

## **EXTENT OF IMPLEMENTATION OF CORPORATE SOCIAL RESPONSIBILITIES BY SELECTED BUSINESS ORGANIZATIONS IN ANAMBRA STATE**

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### **Abstract**

Businesses are expected to provide value not only to the corporate shareholders but also to the non-corporate shareholders and the society at large. These values are regarded as corporate social responsibilities. The study determined the extent of implementation of corporate social responsibilities by selected business organizations in Anambra State. Two research questions and two null hypotheses guided the study. Descriptive survey research design was adopted. The population for this study consisted of 158 managers and 3450 employees of selected organizations (banks, pharmaceutical companies, and 311 telecommunication companies). A sample size of 471 was selected. A structured questionnaire, validated by three experts was used for data collection. Cronbach alpha was used to measure the internal consistency which yielded an overall reliability coefficient of 0.79. Mean and standard deviation were used to answer the research questions and a t-test was used for testing the null hypotheses at 0.05 level of significance. The study revealed that business organizations implement environmental corporate social responsibilities at a low extent and implement philanthropic corporate social responsibilities at a high extent in Anambra State. Further, managers and employees do not significantly differ in their opinion on the extent business organizations implement philanthropic and environmental corporate social responsibilities in Anambra State. It was recommended that Business Organizations in Anambra State should intensify efforts to incorporate more vibrant forms of environmental corporate social responsibilities such as planting trees in strategic places, using alternative sources of fuel that are less pollutant, and promoting the use of recycled materials in the state.

**Keywords.** Corporate social responsibilities, environmental corporate social responsibilities, philanthropic corporate social responsibilities.

### **Introduction**

The objective of a business organization is to return profit to capital owners or shareholders. However, the effects of industrialization such as pollution, health hazards, environmental degradation, and forest depletion among others have compelled business organizations to be responsible to non-corporate shareholders such as employees, customers, the local community, local and national governments, and other special interest groups in the society. This situation, according to Blowfield and Murray (2014) demands that business organizations, irrespective of their size should provide tangible and non-tangible values that can benefit both corporate and non-corporate shareholders in the long run. The creation of business values and societal responsibilities by business organizations is called corporate social responsibility (Carroll & Buchholtz, 2014)

Corporate social responsibility (CSR) is the organizational behaviour of business organizations geared towards providing programmes with social impact that can promote the development of sustainable societies. The European Commission (2016) defined corporate social responsibility as the continuing commitment by business organizations to behaving ethically and building goodwill while improving the quality of life of their workforce, their families, the local community, and society at large. One can infer that corporate social responsibility places the image and activities of business organizations in a positive light among members of the public. Corporate social responsibility is a channel through which business organizations make contributions to the society in which they operate. Holistically, Carroll (2016) describes CSR as the fulfillment of economic, legal, ethical, environmental, and philanthropic responsibilities by business organizations to improve the quality of life of the workforce, their families as well as the local business communities and society at large. In the light of the study, the corporate social responsibilities of business organizations that will be considered are environmental and philanthropic responsibilities. These aspects of CSR will be taken into consideration because they are the responsibilities that facilitate the partnerships between business organizations and members of society.

Environmental responsibilities encompass the management of critical environmental indicators such as the reduction and recycling of resources, reduction of gas emissions, and industrial waste among many others by business organizations (Sharma, 2017). A responsible business organization cannot ignore the problems of the environment in which it operates. Environmental responsibilities are a series of commitments made by business organizations as green business practices that improve the safety of the natural environment. According to Okonkwo (2014), environmental responsibilities are environmental management practices used by business organizations to create a safe environment and preserve the environment from damage. Environmental responsibilities of corporate social responsibility entail sound environmental behaviours in the handling of raw materials, the transformation process of raw materials into finished products, and procurement of by-products without posing health or safety hazards to the environment and lives of individuals (Amin-Chaudhry, 2016). The reduction of carbon emission practices and recycling of waste materials that promote a clean and pollution-free environment constitutes the implementation of environmental responsibilities by business organizations.

Ideally, environmental responsibilities focus on environmental safety but philanthropic responsibility is anchored on fostering environment friendliness with members of the community where business organizations are sited. Philanthropic responsibilities reflect the common desire to see businesses get actively involved in the betterment of society. Here, business organizations must donate financial resources and supportive gestures to the host community where they are operating. Arnold and Valentin (2013) averred that philanthropic responsibilities are externally oriented corporate social responsibilities that show how business organizations are committed to the development of the local communities. Philanthropic responsibilities are charitable initiatives designed to increase loyalty levels among employees and customers (Ahamad & Al-Amri, 2013). Philanthropic responsibility is community relationship-building programmes such as the construction of roads, hospitals, and schools as well as the provision of free education and creation of job opportunities for citizens of the host communities by business organizations to prevent the occurrence of conflicts and disputes that can interfere with the operations of the business in the local communities.

From the aforementioned descriptions, corporate social responsibility is a win-win public relations strategy that portrays business organizations as responsible organizations that are after the

long-term survival of their business interests and the health of the communities in which they are situated. Over the years, local communities in Anambra State have grown to become hubs of economic and entrepreneurial activities. From the siting of manufacturing and industrial organizations in Onitsha and Nnewi to the establishment of national and international service companies in Awka and Ogidi will allude to the fact that Anambra State is an oasis of commercialization and industrialization. It is therefore not surprising to notice that breweries and bottling organizations, food supply chain enterprises, vegetable oil processing and refining firms, feed milling plants, plastic and furniture making factories as well as banking, pharmaceutical manufacturing, and automobile industries are located in different communities in Anambra State.

In moving forward, the pharmaceutical, banking, and telecommunication industries are the focus of this study because they are highly patronized by the indigenous of Anambra State. Since they make more money for the society, the study will like to know what they are contributing to the society. The implementation of CSR in the pharmaceutical, banking, and telecommunication industries is collectively carried out by managers and employees. Managers and employees of selected pharmaceutical companies, banks, and telecommunication companies in Anambra State will be used for the study. Managers are used for the study because they are in charge of formulating the framework for corporate social responsibilities that can meet the interest of all stakeholders associated with business organizations while employees will provide a good indirect perspective on the actual extent of implementation of corporate social responsibilities at the various business organizations. Against this backdrop, the study sought to ascertain the extent of implementation of corporate social responsibilities by selected business organizations in Anambra State.

### **Statement of the Problem**

With the increasing number of pharmaceutical and telecommunication firms as well as banks located in Anambra State, it is expected that they would naturally have some operational impact on their host communities such as fighting for human rights of disadvantaged persons in the society, environmental protection by reducing land and air pollution, fixing land degradation, providing full educational scholarships to the children of the immediate environment and constant employment of employees/staff from the immediate environment and organizing poverty eradication programme to showcase as evidence of corporate social responsibilities. So much literature has been generated in the area of CSR of multinational oil companies operating in Nigeria but literature scarcely addressed pharmaceutical companies and banks in Anambra State. The problem of this study is that the extent to which business organizations, particularly pharmaceutical and telecommunication firms as well as banks have performed its corporate social responsibility in environmental responsibilities and philanthropic responsibilities in Anambra State is not known. This is what necessitated the study to ascertain the extent to which corporate social responsibilities have been implemented by selected business organizations in Anambra State.

### **Research Questions**

The following research question guided the study:

1. What is the extent of implementation of environmental corporate social responsibilities by business organizations in Anambra State?
2. What is the extent of implementation of philanthropic corporate social responsibilities by business organizations in Anambra State?

### **Hypotheses**

The following null hypotheses were tested at 0.05 level of significance:

1. There is no significant difference in the mean ratings of managers and employees of selected business organizations on the extent of implementation of environmental corporate social responsibilities in Anambra State.
2. There is no significant difference in the mean ratings of managers and employees of selected business organizations on the extent of implementation of philanthropic corporate social responsibilities in Anambra State.

### **Methods**

Descriptive survey research design was employed for this study because the design makes it possible for the researchers to collect the opinions or perceptions from a sample of managers and employees on the extent of implementation of corporate social responsibilities by business organizations. The population for this study was 3608, which was made up of 158 (135 bank managers, 11 managers of pharmaceutical companies and 12 managers of telecommunication companies) and 3450 (2295 bank employees, 844 pharmaceutical companies' employees and 311 telecommunication companies' employees) of the selected banks and pharmaceutical companies operating in Anambra State. The selected banks are First Bank of Nigeria, Zenith Bank, Guaranty Trust Bank, United Bank for Africa and Access Bank, and the pharmaceutical companies are Guaze Pharmaceuticals and Laboratory, Nigeria Limited, Juhel Nigeria Limited, Nature and Nurture Industries Limited, Chazmax Pharmaceutical Industries Limited and EV Lifetime Pharmaceutical, Nigeria Limited while the telecommunication companies are MTN, Globacom, Airtel and 9mobile. A sample size of 471 (113 managers and 358 employees) of selected bank, pharmaceutical companies and telecommunication companies operating in Anambra State was selected for the study using simple random sampling technique. Simple random sampling technique was used to draw up the sample size using Taro Yamane sampling method.

A structured and validated questionnaire containing 24 items on a five-point rating scale of Very High Extent (VHE), High Extent (HE), Moderate Extent (ME), Low Extent (LE) and Very Low Extent (VLE) was used for data collection. The reliability of the instrument was determined through a pilot test. Copies of the instrument were administered to 20 managers and employees in bank and pharmaceutical companies in Enugu State who were not part of the research population. Cronbach alpha was used to measure the internal consistency which yielded reliability co-efficient of 0.81 and 0.78 for the scales that measure environmental and philanthropic responsibilities respectively. The researchers together with four research assistants used administered copies of the questionnaire to the respondents in their offices. Out of the 471 copies of the questionnaire administered, only 445 copies (representing 94 percent) were successfully retrieved and used for data analysis.

Mean and standard deviation were used to answer the research questions and determine the homogeneity or otherwise of the respondents' views. Decisions on the research questions were based on the grand mean in relations to the real limits of numbers. Therefore, items with mean ratings of 1.00 - 1.49 are rated Very Low Extent, those with 1.50 - 2.49 are Low Extent, items with mean ratings of 2.50 - 3.49 are rated Moderate Extent, those with 3.50 - 4.49 are rated High Extent and items with mean ratings of 4.50 - 5.00 are rated Very High Extent. Inferential statistics of the t-test was used to test the null hypotheses at 0.05 level of significance. A hypothesis was accepted where

the p-value is greater than the alpha level of 0.05 ( $p > 0.05$ ), at an appropriate degree of freedom; otherwise, the null hypothesis was rejected.

**Results**

The results of the study are presented and analyzed in the following tables.

**Research Question 1:** To what extent do business organizations implement environmental corporate social responsibilities in Anambra State?

**Table 1**

Mean ratings on extent business organizations implement environmental corporate social responsibilities

S/N	To what extent do your business organisations?	$\bar{X}$	SD	Remarks
1	Participates in planting trees in strategic places in the society?	1.27	.36	Very Low Extent
2	Contributes to waste management like providing refuse disposal bins in strategic places in the society?	2.11	.53	Low Extent
3	Encourages paper-less practices in the organization?	2.27	.29	Low Extent
4	Promotes the use of recycled materials in the society?	1.36	.41	Very Low Extent
5	Participates in environmental clean-up in the society?	4.42	.58	High Extent
6	Modify their production processes to emit less waste?	2.19	.70	Low Extent
7	Employs energy efficient devices that are more environmentally friendly?	4.23	.62	High Extent
8	Uses low emission equipment in the organization?	3.08	.44	Moderate Extent
9	Uses biomass energy in their production processes?	2.15	.59	Low Extent
10	Uses alternative sources of fuel that are less pollutant?	1.22	.71	Very Low Extent

Data in Table 1 show that three out of the 10 listed environmental corporate social responsibilities with mean ratings ranging from 1.22 to 1.36 were implemented at a very low extent by respondents and four of them with mean ratings ranging from 2.15 to 2.27 were implemented at a low extent. Two of the environmental corporate social responsibilities with mean ratings of 4.23 and 4.42 were implemented at a high extent while one of them with mean rating of 3.08 was implemented at a moderate extent. The cluster mean of 2.43 indicates that business organizations implement environmental corporate social responsibilities at a low extent in Anambra State. The standard deviations for the items are within the same range which shows that the respondents are homogeneous in their opinions.

**Research Question 2.** What is the extent of implementation of philanthropic corporate social responsibilities by business organizations in Anambra State?

Data relating to this research question were analyzed and presented in Table 2.

**Table 2**

Mean ratings on extent of implementation of philanthropic corporate social responsibilities

S/N	To what extent do your business organisations?	$\bar{X}$	SD	Remarks
11	Allows students from the host community to do their internship in their organization?	4.29	.42	High Extent

12	Offers free medical care for employees?	4.06	.65	High Extent
13	Provides free medical care for employees' family members?	4.28	.79	High Extent
14	Supports in creating good roads network in the community?	2.20	.50	Low Extent
15	Supports in building classrooms for schools in the community?	3.14	.61	Moderate Extent
16	Supports in building markets in the community?	2.27	.76	Low Extent
17	Provides financial assistance to communities during times of natural disaster?	3.29	.41	Moderate Extent
18	Sponsors sports activities in the community?	4.40	.72	High Extent
19	Supports in providing health care facilities in the community?	3.33	.58	Moderate Extent
20	Awards scholarships to indigenes of the community?	4.46	.86	High Extent
21	Supports in providing health care drugs in the community?	3.48	.49	Moderate Extent
22	Supports in building recreational centres in the community?	2.37	.76	Low Extent
23	Contributes in the supply of clean water in the community?	4.43	.42	High Extent
24	Supports cultural events in the community?	4.79	.60	Very High Extent

Data in Table 2 show that one out of the 14 listed philanthropic corporate social responsibilities with mean rating of 4.79 was implemented at a very high extent by respondents and six of them with mean ratings ranging from 4.06 to 4.46 were implemented at a high extent. Four of the philanthropic corporate social responsibilities with mean ratings ranging from 3.14 to 3.48 were implemented at a moderate extent while three of them with mean ratings ranging from 2.20 to 2.37 were implemented at a low extent. The cluster mean of 3.61 indicates that business organizations implement philanthropic corporate social responsibilities at a high extent in Anambra State. The standard deviations for the items are within the same range which shows that the respondents are homogeneous in their opinions.

**Hypothesis 1:** There is no significant difference in the mean ratings of managers and employees of selected business organizations in (pharmaceutical industry, banking industry and telecommunication industry) on the extent of implementation of environmental corporate social responsibilities in Anambra State.

**Table 3.**

The t-test between the mean ratings of managers and employees on the extent of implementation of environmental corporate social responsibilities

Variable	N	$\bar{x}$	SD	df	t-value	p-value	Decision
Managers	98	59.64	4.10	443	0.09	0.42	Not Significant
Employees	347	41.68	3.93				

Table 3 shows that there is no significant difference in the mean ratings of managers and employees on the extent business organizations implement environmental corporate social responsibilities in Anambra State. This is shown by the p-value of 0.42, which is greater than the significance level of 0.05. The null hypothesis of no significant difference between the two groups is therefore accepted

**Hypothesis 2:** There is no significant difference in the mean ratings of managers and employees of selected business organizations in (pharmaceutical industry, banking industry and telecommunication industry) on the extent of implementation of philanthropic corporate social responsibilities in Anambra State.

**Table 4**

The t-test between the mean ratings of managers and employees on the extent of implementation of philanthropic corporate social responsibilities

Variable	N	$\bar{x}$	SD	df	t-value	p-value	Decision
Managers	98	70.08	6.23	443	0.46	0.11	Not Significant
Employees	347	66.45	5.15				

Table 4 shows that there is no significant difference in the mean ratings of managers and employees on the extent business organizations implement philanthropic corporate social responsibilities in Anambra State. This is shown by the p-value of 0.11, which is greater than the significance level of 0.05. The null hypothesis of no significant difference between the two groups is therefore accepted.

### Discussion of Findings

The findings of the study showed that business organizations implement environmental corporate social responsibilities at a low extent in Anambra State. This means that environmental corporate social responsibilities such as participating in planting trees in strategic places in the society, using alternative sources of fuel that are less pollutant, promoting the use of recycled materials in the society, encouraging paper-less practices in the organization and contributing to waste management like providing refuse disposal bins in strategic places in the society were poorly implemented by business organizations in Anambra State. This supports the earlier findings of Idowu (2014) that business organizations in Nigeria commitment to environmental corporate social responsibilities is relatively low despite the huge profits they made in the society. The researcher is of the opinion that business organizations in Anambra State are paying lip service to environmental corporate social responsibility because members of host communities are not putting reasonable pressures on business organizations to take their environmental corporate social responsibilities very serious.

Furthermore, the study discovered that there is no significant difference in the mean ratings of managers and employees on the extent business organizations implement environmental corporate social responsibilities in Anambra State. This means that both managers and employees were in agreement to the unpleasant state of implementation of environmental corporate social responsibilities by business organizations in Anambra State. Supporting this finding, Kung'u (2021) discovered that business organizations pay little attention to environmental corporate social responsibilities because

they are not considered as major components of business strategy that can increase the value of the companies. A possible explanation for the non-significant difference among managers and employees on the low extent of implementation of environmental corporate social responsibilities by selected business organizations in Anambra State could be attributed to the absence of a uniformed environmental corporate social responsibility that must be adhere to by business organizations in the State.

The outcome of the study disclosed that business organizations implement philanthropic corporate social responsibilities at a high extent in Anambra State. This means that philanthropic corporate social responsibilities such as allowing students from the host community to do their internship in their organization, offering free medical care for employees, providing free medical care for employees' family members, contributing in the supply of clean water in the community and supporting cultural events in the community among others were highly implemented by business organizations in Anambra State. This finding is in agreement with Ogunsanwo and Ajayi (2018) which reported that business organizations are highly involved in philanthropic corporate social responsibilities in Nigeria. The researcher believed that business organizations implement philanthropic corporate social responsibilities at a high extent in Anambra State because they attract goodwill from society and sustainable long-term demand for their products. The findings also corroborate with Ukwueze and Okechukwu (2020) who reported that business organizations in Nigeria largely prioritize philanthropic corporate social responsibilities because they are considered as major components of the business competitive strategy that can influence customer's patronage. On the contrary, Ovbiagele (2019) reported that business organizations in Nigeria executed philanthropic corporate social responsibilities to a low extent. However, the difference between the findings of the current study and the recent study of Ovbiagele (2019) could be due to differences in location and population.

Also, the study discovered that there is no significant difference in the mean ratings of managers and employees on the extent business organizations implement philanthropic corporate social responsibilities in Anambra State. This means that managers and employees of business organizations did not differ on the extent of implementation of philanthropic corporate social responsibilities in Anambra State. This finding agrees with Kariuki (2021) who reported that business organizations in Nigeria executed philanthropic corporate social responsibilities in order to improve the quality of life of host communities. It is therefore not out of place to assert that philanthropic corporate social responsibilities greatly improve the image, reputation, product rating, and customer choice of products of business organization. Hence, the agreement among managers and employees on the high extent of implementation of philanthropic corporate social responsibilities by selected business organizations in Anambra State

### **Conclusion**

The implementation of corporate social responsibility by business organizations must have constructive influences on communities, cultures, societies, and environment in which they are domiciled. From the findings of the study, the study concluded that business organizations in Anambra State implemented philanthropic corporate social responsibilities to high extent but implemented environmental corporate social responsibilities to a low extent.

### **Recommendation**

Based on the findings of the study, the following recommendations were made.



- 1) Management should create a department within their business organizations that will be responsible for comprehensive implementation of corporate social responsibilities in order to facilitate the overall economic growth and development of host communities. This would go long a way in boosting the image of organizations by giving them an edge over other companies
- 2) Management should also intensify efforts to incorporate more vibrant forms of environmental corporate social responsibilities such as planting of trees in strategic places in the society, using alternative sources of fuel that are less pollutant and promoting the use of recycled materials in the society. This would a long way in reducing cases of environmental pollution, production and marketing of substandard products that are harmful to human health
- 3) Government should fix a minimum percentage of profit that business organizations must expend on corporate social responsibility activities in order to touch lives and improve the quality of life in host communities. This would go a long way in reducing the negative impacts of their organizational activities on the society.
- 4) It is recommended that while the volumes of philanthropic corporate social responsibilities volumes by business organizations in Anambra State is desirable, they should close ranks and forge common attention to address certain philanthropic corporate social responsibility areas, especially on building classrooms, markets and recreational centres in the community

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