a fair relationship with the environment should be maintained. In line with stakeholder theory a firm can benefit from engaging in CSR projects believed to be important to certain constituencies. CSR actions have the ability to generate appreciation and satisfaction among stakeholders, and to obtain necessary support for the firm. Even though stakeholder theory established that CSR can be necessary to succeed, the economic performance of a company still underlies all else. No business can exist without being profitable, and no CSR activities can be undertaken without investing capital. This idea is confirmed in slack resource theory, implying that less profitable firms do not have as much resources available for socially responsible activities as more successful firms (McWilliams and Siegel, 2001). Therefore, investments in social projects will only be made when a company has a long-term focus, and when it values environmental sustainability. The economic responsibility should be seen as the foundation of a firm. A company needs to provide goods or services demanded by customers for a reasonable price, and at the same time do this efficiently enough to become profitable. This profitability can eventually ensure endurance.

III. METHODOLOGY

Data for this study were collected from primary sources. This involved the use of structured questionnaire that was distributed to 500 respondents that were randomly sampled in the three states constituting south west Nigeria. In order to pursue the objective on identifying respondents' perception of socially responsible behaviour towards CSR, respondents were asked questions on their understanding of CSR, especially with respect to economic responsibility, legal responsibility, ethical responsibility, philanthropic responsibility, charity principle, stewardship principle, and environmental friendliness. In order to measure their responses; the 5-point Likert Scale was constructed, and the outcome of the exercise is presented in.

IV. RESULTS AND DISCUSSION

Majority of the respondents (60%) were found within the age interval of 29-36 years, very few (less than 2%) were also below 24 years of age. The youngest was 21 years and the oldest being 43 years with a mean age of 30.2 years.

Table 1: Age of respondents

Age (years)	Frequency	Percentage
21-24	7	1.40
25-28	71	14.20
29-32	199	39.80
33-36	101	20.20
37-40	72	14.40
≥ 41	50	10.00
Total	500	100.00
Minimum	21 years	
Maximum	43 years	
Mean	30.2 years	

Source: Field Survey, 2013

Perceptions of individual on composition of CSR were categorized into seven and analysis presented. The perceptions are categorized into economic, legal ethical and philanthropic responsibilities. Also charity, stewardship, and environmental friendliness are inclusive.

Economic Responsibility : Results in Table 1 indicate that economic responsibility has a strong bearing on the establishment of any business setting. Most of the respondents (93.8%) opined that company should not be distracted from their economic function by solving social problems. Results also strongly supported that companies should strive for highest returns to their shareholders. This hopefully is expected to come from their economic performance. These two statements can be summarized to be strongly supported in that both of them fall in the range of 80% and above.

Table 1: Economic Responsibility

Statements	Level of Agreement (%) N=500					Overall weight (%)
	SA	A	U	D	SD	
The primary goal of companies is to make as much profit as possible	35.8	33.0	5.0	19.2	7.0	74.2
Socially responsible companies strive to lower their operational costs	21.0	22.2	12.6	26.4	17.8	53.6
Companies should strive for the highest returns to their shareholders	56.6	20.2	16.2	4.4	2.6	84.8
Companies should not be distracted from their economic functions by solving social problems	78.2	15.2	4.4	1.8	0.4	93.8

Source: Field survey, 2013 Key: SA = Strongly Agreed, A = Agreed, U = Undecided, D = Disagreed, SA = Strongly Disagreed

Legal Responsibility : Perception of respondents on legal responsibilities associated with CSR is presented in Table 2. Most of the respondents (67%) are of the opinion that organizations should strive to comply with all state laws and regulations while they also agreed to the need for companies to operate strictly within the legal framework of the society (56%). Any aggressive use of resources in the operation of any company that does not put into consideration legal responsibility of CSR could lead to extinction of resources and/or high cost of production that may end up in the liquidation of such company.

Table 2: Legal Responsibility

Statements	Level of Agreement (%) N=500					Overall weight (%)
	SA	A	U	D	SD	
Well run companies strive to comply with all state laws and regulations	40.2	27.2	7.4	14.4	10.8	78.0
Companies must operate strictly within the legal framework of the society	38.2	17.8	10.2	19.8	14.0	69.2
Companies have to adhere to all state rules and regulations even though it may be costly for them	39.8	41.6	7.4	6.2	5.0	81.0

Source: Field survey, 2012 Key: SA = Strongly Agreed, A = Agreed, U = Undecided, D = Disagreed, SA = Strongly Disagreed

Ethical Responsibility : The ethics of CSR make provision for all the segments of the society in terms of fairness, Just, and equity. The perception of respondents (business leaders) on the issue of CSR, with respect to their ethical responsibilities is presented in Table 3. Results indicate that most respondents (85%) agreed that upholding of societal norms, justice and fairness in operating environment are the required ethical responsibility expected of companies and organizations carrying out corporate social responsibility.

Table 3: Ethical Responsibility

Statements	Level of Agreement (%) N=500					Overall weight (%)
	SA	A	U	D	SD	
Companies should not compromise ethical norms of the society in order to achieve corporate goals	62.2	23.0	2.8	3.4	10.0	84.8
Socially responsible companies always do what is right, fair and just	67.4	16.6	3.0	9.4	6.4	87.6
Companies should avoid doing harm at all cost	71.4	21.0	2.6	3.8	1.2	91.6
It is sometime expedient for companies to engage in questionable practices for economic gains	10.4	14.2	3.4	32.6	39.4	44.8

Source: Field Survey, 2013 Key: SA = Strongly Agreed, A = Agreed, U = Undecided, D = Disagreed, SA = Strongly Disagreed

Philanthropic Responsibility : Philanthropy and goodness to the society, charities are conceived within the moral economy of solidarity and reciprocity. Most respondents (Table 4) agreed that companies have philanthropic responsibilities to their host community and these include contribution of resources, advancing community betterment, promotion of volunteer service and commitment of resources to support culture and arts.

Table 4: Philanthropic Responsibility

Statements	Level of Agreement (%) N=500					Overall Weight (%)
	SA	A	U	D	SD	
Companies should contribute resources to the community	43.4	23.6	7.0	17.4	8.6	46.8
Socially responsible companies should strive to provide for community betterment	30.2	22.6	8.6	18.6	20.0	64.8
Companies should actively promote volunteerism	9.4	13.0	5.8	37.4	34.4	45.2
Companies have to commit resources to support culture and arts	6.2	9.4	13.2	27.6	43.6	41.4

Source: Field Survey, 2013

Environmental Responsibility : One key reason for the establishment of CSR is for companies to be friendly with the environment, especially in their host communities. As shown in Table 5, three of the statements presented to respondents on the friendliness perspective of respondents were high enough to conclude their positive perception of CSR. The lowest of the overall weights of 50% has to do with the statement that companies should take care of natural environment. It is not impossible that respondents do not know the limit of the environment in which they are expected to take care of, and so leading to a reduced support. If companies imbibe the culture of friendliness, it is certain that their benefit will be in multiple folds. Their products would be accepted in good faith, leading to maximum returns. There will be ready made labour for all the different departments in their company. The host community then becomes a kind of automatic security for the companies' facilities from any sort of vandalization. This will be possible if the companies avoid damaging their natural environment, contribute to the upkeep of the environment and put in place proper and adequate waste minimization and recycling programme as the respondents have indicated.

Table 6: Environmental Friendliness

Statements	Level of Agreement (%) N=500					Overall Weight (%)
	SA	A	U	D	SD	
Companies should take care of the natural environment	23.0	12.4	4.4	11.8	48.4	50.0
Companies should avoid damaging the natural environment	60.2	16.6	3.4	10.6	9.2	81.6
Companies should contribute to the upkeep of the natural environment	39.6	24.2	2.0	25.8	9.4	71.8
Companies should have waste minimization and recycling Programs	54.2	22.6	3.0	15.4	4.8	81.2

Source: Field survey, 2011

V. CONCLUSIONS

A developing country like Nigeria is still grasping with poverty and under development and this actually calls for action. CSR fuelled by socio-economic growth and future business leaders expectations as the result shows in this study has the potential of becoming one of the driving forces behind development and in the longer perspective a way of achieving a sustainable society. Findings from the study indicate that business leaders perceived CSR to be corporate responsibility that covers economic, legal, ethic, philanthropic and environmental responsibilities. This finding may therefore act as a driving force to pressure corporate organisations to further develop their CSR strategies alongside the desired objectives of their h communities. It is assumed that if this is done then society may become more sustainable.

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