



## STIRRING CORPORATE SOCIAL RESPONSIBILITY: AN IMPERATIVE FOR CORPORATE ORGANIZATIONS IN NIGERIA.

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### ABSTRACT

*This paper aims at provoking Corporate Social Responsibility among the Corporate Organizations in Nigeria. The paper employs the philosophical method of hermeneutics and Turabian documentation in the attempt to analyze the degree to which Corporate Organizations in Nigeria respond to their Corporate Social Responsibility for the supposed beneficiaries. Towards achieving the stated aim, the paper studies Corporate Social Responsibility as corporate business self-regulation for the mutual benefits of both the organization, supposed host environment and other stakeholders. Also, the paper studies the major Corporate Organizations in Nigeria, assesses the degree of compliance to the imperatives of Corporate Social Responsibility and to suggest innovative perspectives to Corporate Social Responsibility in order to effect impactive and desired social change in Nigeria. From the findings, it is obvious that Nigeria attracts lots of Corporate Organizations because of her many natural resources. Also, the finding makes it obvious that though some corporate organizations in Nigeria care about Corporate Social Responsibility, it is quite disheartening that very many others do not care much to this regard. The implication of this disregard to Corporate Social Responsibility include; host aggression, vandalization and other forms of obstructions to Corporate Companies, high turnover rate of employees, poor condition of service, e.t.c. The implication of the study is that great success will be achieved when Corporate Organizations anchor their business operation on the triple interest-base and orientation of Corporate Social Responsibility: People, Planet and Profit.*

**KEYWORDS:** Corporate Social Responsibility, Nigeria, self-regulation,

### INTRODUCTION

#### Understanding Corporate Social Responsibility (CSR)

According to Sheehy, Corporate Social Responsibility can be simply defined as international business self-regulation or corporate business self-regulation towards sustainable development by delivering economic, social and environmental benefits for all stakeholders or supposed beneficiaries<sup>i</sup>. Carroll makes a little shift from the traditional emphasis of



corporate Social Responsibility on economic and legal gain to ethical and philanthropic responsibility in order to ensure corporate citizenship and responsible business<sup>ii</sup>. In the same vein, Malhotra sees Corporate Social Responsibility as an Organizational policy or corporate business ethical strategy in favour of both corporate company and all stakeholders<sup>iii</sup>.

Hence it is simply an auto-regulation undertaken by organizations for self-preservation, enhancement of their operations and mutual harmony with the operating environment in order to ensure mutual benefits by both the host nation or environment and corporate organizations. In the same vein, it refers to an organization self-monitoring to ensure adherence to legal, ethical or safety standards, rather than have an outside, independent agency or a third party entity monitor and enforce these standards.

Furthermore, Corporate Social Responsibility (CRS) is a movement or business approach aimed at encouraging companies to be more aware of the impact of their business on the rest of the society, including their own stakeholders and the environment<sup>iv</sup>. Corporate Social Responsibility is so broad a concept so much so that it addresses several topics such as human right, corporate governance, health, safety, environmental effects, working conditions, contributions to economic development, e.t.c. The basic factor in all definitions of Corporate Social Responsibility is that it is primarily aimed at driving social change, corporate sustainability, sustainable business, corporate conscience, corporate citizenship and responsible business<sup>v</sup>.

Corporate Social Responsibility is usually integrated into a business model for an organization to be able to live in harmony with its operating environment. Corporate Social Responsibility policies are built in self regulating mechanisms to monitor and ensure business adherence to laws, ethical standards and nuances of its environment. Hence it consciously promotes public interest and eliminates practices that harm the public sphere. Thus Corporate Social Responsibility simply ensures that both the corporate organization and host environment have mutual benefits.

Orlitzky et al state with great emphasis that it is of high interest for Corporate Social Responsibility that corporate organizations make conscious effort to mitigate or reverse the



damage inherent in doing business. Thus Orlitzky et al maintain that all entrepreneurs of Corporate Organizations should of necessity consider profit and social environmental benefits as inextricable<sup>vi</sup>. Hence Corporate Organizations are to consider the interest of their host communities and other stakeholders as important as they consider business profit maximization<sup>vii</sup>.

It is with the intention to assuage the devastating negligence of some corporate organizations and the government that some international bodies have emerged; The World Business Council for Sustainable Development (WBCSD) in 1995, The Organization for Economic Cooperation and Development (OECD) and the Dow Jones Sustainable Indexes (DJSI) in 1999<sup>viii</sup>. Corporate Social Responsibility as stirred by these bodies involves the range of activities such as the following:

- ❖ Working in partnership with local communities
- ❖ Commitment to Socially Responsible Investments (SRI)
- ❖ Concern for environmental Protection and Sustainability
- ❖ Developing relationship with employees and customers.

It is worth noting here that there is a difference between Social Enterprises and Corporate Social Responsibility. Social Enterprises have the main purpose of social or environmental goals and no attention is paid to profit maximization while Corporate Social Responsibility have interest in both profit maximization and minimizing any negative impact on society or the environment (social goals). Social Enterprises may include Human Right Activists, Some Health Agencies for the less privileged, Mass Literacy Agencies, e.t.c. In the same vein, Corporate Social Responsibility concerns some Corporate Organizations<sup>ix</sup> such as Oil Companies, Transport Companies, Leather and Textile Companies, Food and Beverages Companies, e.t.c. It is in this regard that Unilever as a multinational corporation in Food and Beverages has been ranked 'Food Industrial Leader' in the Dow Jones sustainability World Index for 11 consecutive years and ranked seventh in the Global 100 Most Sustainable Corporation in the World.<sup>x</sup>



### **Stirring Corporate Social Responsibility and the Nigerian Experience.**

Worthy of note is that, like the beehives attract bees so does Nigeria attracts both local and foreign companies and investors following the fact that she is blessed with very many natural resources. Hence as already mentioned, this essay assesses the degree of compliance to the imperative of Corporate Social Responsibility and to suggest innovative perspectives to Corporate Social Responsibility in order to effect impactive and desired social change in Nigeria. The impactive and desired social change is anchored on the triple interest-base and orientation of Corporate Social Responsibility: People, Planet and Profit. Like the three-legged stool cannot stand on one or two of the legs rather on the three legs, the success of corporate organizations remains a mutuality of people, planet and profit orientedness.

No doubt Nigeria is blessed with many natural resources which attract several companies. Hence on this note, we query the extent to which these companies live up to their Corporate Social Responsibility. Thus to what extent do they contribute towards educational and social programs in Nigeria? To what extent do they help the government to reduce the bane of unemployment in Nigeria? How do they respect the land, water, air or the entire eco-system? To what extent do they react to the detrimental effects of their companies to their host communities such as oil spillage, water pollution, chemical effects from factories, mining companies, agriculture and fishing<sup>xi</sup>, e.t.c. These can be virulently damaging to the industrial ecosystem.

It is obvious that the most active sector regarding corporate organization in Nigeria is the oil and gas which accounts for over 70% of revenue in Nigeria. This is championed by; Shell, Chevron, Agip, Texaco, Exxon Mobil, Oando/OVH energy, Total, Zenon, e.t.c. Other big corporate organizations in Nigeria include the communication companies, bank industry, agricultural and animal husbandry<sup>xii</sup>, e.t.c. Nevertheless, Nigeria has perennially suffered untold environmental neglect, high rate of unemployment, social deprivations of basic amenities: infrastructural and service delivery, endemic conflict with the greater population of the people suffering unimaginable poverty rate. More so the undeniable is that the industrial activities of these organizations have detrimental effects on the environment.



Hence oil spills, chimney, gas waste from manufacturing companies, mining, agriculture and fishing, e.t.c. do great harm to land, water and air. The recent insurgence warranted by cattle rustlers impute hash environmental hazard to the host communities. It sounds ridiculous that the whole world blinked their lash on the oil spill in American gulf in 2010 whereas twice of the size occurs in Nigeria annually and the Niger Delta having a lion share but nobody feels much concerned.

Nevertheless, the effort of the companies towards fulfilling their corporate social responsibility to their host communities is worth commending especially the Oil and gas and communication sectors<sup>xiii</sup>. They have made frantic efforts towards the provision of boreholes, hospitals, health centers, mobile clinics, supply of drugs and medical equipments, scholarship for both undergraduate and graduate studies within and outside Nigeria (Chevron has championed this course with over 9,870 candidates of both engineering and medical students), physically challenged homes and facilities, clean-up of local systems, recycling waste management, renewal energy, e.t.c. It is worth noting that OVH energy prodigy has a distinguished peculiarity of developing young talents. This is evident in the essay competitions and visitation to schools which University of Nigeria; Enugu campus had the most resent share on May 16, 2018.

We noted earlier that It is with the intention to assuage the devastating negligence of some corporate organizations and the government that some international bodies have emerged such as; The World Business Council for Sustainable Development (WBCSD) in 1995, The Organization for Economic Cooperation and Development (OECD) and the Dow Jones Sustainable Indexes (DJSI) in 1999. Though these international bodies do not have a meaningful presence in Nigeria, the late Uche Chukwumerije sponsored a bill entitled: "A Bill for an Act to provide for the Establishment of the Corporate Social Responsibility Commission". The Bill sought to establish the Corporate Social Reasonability Commission as a supervisory body that would be responsible for the control and regulation of the Corporate Companies' activities in Nigeria. The Corporate Social Reasonability (CSR) Bill proposed that all business organizations undertake CSR activities utilizing not less than 3.5% of their gross annual profit. This practice in India stipulated 2% as CSR and 1.5% in Eastern Europe. Similarly, another good attempt on such regulation was the Nigerian Oil and Gas



Industry Content Act, 2010. These regulatory laws urged the accountability of corporate organizations to their labour force, investors, consumers, host communities, and sanctions for defaulting companies and incentives for companies who complied with the regulations.

The roles of the Commission in Nigeria include the following:

- Develop policies to encourage corporate organizations to undertake community developmental tasks.
- Publish annual report on the social and environmental impact of organizations.
- Ensure that companies sponsor cultural and educational activities, accountable to their employees and their trade unions, investors, consumers, host communities e.t.c.
- Engage in research and development
- Encourage government impact in local communities. This prompted the government to establish the Niger Delta Development Commission (NDDC) and recently the Niger Delta Ministry.

Unfortunately, a glaring example of the effects of poor Corporate Social Responsibility is the rate of employee turnover in Nigeria. Unquestionably, employees are the most valuable asset of a Corporate Company<sup>xiv</sup> and the ability to retain them shows a successful business organization. It is obvious that socially responsible organizations do not have high rate of employee turnover. Hence a responsible organization cares much on the employee's condition of service. It is logically sound that a good and favourable condition of service improves job attitudes of employees and work performance. Besides the oil companies, communication companies and few other companies in Nigeria, most other companies do not have strong and encouraging condition of service for their employees hence leading to high rate of employee turnover. Therefore, this paper is a clarion call on all companies to imitate Google Inc's slogan which is summed up with the words, 'Don't be evil' to your host and employees<sup>xv</sup>.

In spite of the dogged efforts of the corporate organizations towards impacting positively in the host communities and Nigeria in general, we boldly report that the packages meant for the less privileged Nigerians within and beyond the host communities of these companies



fall into the wrong hands. We suggest that these companies initiate direct link with the less privileged or the host communities in order to have a more meaningful impact in them. This is because the packages allotted for the host communities or less privileged disappear in the hands of the middle men especially the politicians and stakeholders whereas the typically poor citizens scarcely hear of these packages. For instance, Ebonyi state is the poorest state in the southeast with very many poor villages but these villages cannot boast of benefitting from these above mentioned packages.

## **CONCLUSION**

This paper has made a dogged effort towards assessing the degree of compliance to the imperatives of Corporate Social Responsibility and to suggest innovative perspectives to Corporate Social Responsibility in order to effect impactive and desired social change by Corporate Organizations in Nigeria. We have defined Corporate Social Responsibility as business self-regulation or corporate business self-regulation towards sustainable development by delivering economic, social and environmental benefits for all stakeholders or supposed beneficiaries<sup>xvi</sup>. Also, we have noted that Nigeria attracts several Corporate Companies because of the many natural resources in Nigeria. Hence Nigeria becomes the beehives of many companies such as oil and gas companies, communication companies, food and beverages companies, leather and textile companies, agro-companies, e.t.c.

This paper queried the extent to which these companies live up to their Corporate Social Responsibility in Nigeria and suggested innovative ways of improving on Corporate Social Responsibility in Nigeria. Hence the paper gave much concern to the extent these Corporate Companies contribute towards educational and social programs in Nigeria? How do they respect the land, water, air or the entire ecosystem? To what extent do they react to the detrimental effects of their companies to their host communities such as; recycling, waste management, renewable energy, reusable materials, challenges of irrigation, oil spillage, water pollution, chemical effects from factories, mining companies, agriculture and fishing<sup>xvii</sup>, e.t.c. In the same vein, the paper encouraged the Companies on some community developmental engagements such as raising money for local charities, building schools for



rural settlers, medical services, supporting local economic growth and ethical responsibility.<sup>xviii</sup>

One of the suggested ways of ensuring that the adequate benefits get to the supposed beneficiaries is when these companies boycott the use of middlemen and develop direct link with the beneficiaries. A good approach to this matter defines a company as a corporate citizen<sup>xix</sup>. There is also a clarion call on the government to enforce the existing laws concerning Corporate Organization on regulation, taxation, management of resources, create enabling environment to investors by providing security, basic infrastructures: good roads, energy, social services e.t.c.

In conclusion, it is obvious that corporate business activities and social environmental benefit are inextricable and positively co-relational. Thus an organization ought to direct its operations and policies in ways that are mutually beneficial to the host communities and taking responsibility for its impact on society or their activities on the environment, consumers, employees, communities, stakeholders and the public. It is only by so doing that the organization secures 'social licence' whereas social licence implies a local community's acceptance and approval of a company. This is aided through effective communication, meaningful dialogue and ethical responsibility. Hence all Corporate Organizations are called to anchor their business activities on the triple interest-base and orientation of Corporate Social Responsibility: People, Planet and Profit. Therefore as already stated, just as the three-legged stool cannot stand on one or two of the legs rather on the three legs so is the success of corporate organizations dependent on the mutuality of people, planet and profit orientedness.



## END NOTES

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