AN ASSESSMENT OF THE IMPACT OF WEALTH MAXIMIZATION GOAL OF BUSINESS ON CORPORATE SOCIAL RESPONSIBILITY IN NIGERIA

BY

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DECLARATION

I declare that the work in the project entitled “An Assessment Of The Impact Of The Wealth Maximization Goal Of Business On Corporate Social Responsibility In Nigeria” has been performed by me in the Department of Business Administration. The information derived from the literature has been duly acknowledged in the text and a list of references provided. No part of this project was previously presented for another degree or diploma at any university.

Name of Student	Signature	Date

CERTIFICATION

This is to certify that this project titled "An Assessment Of The Impact Of The Wealth Maximization Goal Of Business On Corporate Social Responsibility In Nigeria" written by ABOLAJI, Ola Timothy meets the regulations governing the award of the degree of Master of Business Administration (MBA) of Ahmadu Bello University, Zaria and it is therefore approved for its contributions to knowledge and literacy presentation.

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DEDICATION

I humbly dedicate this project to the name of Jesus Christ my Savior and Redeemer. All glory to His Holy name.

ACKNOWLEDGEMENT

From the dept of my heart I acknowledge and appreciate the magnitude of sacrifices and commitment donated by many. The list that follows is in no way exhaustive but represents those who supported me during the research work.

With total submission and a deep sense of meekness and thanksgiving, I ascribe all glory and honor to the Lord Almighty for His indefatigable love especially for me through out my course of studies and beyond.

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With distinguished sensation, I am bound to OLUWASHOLA Gloria Matthew, it easier said than done, but...I confess my true submission. To her sincere friend and roommate; Miss Tayo Olaniyi (Ty), thanks for being real good.

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ABSTRACT

The project is an exposition towards determining the impact of business goal on the exercise of business' social responsibility. The research was conducted by the analysis of field data collected through questionnaires, interviews, personal observation and by a critical review of related literatures. Data were collected from at least two businesses in three sectors across the Nigerian economy covering the range of year 2005-2007, data presentation and interpretation is by simple tables and percentages and hypotheses was tested using Chi-Square statistical technique at 95% level of significance. The study established that over 70% of businesses that engage in social responsibility do that in pursuance of business' wealth maximization. In other words, business' practice of social responsibility is a product of the wealth maximization goal. The study therefore, concludes that wealth maximization goal of business is in accord with corporate social responsibility. Hence, it is recommended that business willful of maximizing its wealth should dedicate adequate/commensurate amount of attention and resources to social responsibility.

CHAPTER ONE
INTRODUCTION

1:1 Background to the Study

It is an axiom world over that every organization irrespective of their type, size and ownership structure have specific reasons for their existence; a well defined intention that inform their subsistence. For a business entity or firm, it is popularly one of profit maximization or wealth maximization. The profit maximization objective of a business firm has been widely criticized. It is contented according to Pandy (2006) that profit maximization objective assumes a situation of a perfect competition, and in the face of imperfect modern market, it cannot be a legitimate goal of a business. Further still, it is argued that the profit maximization as a business objective came into existence when business ownership structure were mostly self financing, private property and single entrepreneurship. The singular/common purpose of the owner is therefore, to increase personal wealth and influence, which could easily be satisfied by the profit maximization goal. Contrarily, the modern day business entity is characterized by divorce or distinction between the owners (shareholders) and management (agent) consequently, the firm's activities can not be enhanced without the input of all other important stakeholders; Googins (2003) assert that "...*profit ability (of a firm/business) is dependent on the stakeholders' trust*". In modern day business therefore, profit maximization is regarded as unworkable, inappropriate, hazy and dissolute.

The wealth maximization goal on the other hand is described by VanHorne et'al (2005) and Pandy (2006) to imply making a reasonably adequate return for investors. It implies that managers must take minimal and manageable risk, maximize market price per share (which represents the gauge for measuring business performance), pay adequate dividend taking into account present and expected dividend per share, duration and prominently, it has regard for the time value of money. Simply put, shareholder's wealth maximization goal means maximizing the Net Present Value (NPV) of a cause of action for shareholders. This is widely accepted as appropriate and operationally feasible criterion because, it presents an unequivocal definition and measure of what management (agents) should seek to maximize in making investment and decision on behalf of shareholders (owners).

The purpose of a firm is usually implanted in a Vision (an imaginary desired future state), the vision is then translated into a mission statement which defines in broad terms the scope of operation of a firm as well as how the organization is set out to actualizing it vision, the mission is further reduced into a more measurable and tangible goal, such goals are further broken into specific targets and objectives as well as strategies of action. All these are embedded in a document commonly referred to as the pyramid of purpose.

The establishment of the pyramid of purpose ab-initio is to achieve congruence and coordination of all organizational efforts, all organizational members, from top management to the least employee must have adequate knowledge of the vision, mission, goals, target and objective as well as strategies for action so that every action is towards achieving the ultimate purpose of the firm continually.

Since business wealth maximization assumes the central purpose; the question that comes to mind is: how relevant is the much-advocated corporate social responsibility? Is it a stalking horse for an anti-corporate agenda? Something which, like original sin, you can never escape? This study seeks to proffer answers to these and many other questions.

1:2 Statement of the Problem

Over the years, there has been significant growth in the quest for increase in business' social responsibility from almost every block of business stakeholders (customers, shareholders, employees, communities and environment, government etc) but, the quandary lies in the fact that most major players cannot actually juxtapose the business wealth maximization objective which is indispensably central with business' social responsibility hence, the need to determine the actual impact of business' goal on social responsibility.

While a group of analyst believe that business' practice of social responsibility upholds it primary interest (wealth maximization), another group of analysts see social responsibility as purely inimical to business wealth maximization goal thus,

a wasteful adventure. The nucleus of the research is therefore to determine the impact of business wealth maximization goal on corporate social responsibility thereby establishing its relevance or otherwise in the pursuit of business' central objective.

1:3 Research Questions

In an attempt to dislodge ambiguity, the research problem has been reduced to the following questions to which the study seeks to proffer answers.

1. Why do business organizations get involved in corporate social responsibility?
2. How does the passion of management to achieve business wealth maximization aid or abate business' involvement in corporate social responsibility.
3. What are the criteria for selecting an area of involvement in corporate social responsibility?
4. What impact has the act of corporate social responsibility of business on the profit and image of business firms?
5. What is the impact of corporate social responsibility of business firms on the welfare of Nigerians?

1:4 Objectives of the Study

The study aims at achieving the following objectives:

a. To critically assess the impact of wealth maximization goal of business on the practice of corporate social responsibility with the view of establishing

its true position i.e. a multiplier/sustainer of shareholders' wealth or a cankerworm that eats what should be the returns of owners.

b. To find out and establish the true rationale for business involvement in corporate social responsibility in Nigeria.
c. To scrutinize the business' criteria for choosing an area of involvement in corporate social responsibility.
d. To find out the effect(s) of corporate social responsibility on the welfare of the host community.

1:5 Basic Research Assumptions

The basic assumption in this study is that the principal purpose of a business is wealth maximization. It is also assumed that the management will only embark on projects that have the tendency to increase business wealth. i.e. positive Net Present Value (NPV).

1:6 Statements of Hypotheses

In order to achieve the objectives of this study, the following hypotheses have been formulated for testing.

1. Business involvement in corporate social responsibility is not guided significantly by the commitment to maximize wealth continually.

2. Business firms are not guided significantly by long term economic benefits and stakeholders' area of needs in selecting an area of involvement in corporate social responsibility.

3. Corporate social responsibility does not have any significant positive impact on the Nigerian populace.

1:7 Significance of the Study

The knowledge of a specific goal is not less important than the knowledge of how such goal can be attained. It is not good enough to establish a goal without adequate and concise determination of the necessary causes of action involved to achieve the goal.

This study stands to determine and establish the true position of corporate social responsibility with regards to the goal of the firm: wealth maximization thereby further edifying the managers on the impact of wealth maximization goal on the practice of corporate social responsibility.

The investing public on the other hand stands to understand further what corporate social responsibility truly is and how it is affected by the wealth maximization pursuit. Other interested parties will also receive a boost of understanding on this dicey issue. To the academic community, the conclusion and recommendations settles the conflicts of views and can be reviewed when further studies is to be conducted on the subject matter.

1:8 Scope of the Study

To avoid or at least significantly reduce undue criticism, misconceptions and misguided generalizations, it is critical to state that the entire study and

conclusions herein are drawn based on the information gathered from the organizations selected as area of focus which are: First Bank of Nigeria Plc., Unilever Nigeria Plc., PetersoniZachonis Cussons Nigeria Plc., Mobile Telecommunication Network Nigeria (MTN), Intercontinental Bank Plc. and some of the professed beneficiaries of business act of social responsibility. In addition, the period under consideration is year 2005-2007 and only issues related to business' social responsibility was covered, its generalizations and authenticity are so guided.

1:9 Limitations of the Study

It is important to acknowledge inadequacies and imperfections that have invariably affected the substance of the research. This limitation is often attributed to some constraining factors over which the researcher has no complete jurisdiction. The resulting effect is the researcher's inability to study all the members of the study population such that is required to arrive at the most reliable conclusion, the researcher has however, resulted to the use of a sample which is believed to be a good representation of the entire population of study and is therefore treated as such.

1:10 Definition of Terms

Corporate Social Responsibility (CSR): is defined as a continuing commitment of business to behave in a manner considered ethical and to manage the business processes to produce an overall positive impact on the entire stakeholders (customers, employees, society, suppliers, shareholders and the

community etc.) in other words, it can be defined as a philosophy of doing business which results in a fair treatment of business' stakeholders. It should be noted that corporate social responsibility does not mean hostility for profitability, after all, without profitability, the business will not be said to be fair to the shareholders.

Some indicators of the presence of CSR include:

1. Pursuing economic objectives involving:
   a. Making profit
   b. Being a going concern.
   c. Providing excellent goods and services.
   d. Creating employment opportunities.
   d. Discharging financial obligation such as paying suppliers timely, paying creditors timely, and paying employees timely and fairly.
2. Declaring and paying fair dividend to shareholders.
3. Respecting and operating within the laws of the land.
4. Concern for the environment through good management of wastes and emissions especially when they are dangerous to human health and/or have negative impact on the fauna and flora.
5. Contributing to the solving of social problems and involvement in the community.
6. Treating its stakeholders fairly.

Wealth Maximization Goal of Business: means making a reasonably adequate return for investors (shareholders). It also imply taking manageable risk, maximizing market price of stock and paying fair (reasonable) dividend to shareholders considering present and expected value of dividend per unit of stock.

CHAPTER TWO
LITERATURE REVIEW

2:1 Introduction

This chapter is devoted to the review of literatures related to corporate social responsibility, the definitions as given by different schools of thoughts, the concept of enlightened self interest, approaches to corporate social responsibility, the organizational stakeholders' theory, the criticisms against the practice of corporate social responsibility and other related issues.

2:2 Definitions of Corporate Social Responsibility (CSR)

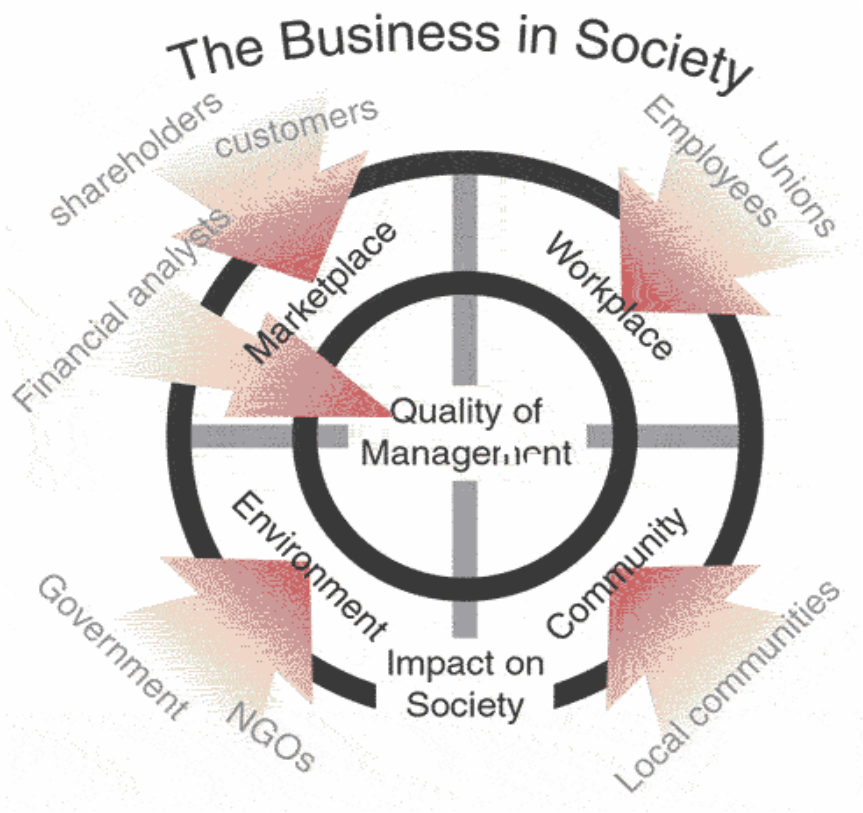
The concept of social corporate responsibility is not new; Koontz et'al (1998) confirms that the idea was already considered in the early part of the twentieth century. Although, the modern discussion of corporate social responsibility got a major impetus with the book *"Social Responsiveness of Business Man"* by Howard R. Bowen, who suggested that business should consider the social implication of their decisions. As might be expected, there is no complete agreement on the definition, in fact, there are tussles here and there on what actually constitute the corporate social responsibility of a firm, scholars and practitioners view it differently and that has resulted in miscellaneous definitions happily however, they have not prevented, at least not significantly, convergence of opinions as to what centrally and universally constitute the main focus/charge and concern of corporate social responsibility.

Koontz et'al (1998) says: *"Corporate Social Responsibility is seriously considering the impact of the company's actions on society"*.

The above definition implies that corporate social responsibility concern or views *"seriously"* the outcome of management's action/decision on the society. This can be juxtaposed with a definition by Mallen Baker (2007), which says: *"Corporate Social Responsibility is about how companies manage the business processes to produce an overall positive impact on society"*

This is illustrated in the following diagram:

Figure 2:1



Source: Mallen Baker, 2007

According to Baker (2007), companies need to answer to two aspects of their operations.

1. The quality of their management - both in terms of people and processes (the inner circle).
2. The nature and quantity of their impact on society in the various areas.

He asserts that outside stakeholders are taking an increasing interest in the activity of the company. Most look to the outer circle - what the company has actually done; good or bad, in terms of its products and services, in terms of its impact on the environment and on local communities, or in how it treats and develops its workforce. Out of the various stakeholders, it is financial analysts who are predominantly focused - as well as past financial performance - on quality of management as an indicator of likely future performance.

A careful observation of both definitions shows that corporate social responsibility is a company's commitment to the wellbeing of the society, what happens then to the other stakeholders such as customers, supplies, government etc? The following definitions appear to be more comprehensive.

a. *"Corporate Social Responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large"* (World Business Council for Sustainable Development, 2000).
b. *"Corporate Responsibility is about ensuring that organizations manage their businesses to make a positive impact on society and the environment*

whilst maximizing value for their shareholders." (Institute of Chartered Accountants in England & Wales, 2001).

From the above definitions, what is central about the phenomenon of corporate social responsibility is that the diverse interests of all stakeholders are put into consideration whilst the primary interests or goal of the firm is unaffected.

Seemingly different is the view of Friedman (1962) which says:

"There is one and only one social responsibility of business-to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud."

Friedman's definition implies that every activity or action of management must be economically driven, no "free lunch".

Further still, the report of World Business Council for Sustainable Development (WBCSD, 2000) highlighted some evidences of the different perceptions of what corporate social responsibility means from a number of different societies across the world. Definitions as different as *"corporate social responsibility is about capacity building for sustainable livelihoods, it respects cultural differences and finds the business opportunities in building the skills of employees, the community and the government"* (from Ghana) through to *"corporate social responsibility is about business giving back to society"* (from the Phillipines).

Traditionally in the United States, corporate social responsibility has been defined much more in terms of a philanthropic model; companies make profits, unhindered except by fulfilling their duty to pay taxes, then they donate a certain share of the profits to charitable causes. It is seen as tainting the act for the company to receive any benefit from the giving.

The European model is much more focused on operating the core business in a socially responsible way, complemented by investment in communities for solid business case reasons. Baker (2007) agrees much more with this model because according to him:

1. Social responsibility becomes an integral part of the wealth creation process - which if managed properly should enhance the competitiveness of business and maximize the value of wealth creation to society.
2. When times get hard, there is the incentive to practice corporate social responsibility more and better - if it is a philanthropic exercise which is peripheral to the main business, it will always be the first thing to go when push comes to shove.

But as with any process based on the collective activities of communities of human beings (as companies are) there is no *"one size fits all"*. In different countries, there will be different priorities and values that will shape how business act (Baker, 2007).

Conclusively, I see corporate social responsibility as the organizations' conscious endeavors geared towards continuous protection of the interests of all its stakeholders ethically and profitably.

It is worth mentioning that a newer concept, but still very similar and sometimes used interchangeably with social responsibility is *"social responsiveness"; it* is defined by Koontz et'al (1988) as: *"the ability of a corporation to relate its operations and policies to the social environment in ways that are mutually beneficial to the company and to society"*

2:3 Historical Context of Corporate Social Responsibility

The view that a business can have obligations that extend beyond economic roles is not new in many respects. Throughout recorded history, available literatures confirmed that the roles of organizations producing goods and services for the marketplace were frequently linked with and include political, social, and/or military roles. For example, throughout the early evolutionary stages of company development in England (where organizations such as the Hudson Bay Company and the East India Company received broad mandates), there was a public policy understanding that corporations were to help achieve societal objectives such as the exploration of colonial territory, setting up settlements, providing transportation services, developing bank and financial services, etc. During the nineteenth century, the corporation as a business form of organization evolved rapidly in the United States. It took on a commercial form that spelled out responsibilities of the Board of Directors and management to shareholders (i.e.

fiduciary duty). In this later evolutionary form, public policy frequently addressed specific social domains such as health and safety for workers, consumer protection, labour practices, environmental protection, etc. Thus, corporations responded to social responsibilities because they were obligated to be in compliance with the law and public policy. They also responded voluntarily to market demands that reflected consumer morals and social tastes.

By the mid-point of the twentieth century, corporate social responsibility was being discussed in the United States by business management experts such as Peter Drucker and been considered in business literatures. In 1970, economist Milton Friedman outlined his view that the social responsibility of corporations is to make profits within the boundaries of societal morals and laws (but cautioned that socially responsible initiatives by corporations could lead to unfocused management directions, misallocations of resources, and reduced market competition, opportunity and choice). Corporate Social Responsibility emerged and continued to be a key business management, marketing, and accounting concern in the Unites States, Europe, Canada, and other nations.

In the last decade, corporate social responsibility and related concepts such as corporate citizenship and corporate sustainability have expanded perhaps in response to new challenges such as those emanating from increased globalization on the agenda of business managers as well as for related stakeholder communities. It is now more a part of both the vocabulary and agenda of academics, professionals, non-governmental organizations, consumer groups,

employees, suppliers, shareholders, and investors. (http://strategis.ic.gc.ca/epic/) assessed Jan, 2008.

2:4 Approaches to Corporate Social Responsibility

An approach to corporate social responsibility that is becoming more widely accepted particularly in Africa is community-based development projects, such as the MTN foundation in Nigeria, the Shell foundation in Flower Valley, South Africa, here they have setup an early learning center to help educate the community's children as well as develop new skills for the adults (wikipedia.org/wiki, assessed Jan., 2008). Other examples includes the United Bank for Africa Plc (UBA Plc) foundation popularly referred to as "UBA foundation" (UBA annual report and financial statement, 2007). Mobile Telecommunication Network foundation known as MTN foundation (Daily Trust News Paper, Feb. 7, 2008) often alternative approaches to this is the provision of HIV/AIDS education programs. Majority of these corporate social responsibility projects are established in Africa. A more common approach of corporate social responsibility is through the giving of aid to local organization and impoverished communities in developing countries. Some organizations do not like this approach as it does not help build on the skills of the local people, where as community based development generally leads to more sustainable development.

2:5 The Business Case for Corporate Social Responsibility

The scale and nature of the benefits of corporate social responsibility for an organization can vary depending on the nature of the enterprise, and are difficult to

quantify, though, there is a large body of literature exhorting business to adopt measures beyond financial ones (e.g., Deming's Fourteen Points, 1993). Studies have found correlation between social/environmental performance and financial performance. However, businesses may not be looking at short-run financial returns when developing their corporate social responsibility strategy.

According to an anonymous article (http://en.wikipedia.org), the business case for corporate social responsibility within a company will likely rest on one or more of these arguments:

Human resources

A corporate social responsibility program can be seen as an aid to recruitment and retention, particularly within the competitive graduate student market. Potential recruits often ask about a firm's corporate social responsibility policy during an interview and having a comprehensive policy can give an advantage. Corporate social responsibility can also help to improve the perception of a company among its staff, particularly when staff can become involved through payroll giving, fundraising activities or community volunteering. Unfortunately, this is not applicable in the Nigerian case, the labour market is so saturated with graduates that potential recruits are desperate and does not care about the corporate social responsibility policy of the recruiting organization, after all, organizations in Nigeria see recruitment as doing the potential employee a great favour.

Risk Management

Managing risk is a central part of many corporate strategies. Reputations that take decades to build up can be ruined in hours through incidents such as corruption scandals, environmental accidents, communal or youth's unrest. These events can also draw unwanted attention from regulators, courts, governments and media. Building a genuine culture of *'doing the right thing'* within a corporation can offset these risks. A good example is the situation in the Niger-Delta area of Nigeria: communal hostility against the oil drilling companies.

Brand Differentiation

In crowded marketplaces companies strive for a unique selling proposition which can separate them from the competition in the minds of consumers. Corporate social responsibility can play a role in building customer loyalty based on distinctive ethical values. Business service organizations can benefit too from building a reputation for integrity and best practice. It is believed that People's consumption patterns are influenced by corporate social responsibility efforts, according to a survey (2004) of more than 400 *"opinion elites"* (members of the top 10 percent of society, with regard to media consumption, civic engagement, and interest in public policy issues) in 10 countries, by APCO Worldwide. Positive corporate social responsibility information has led 72% of the respondents to purchase a company's product or services and 61% to recommend the company to others. Conversely, negative corporate social responsibility news has led 60% to boycott a company's products and services.

Based on its survey, APCO suggested that companies *"shape the opinion environment"* by touting their own corporate social responsibility efforts, although *"91 percent of respondents found Corporate social responsibility more credible when verified by a third-party such as a non-governmental organization or local government."*

License to operate

Corporations are keen to avoid interference in their business through taxation or regulations. By taking substantive voluntary steps they can persuade governments and the wider public that they are taking current issues like health and safety, diversity or the environment seriously and so avoid intervention. This also applies to firms seeking to justify eye-catching profits and high levels of boardroom pay. Those operating away from their home country can make sure they stay welcome by being good corporate citizens with respect to labour standards and impacts on the environment.

These arguments may in other words be summarized in the following short sentences:

1. Stronger financial performance and profitability (e.g. through eco-efficiency),
2. Improved accountability to and assessments from the investment community,
3. Enhanced employee commitment,

4. Decreased vulnerability through stronger relationships with communities, and
5. Improved reputation and branding.

2:6 Critical Analysis

(Corporate Social Responsibility from a Business Perspective)

It is apparent that in today's business practice, corporate social responsibility is entwined in many multinational organizations' strategic planning process. The reasons or drive behind social responsibility towards human and environmental responsibility is still questionable whether based on genuine interest or have underlining ulterior motives. Corporations fundamentally are entities that are responsible for generating a product and/or service to gain profits to satisfy shareholders (Malloy, 1959). As Milton Friedman believes, there is no place for social responsibility as a business function. However a business still comprises people who posses both the humanistic and naturalistic view points. The humanistic view is that a deteriorating environment and planet is of no relevance in sustaining human life let alone a business. The naturalistic view is where we draw the line between exploiting our natural resources and destroying our fauna and flora for the sake of profiteering and sustainability (Grace and Cohen 2005). The need to create an ideal scenario that is *"pareto efficient"* may be the main reasons such mediators are there to adjudicate. Influence from the population, government and competitors are possible forces that can destabilize an organization should its motives or unethical processes become clear. Legal structures in place are created to ensure international borders are not left exposed

to multimillion dollar organizations' self interest. Stringent laws and penalties are governed by legal bodies such as the International Court of Justice that are capable of sanctioning non abiding organizations (ICJ 2007).

Corporate social responsibility has been an issue of some debate. There are some people who claim that corporate social responsibility cherry-picks the good activities a company is involved with and ignores the others thus, *'greenwashing'* their image as a socially or environmentally responsible company. There are some other people who argue that it inhibits free markets.

2:7 The Enlightened Self Interest Model

To what extent does a desire by business to act in a socially responsible way originate from genuine philanthropy intention or from enlightened self interest?

Hodgetts (1982) recorded that in the 1960s, the great affluence of the United State came with a social awakening, as many people advocated for corrective measures in the areas of equal opportunities, ecology and consumerism. Feeling that the business community had the resources and the know-how to handle problems in these areas, and convinced that many companies had contributed to the problem's existence, the public insisted that the business commit part of its efforts to social responsibility. Such action was perceived not to be in direct accord with many of the traditional objectives of business: survival, profit and growth. However, it was related by way of the doctrine of '*enlightened self interest*' which holds that *"business actually serves its own long run interest when it helps out its own community"* (Hodgetts, 1982). some stakeholders do not see any sense in this

analysis, some have bought suits against their companies contending that the contribution are in no way related to the running of the business. The courts, however have consistently ruled for the firms, holding that such donation indeed serve the interest of the company even though they seem not to provide any direct benefits.

In similar light, the New York Committee for Economic Development state that:

> *By the same logic, expenditures to help improve community, educational, health, and cultural facilities can be justified by the corporation's interest in attracting the skilled people it needs who would not move in to a substandard community. Similarly, a corporation whose operations must inevitably take place in urban areas may well be justified in investing in the rehabilitation of ghetto housing and contributing to the improvement of ghetto educational, recreational and other facilities… indeed, the corporate interest broadly defined by management can support involvement in helping to solve virtually any social problem, because people who have a good environment, education and opportunity make better employees, customers and neighbours for business than those who are poor, ignorant and oppressed.*
>
> *Source:* Research and policy Committee of the Committee for Economic Development, Social Responsibility of Business Corporations: A Statement of National Policy (New York Committee for Economic Development, June, 1971).

The doctrine of enlightened self interest extends further than merely pointing out the benefit of involvement. It is also based on the proposition that failure to assume social responsibility can jeopardize an organization's welfare.

2:8 Classical and Neo-Classical Views of Corporate Social Responsibility

The most prominent opposition to the concept of corporate social responsibility of business is Milton Friedman, the winner of the Nobel Prize in Economics in 1976. Writing about the role of business in society in his famous article written for *The*

New York Times Magazine whose title aptly summed up its main point: *"The Social Responsibility of Business is to make Profit."* Friedman maintained that the only responsibility of business is to make as much for its owners as it can. This position is based on the argument that business is an economic institution whose legitimate function is economic performance, not social activity.

> "*There is one and only one social responsibility of business*" says Friedman: "*to use its resources and energy in activities designed to increase its profits so long as it stays within the rules of the game…engage in open and free competition without deception or fraud… Few trends could so thoroughly undermine the very foundations of our free society as the acceptance by corporate officials of a social responsibility other than to make as much money for their stakeholders as possible… Can self selected individuals decide what the social interest is? Can they decide how great a burden that are justified in placing on them selves and there stockholders to serve that interest?"* (Friedman, 1962)

Managers who devote corporate resources to pursue their own, perhaps misguided notion of social good, Friedman goes on to say, are unfairly taxing their own shareholders, employees and customers. In a nutshell, Friedman submits that business should simply concentrate on the production of goods and services efficiently and blind their eyes to social problem allowing government and concerned individuals to handle. He emphasized further that business provided sufficient social benefits by creating employment and wealth (by producing goods and services), this is in conformity with Adam Smith's 1766 statement: *"It is not the benevolence of the baker or butcher that gives us dinner but their selfish interest."* This means, the effort of competing enterprise had a natural tendency to promote public interest when each tried to maximize short run profits, in other words, the public interests is served by individuals pursuing their own interests. In conclusion, he emphasized that for businesses to donate to philanthropic causes

was effectively a self imposed tax. Managers were employed only to maximize shareholder's value and not to engage in social activities.

Winfield et'al (2000) summarized that a business can be socially responsible by:

1. Pursuing its economic objectives, involving:
   a. Making profit.
   b. Being a going concern.
   c. Providing goods and services.
   d. Creating employment.
   e. Paying taxes.
   f. Paying creditors.
2. Respecting and operating within the laws of the land.
3. Responding and contributing to solving social problems and involvement in the community.
4. Treating its stakeholders fairly.

Of all these outlined areas, it is the third element that Friedman disagrees with on the ground that it involve spending the shareholders money on what managers decide to be *"good causes"*.

It is delicate to judge the stand point of Friedman with surface knowledge, firstly, he is not totally against community involvement, what Friedman totally objects is a situation when social activity does not have any traceable bearings to the economic objective of the firm. If profit is to be made, their must be an activity, the activity must involve a cost, Friedman does not oppose any cost or/and activity that has

direct linkage with the shareholders wealth maximization process among which are some community involvement, for instance, an oil company whose activity results in oil spillage can not fold its arms, some environmental activities must be undertaken to salvage the community thereby ensuring the continuity of the business.

Secondly, Friedman abhorred the situation when only managers arbitrarily decides what they call *"good causes*" this could result to the perpetuation of selfish interest as he argued that managers do not hold enough credentials to play social roles.

Thirdly, Friedman views such activities as undermining the roles of government; he feels that it is simply substituting corporate philanthropy for government spending. He argues further that, there is the danger that business may become a kind of societal "*big brother"* if it takes on non economic activities, the result could be a society dominated by the business community.

A second view of social responsibility is that business must play an active social role in the society in which it functions. Stoner (1986) reports that it is because business and government are the two most powerful institutions in a country, their sheer dominance and size oblige them to attack problems of public concern.

Corporations operate within the frame work of social institution on which it depends for diverse important input such as human, materials, financial resources etc; they are as well dependent on acceptance by the society of which they are a part and for them to ignore social problems might in the long run be self-destructive i.e. *"a corporation which fails to exercise commensurate social*

responsibility with its economic and social power will eventually loose some of it" (power). The power-responsibility equation according to Stoner (2000) must balance; an organization that wishes to hold on to its power must therefore, be sure that it is exercising an equivalent amount of social responsibility. If business does not mend it public image voluntarily, Stoner assert that it will inevitably be forced to do so. Davis (1980) has said that there is "*an iron law of responsibility which states that in the long run those who do not use power in a manner that society considers responsible will tend to lose it."* Business therefore, needs to respond to society's own imperatives if it is to be accepted as part of that society.

> (social responsibility) *requires of the manager that the assume responsibility for the public good, that he subordinates his actions to an ethical standard of conduct, and that he restrain his self-interest and his authority wherever their exercise would infringe upon the common weal and upon the freedom of the individual.*
>
> Adapted from Peter Winfred et'al, (2003) Core Management.

The promoters of corporate social responsibility maintained that the relationship between business and society is ultimately of mutual dependency, benefits and obligations; this was captured in clear terms in the words of Googins (2003) thus: *"You can use social and economic values both to create benefits for society and to generate profits for the company"* adds Googins *"It can be a win-win situation"*

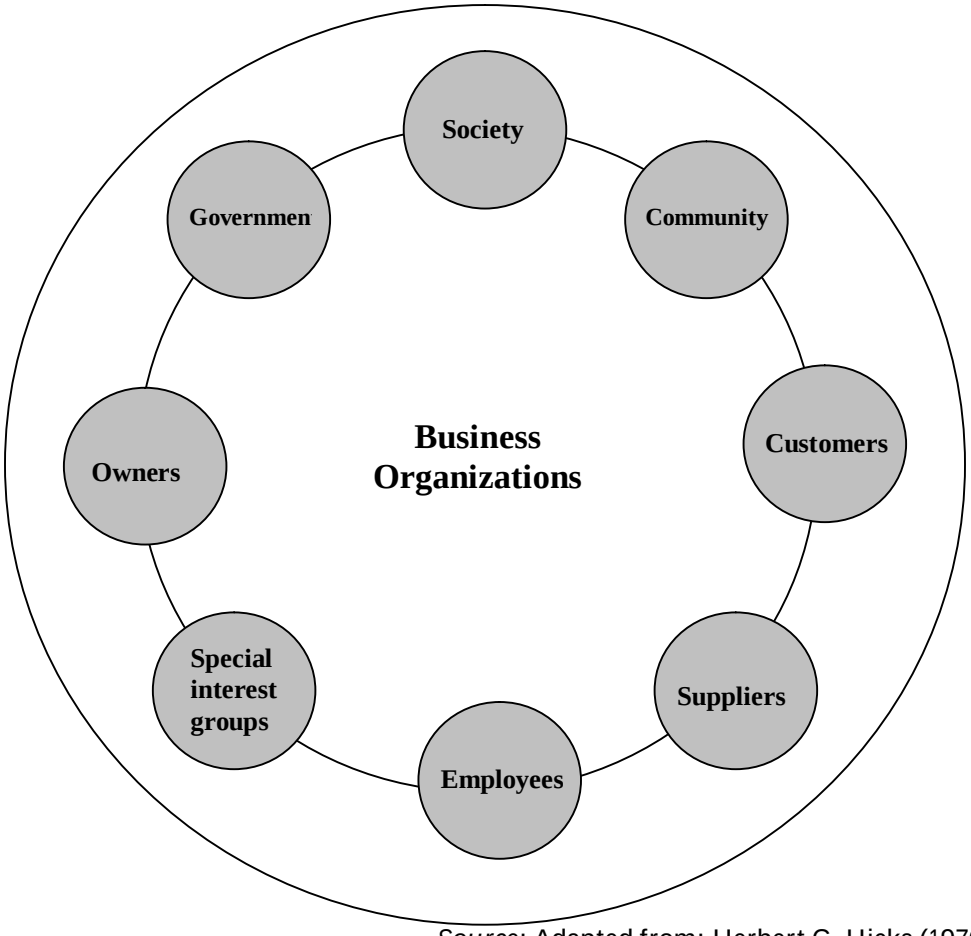
Looking closely at these two submissions about corporate social responsibility, it can succinctly be said that the differences between them is just a thin line, is a situation of emphases from different angles but aiming at the same thing.

2:9 Organizational Stakeholders Theory

It is an undisputable fact that any going concern that wants to remain in business must allow no negligence in issues that relates to all those groups that has a particular interest to protect or that are affected by the firm's activities (Kotler, 2006), hence, in determining a firm's social responsibility, managers must identify these groups and what their expectations of the business are. This identification is crucial in defining *"socially responsible decisions."* To define organizational stakeholders therefore, Mullims (2005) asserts that: it refers to those individuals or groups who have an interest in and/or are affected by the goals, operations or activities of the organization or the behaviour of its members. Although, the groups involved may vary from one situation to another, several groups can be said to be most concerned with management's decision. These includes: Owners (shareholders), Employees, Customers, Government, Community, Suppliers and sometimes Society in general. In addition to these, some special-interest groups may also be considered e.g. civil right organization, advocate of women's right etc.

This is diagramed below:

Diagram Showing Business and Its Stakeholders
Figure 2:2



Source: Adapted from: Herbert G. Hicks (1976), Management, 4th edition, USA, Mc-Graw-Hill series Inc.

When considering the numerous and most times conflicting interests of those who are concerned with the firm's action, managers may feel some what overwhelmed and confused concerning the *"best"* decision in a given situation. However, the result of these interactions is assumed to be a healthier and more dynamic society. This diversity makes the manager's task more difficult, how can these varied interest be reconciled when making business decision? Should one group be favoured at the expense of another? Whose demands are more compelling and

crucial? Unfortunately, there are no clear cut answers to these questions. Some critics of the social responsibility have argued that the vagueness of what constitute a socially responsible decision makes it virtually impossible for the manager to know what a correct choice is. They argued that the only objective test for a decision is its economic results.

Despite these difficulties, some guidelines do exist for example: Steiner (1971) has suggested the following criteria for socially responsible decisions:

1. There is no ready-made formula for socially responsible decision: it will be guided partly by the values of its top managers.
2. No action should be taken to erode the profit motive of business: non economic objectives should have some financial incentives attached, which means, social responsibility does not in any way oppose the profit motive of the organization.
3. Business should be willing to take social actions that are in the interest of its long-run profit even if short-run profits are reduced: which suggests that in the long-run, every socially responsible action must be evidenced with a positive Net Present Value (NPV). This fits in to the Friedman's idea perfectly; wealth maximization still remains the driving force of every action.
4. Business should exercise social responsibility in proportion to its social power. This is in agreement with the idea of Stoner (2000) earlier discussed which asserts that the power-responsibility equation must balance. But what

calls for further clarification is an appropriate parameter to measure an organization's social power and the ideal size of social responsibility required.

5. A business should not be expected to voluntarily take action that will make it difficult to attract stockholder investment.
6. Social problems should be solved by those institutions best fitted to deal with them.

Conclusively, managers must balance these and other considerations in making any decision as there are no clear cut basis for determining a socially responsible decision in a given situation.

2:10 Organization's Responsibilities to its Stakeholders

Winfield (2000) and Mullims (2005) are in agreement as to what the responsibilities of an organization is to their stakeholders, these are summarized as follows:

Owners or Shareholders (providers of finance): the stockholders of a company are drawn from a wide range of the population. Many subscribe directly, others indirectly through insurance companies, transmission etc. Stockholders expect a fair return as dividend on their investment and for risk bearing. Among other things manager's social responsibility to owners includes:

a. Safeguarding their investments

b. Providing the opportunity for owners to participate in policy decision making.
c. Providing opportunities for owners to question top management on the affairs of the company.

Employees: the social responsibility to employees extends beyond just adhering to the terms and conditions of formal contract of employment and giving recognition to the workers as a human being. Employees to day have widened expectations of working life including:

a. Justice in treatment.
b. Training and development in new skills and technologies.
c. Provision of social and leisure facilities.
d. Giving opportunities of participation and consultation etc.

Customers: according to Kotler (2006), customers are the lifeblood of every organization. Researches have revealed that customers are now more aware of issues of corporate responsibility. They can go as far as boycotting any product whose procedure is perceived to be unethical or socially irresponsible. Some writers argue that the social responsibility to customers is not more than the natural outcome of a good business, the following are however identified as manager's social responsibilities to customers:

a. Providing good value for money.
b. Providing safe and durable product.
c. Prompt and courteous attention to queries and complaints.

d. Good product information.

e. Full information to potential customers.

Government: another important area of social responsibility could arguably be to the government. Organizations, of course, must obey rules and regulations of the land. As in the words of Friedman: *"there is one and only one social responsibility of business, to use its resources and energy in activities designed to increase its profits so long as it stays within the rules of the game."* Friedman emphasized that corporation must obey the rules (no fraud) even when the rules is not in their best interests. What is debatable however, is the extent to which organization should corporate voluntarily with action requested by the government. Example: restrain from trading with certain overseas countries (for instance: Nigeria and South Africa during the apartheid days), action designed to enforce some fiscal policies i.e. combating inflation, control of potential social problems-e.g. sale of Tobacco and the display of health warnings.

Community and Environment: The most popular approach to corporate social responsibility in African countries is community involvement. Organizations have the responsibility to develop concern for the community in which they operate i.e. respect and consideration for the health of the environment; these include making exclusive efforts towards the control of pollution, noise, disposal of waste. Where it is totally unavoidable, the effects should be cushioned reasonably.

Suppliers: to the suppliers, the social responsibility of the organizations is to respect the terms and conditions of purchase or sales while settlement dates are

strictly adhered to. This obviously is also in the best interest of the organizations at least to ensure steady supply and fair supply conditions and considerations. Besides, a good relationship with suppliers will afford the organizations prompt and early information which might translate in to good business in the long-run.

Other organizations to whom business might be regarded as having a social responsibility are Trade Unions, Business Associates and even Competitors. E.g. engaging only in fair competition, respect for copy right and patents. Some organizations extend the range of corporate social responsibility to include: limiting political involvement, donations to or sponsorship of educational or research institutions, sporting organization and/or charities.

The stakeholders of the organization as outlined and discussed have differing interests hence, they have different criteria for assessing/evaluating the performance of organization, this is summarized in the diagramed below.

Organization's Constituencies and Their Criteria for Evaluating Organizational Performance.

Figure 2:3



Source: As adapted by James A. F. Stoner (1986), Management 3rd Edition, USA, Prentice-Hall.

It is of great importance for managers to identify these criteria and how to position their decision for stockholder's positive evaluation and subsequent satisfaction.

2:11 Arguments for and Against Corporate Social Responsibility

The following table presents the arguments for and against corporate social responsibility as adapted by Koontz et'al (1998).

Arguments for social involvement of business.
1. Public needs have changed, leading to changed expectations. Business, it is suggested, received it charter from the society and consequently has to respond to society.
2. The creation of a better social environment benefits both society and business. Society gains through better neighborhoods and employment opportunities; business benefits from a better community, since the community is the source of its work force and the consumer of its products and service.
3. Social involvement discourages additional government regulations and intervention. The result is greater freedom and more flexibility in decision making.
4. Business has a great deal of power which, it is reasoned, should be accompanied by an equal amount of social responsibility.
5. Modern society is on independent system and the internal activities of the enterprise have an impact on the external environment.
6. Social involvement may be in the interest of stockholders.
7. Problems can become profits. Items that may once have been considered waste (for example, empty soft drinks cans) can be profitably used again.
8. Social involvement creates a favorable public image. Thus, a firm can attract customers, employee and investors.
9. Business should try to solve the problem which other institutions have not been able to solve. After all, business has a history of coming up with novel ideas.
10. Business has the resources. Business should use it talented managers and specialists, as well as its capital resources, to solve some of society's problems.
11. It is better to prevent social problems through business involvement than to cure them. It may be easier to help the hard-core unemployed than to cope with social unrest.

Arguments against social involvement
1. The primary task of business is to maximize profit by focusing strictly on economic activities. Social involvement could reduce economic efficiency. 2. In the final analysis, society must pay for social involvement of business through higher prices. Social involvement will create excessive cost for business, which cannot commit its resources to social action. 3. Social involvement can create a weakened international balance of payments situation. The cost of social programs, the reasoning goes, would have to be added to the price of the product. Thus, American companies selling at the international markets would be at a disadvantage when competing with companies in other countries which do not have these social costs to bear. 4. Business has enough power; an additional social involvement will further increase its power and influence. 5. Business people lack the social skills to deal with the problems of society. Their training and experience is with economic matters and their skills may not be pertinent to economic problems. 6. There is a lack of accountability of business to society. Unless accountability can be established, business should not be involved. 7. There is not complete support of involvement in social actions. Consequently, disagreements among groups with different viewpoints will cause friction.

*Source***:** Based on Keith & Williams C. Frederick, (1984), Business & Society, 5th edition, New York: McGraw-Hill Book Company. As adapted by Harold Koontz et'al (1988), Management, 9th edition, Singapore: McGraw-Hill.

2:12 Drivers of Corporate Social Responsibility

Bellow are drivers of corporate social responsibility as presented in en.wikipedia.org/wiki, assessed Jan., 2008.

Government Laws and Regulation: A plausible driver of corporate social responsibility is by independent mediators to ensure that corporate goals don't harm or disadvantage anyone or environment. This remark supported by Friedman

feels demonstrates that governments themselves should set the agenda for social responsibility by the way of laws and regulation that will allow a business to conduct themselves without disadvantage or degradation.

Corporate Behaviour and Culture: Changing the behaviour and culture of employees is credited to ethics training. The aim of such activities is to help employees make ethical decisions when the answers are unclear. Organizations believe the rewards are demonstrated in the loyalty and pride employees hold towards the organization. This also equates to reducing the likelihood of *"dirty hands"* (Grace and Cohen 2005)

Social Awareness and Education: There is highly visible change in behaviour among corporate stakeholders as a result of high publicity on environmental and human right movements in present times. With global warming, and corporate behaviour so publicly available to broadcast, there appears to be a trend in social behaviour slowly changing from an individualistic mindset to a more holistic and collective reasoning (Bulkeley 2001). Through education and dialogues, the community has learnt to hold businesses responsible for their actions (Roux 2007).

Globalization and Market Forces: There are major challenges in today's corporate arena that impose limitations to the growth and potential profits of an organization. Government restriction, tariffs, globalization, environmentally sensitive areas and exploitation are problems that are costing millions of Naira for organization. It may be apparent that in some cases, ethical implications are simply a costly hindrance that potentially forces businesses to finding alternative means to

shift viewpoints. It is certainly a potential strategic tactic to gain public support to sustain a competitive advantage. There is no doubting that social contributions provides a subconscious level of advertising that suggest that profit targeting may be the purpose for ethical marketing techniques (Fry et'al 1986).

Ethical Consumerism: Ethical consumerism can certainly be linked in shaping the methodologies of corporate processes and responsibility. Kotler (2006) defined consumerism "*as an organized social movement of concerned citizens and government to enhance the rights and power of buyers in relation to sellers"*. This enhancement is taking two major forms to date: buyers are demanding more information about the products and services they are purchasing and they are insisting on safer products (Kotler 2006).

2:13 Criticism Against Social Responsibility

Critics of social responsibility concepts often evince cynical attitudes concerning the motivation of business. They cannot believe that their motive in areas of social responsibility arise from anything less than pure selfishness, aggrandizement or exploitation of the gullible public. This is however, eroding. *"No one is less realistic than the cynic"* says Drucker (1954), cynicism often hide behind a mask of realism, cynicism, however, must be differentiated from skepticism. A healthy skepticism prevents deals and naiveté from obstructing the company's efforts but, cynicism destroys the bases for effective managerial actions because it is essentially negative and defeatist in its orientation (Dalton 1974).

2:14 The Future of Corporate Social Responsibility

Is the growing concern for social responsibility fad or is it here to stay? Many strong arguments and submissions on this phenomenon have clearly shown that it will endure; numerous reasons in support of this view can be cited. One, many stockholders are demanding that their businesses exhibit a greater sense of social responsibility. This has resulted in many shareholders' resolutions in favour of that. Further still, People today show a greater deal of interest in the subject of ethics, the public often demands ethical consideration; the law requires it in many cases, and managers themselves think ethical practice is good business. Besides, with the development of modern communication techniques, news of unethical practices can be carried via newspapers, magazine, television radio etc to any corner of the globe in no time, hence, it is in the best interest of business to develop code of ethical behaviour and to enforce sanctions against those members who violate these codes. Owen (1978) summarizes the argument as follows:

> *... a new age of instant informational and public insistence on ethical behaviour has transformed business ethics from an ideal condition to a reality, from a luxury to a practical necessity for the survival and success of the organizations. The central instrument for making ethics operational and real in an organization is a written code of ethics which is specific...is based upon general ethical standards, and is enforceable by appropriate sanctions.*

On the final analysis, it appears that social responsibility will be a definite factor in future business strategy.

CHAPTER THREE
RESEARCH METHODOLOGY

3:1 Introduction

The principal focus of this chapter is to discuss the research method employed in this study. It is of undisputable importance because the reader needs to be educated on the method employed in the studies and the rationale behind the choice, the population size on which the studies was conducted, the sample examined and from which data was collected, procedure followed to arrive at the said sample, data collection instruments, techniques and the justification of the choice and methods of data analysis and presentation. This is to give the readers and users of the information in here a fair knowledge of the validity of conclusions hence empowered to estimate the risk involve in using the conclusions and recommendation herein.

3:2 Research Design

The research work can best be described as a survey research. A survey research studies both large and small population by selecting and studying samples chosen from the population to discover the relative incidence and interrelations of sociological and psychological variables (Osuala, 2007). A survey research is generally based on a large cross sectional samples. The sample for the study is drawn across many industries and businesses; hence, it is a survey research.

3:3 Population of the study

The population of a study refers to the entire related elements on which a study is conducted (Olorunfemi, 2004). In order words, population of studies refers to the sum of the objects on which a study is carried out and conclusions made.

The population of this study includes the management of businesses across the industries of the Nigerian economy and members of business environment; these involve people who are affected by the activities of these businesses. The sum of the elements involved is about 18,000.

3:4 Sampling Techniques and Sample Size

It is desirable to study every member of the study population as this will present a perfect and most reliable data for the study but, in most cases, it is usually unmanageable to involve every element owing to reasons such as time constraints, available resource and problems of logistics. The resultant effect is the use of sample size.

A sample is a collection of representatives of an entire study population which has true characteristics of the population (Olorunfemi, 2004).

The sample used for this study is arrived at by a combination of probability and non-probability sampling techniques. The process of determining the businesses to be considered for studies among the numerous businesses available in Nigeria is described as *judgmental sampling* which is non-probabilistic (Uworuh, 2004). The

businesses were only considered by the researcher under such headings as service businesses, manufacturing businesses and communications businesses and businesses considered relatively vibrant are selected from each group thus, Intercontinental Bank Plc and First bank Nigeria Plc from the service group, Unilever Nigeria Plc and PZ Cussons Nigeria Plc from the manufacturing group and MTN Nigeria and Globacom Nigeria from the communications group.

On the other hand, the procedure adopted for selecting individual elements for consideration among the chosen businesses referred to as *stratified random sampling* is probabilistic (Nworu, 2004). The entire population is divided in to two stratums. First, the management of the selected organizations and second the educated members of the business environments who have benefited from any act of business social responsibility, the choice of this caliber of respondents is to ensure adequate understanding of the issues in question hence, obtaining a more reliable data. The sample comprise of businesses in three different industries of the Nigerian economy based in Kaduna State. In each of the sectors, questionnaires were administered to at least two businesses.

The justification for the use of stratified random sampling is to allow for equal chances for the study elements i.e. all elements have equal chances of falling among the once considered for studies. Also, the stratified random sampling technique is chosen to allow for independent study of the stratums so as to uphold the validity and reliability of the study.

3:5 Data Collection Instruments

The data collections instrument engaged in this study is basically questionnaire; this was complimented by interviews, careful personal observations and some secondary sources such as the respective websites of the businesses studied, yearly financial reports and journals.

The questionnaires were in two distinct folds directed to the two stratum of the research sample (the business management and the educated Nigerian populace who have benefited from business act of corporate social responsibility.

The first questionnaire directed to the management of the chosen businesses has thirteen (13) questions in all; the first four (4) elicits information about the respondents (Bio data), the nine others questions seeks for information necessary to test the stated hypotheses and answer the research question raised in the study.

The second questionnaire which was channeled to respondents in the second stratum of the research sample has ten (10) questions in all; the first four (4) questions were also dedicated to eliciting information that describes the respondents (bio data). The six other questions sought necessary information to help test the last hypothesis.

3:5:1 Test for Validity and Reliability of data collection Instruments

On the issue of validity and reliability of the instruments used, the use of multiple questions on the same phenomenon gives more validity to the responses either in

the questionnaires or the personal interviews. The anonymity of the questionnaires is to give respondents confidence to divulge their true opinion on issues raised therefore, the responses are considered significantly reliable. It is also worth mentioning that a draft questionnaire was administered in a pilot survey to test it ability to obtain the desired information necessary to achieve its primary objective, in the process some questions were found inadequate. Such were immediately revised to obtain the final questionnaire used for the study.

3:6 Methods of data Presentation and analysis

The data collected were presented in tables and charts with associated weight attached to each category of responses in terms of percentage; it was also complimented by the use of bar chart in some cases to ensure adequate and comprehensible data presentation.

In the data analysis particularly the test of hypotheses, the method used is the Chi Square statistical techniques with five percent (5%) level of significance, it is as follows:

Steps involved in using a chi square test

1. State the Chi Square formula.
2. State the adopted level of significance.
3. Calculate the degree of freedom.
4. Read and state the critical value of x^2 at the calculated degree of freedom.
5. State the decision rule.
6. Compute the chi square.

7. Compare the value abstained from the computation with the critical value of the x^2 stated.
8. Take appropriate decision.

The Chi-Square (X^2) formula is given as follows:

$$X^2 = \sum_{j=1}^{k} \frac{(o_j - e_j)^2}{e_j}$$

The formula can be written or expanded to be:

$$X^2 = \frac{(o_1 - e_1)^2}{e_1} + \frac{(o_2 - e_2)^2}{e_2} + \text{------} + \frac{(o_k - e_k)^2}{e_k}$$

Where X^2 = Chi –Square
O_j = Observed frequency on (data collected)
ej = Expected frequency i.e $\frac{\text{Total number of responses}}{\text{Number of variables (options)}}$

Degree of freedom (v)

Formula (v) = k -1

Where v = Degree of freedom
k = Number of variables (options)

Decision Rule

If the computed value of X^2 is higher than the critical value at 95% confidence level and at the computed degree of freedom, the null hypothesis (H_0) should be rejected or nullified.

3:7 Justification of the method used

The choice of data collection instrument used in this study is not accidental in any way; it is arrived at by a careful and intense consideration of the available data collection instruments. The justification for the final choice of questionnaires and interviews for this study lies in the fundamental fact that questionnaires have the potentiality of a wider coverage and it is easier to administer either personally or by proxy. In the cause of the data collection some of the questionnaires were mailed electronically to selected respondents who were considered good informants.

On the other hand, the use of interviews where necessary and convenient was to probe the responses on the questionnaires as issues discussed were corollary issues, finally, the careful and meticulous personal observation was critical enough to spotlight important issues across a wide range of businesses across the nation.

The justification for the use of tabular presentation, percentage and bar charts for data presentation is to ensure tidiness, easier comprehension and simplicity in data presentation. This is borne out of the fact that a complicated method of data presentation inhibits understanding.

The choice of Chi-Square statistical technique in the test of hypothesis is to enhance a significant level of objectivity thereby avoiding any influence of bias or prejudice on the side of the researcher.

CHAPTER FOUR
DATA PRESENTATION AND ANALYSIS

4:1 Introduction

This chapter is concerned with the presentation and analysis of data collected using the data collection instruments. As earlier discussed in chapter three, the data were presented in tables (percentages) and bar chart and hypothesis tested using a Chi-Square test.

4:2 Data Presentation and Analysis

The table below depicts the proportions of the questionnaires distributed to three (3) varying industries and members of the public.

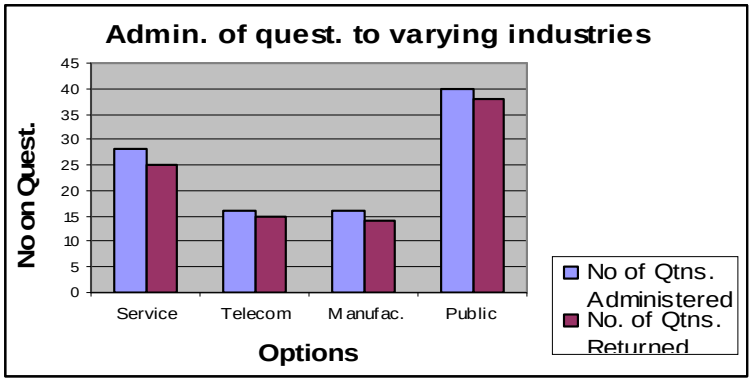
Table 4:1 Proportion of Questionnaires administered to varying industries

Types of Industries	No of Qtns. Administered	Percentage (%)	No. of Qtns. Returned	Percentage (%)
Service Industry	28	28	25	27.2
Telecommunications	16	16	15	16.3
Manufacturing	16	16	14	15.2
Members of the public	40	40	38	41.3
Total	**100**	**100**	**92**	**100**

Source: Field study, 2008

This can also be graphically presented as below:

***Figure* 4:1**



Source: constructed by the researcher, 2008

A total of eight (8) questionnaires were either missing or unreturned, this represents about eight (8%) of the total questionnaires administered.

Respondents' Bio data

Table 4:2 Personal Data

Gender	**Male**		**Female**								**Totals**	
	No	%	No	%							No.	%
	61	66.3	31	33.7							**92**	**100**
Age Group	**18-24**		**25-29**		**30-34**		**35-39**		**40&above**			
	No	%	No	%	No	%	No	%	No	%		
	12	13	18	19.6	32	34.8	14	15.2	16	17.4	**92**	**100**
Educational Qualification	**Tertiary**		**Sec. Schl**		**Technical**							
	No	%	No	%	No	%						
	86	93.5	-	-	6	6.5					**92**	**100**
Rank or position	**Top Mgt.**		**Mid. Mgt**		**Others**							
	No	%	No	%	No	%						
	8	8.7	40	43.5	44	47.8					**92**	**100**

Source: Field survey, 2008

The table above presents a summary of personal/bio data of the respondents to both questionnaires.

Following the bio data are presentations of the responses to questions/issues raised. The first set of questionnaires which was responded to by business management containing thirteen (13) questions is presented first. However, responses to issues/questions that are identical on both questionnaires are presented jointly.

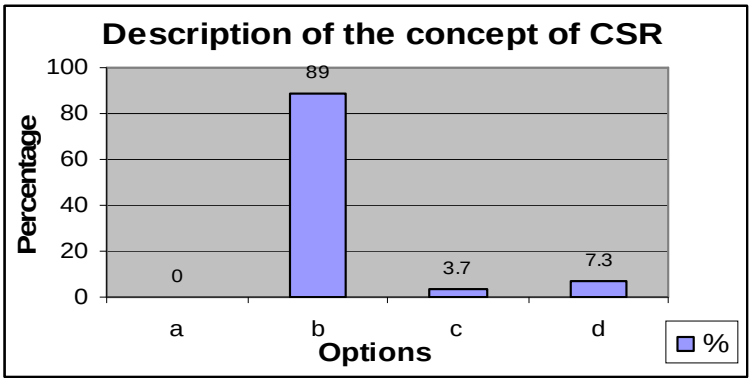
Questionnaire One
The table below describes respondent's opinions on the description of the concept of corporate social responsibility.

Table 4:3 Description of the concept of corporate social responsibility

Options	**Freq.**	**%**
* Which of the following suits your description of corporate social responsibility?		
a. Business display of corporate charity	-	-
b. A continuing commitment by business to behave ethically and manage the business processes to produce an overall positive impact on the entire business stakeholders.	48	89
c. A way of giving back to the society	2	3.7
d. A way of building recognition and good image bus image	4	7.3
Total	**54**	**100**

Source: Field survey, 2008

Figure 4:2



Source: constructed by the researcher, 2008

The responses in the table and chart above shows that about 89% of respondents agreed with the description of concept of corporate social responsibility as in option "B" though 7.3% see it only as a way of building business recognition and good business image.

It is worth mentioning here that all organizations visited engage in corporate social responsibility even though about 5% confessed to have no any specific formal document or policy relating to corporate social responsibility.

Table 4:4 Common areas of Business involvement in corporate social responsibility in Nigeria

Categories and Examples	**%**
1. Community development projects -Rural water projects (bore holes and overhead tanks) -Health services (Building of health centers, provision of drugs and equipment for the existing centers. -Rural education on vital issues (HIV/AIDS, pest and diseases) -Building of community roads & bridges -Building /equipping rural primary schools.	46.3
2. Economic empowerment (youth & women) and poverty alleviation. -Provision of free/low cost skill acquisition centers -Provision of low-cost credit/startup capital schemes -Sponsorship of seminars with such themes.	15.4
1. Education -Students' scholarship -Quiz and essay competition involving campaigns (HIV/AIDS) -Information & communication technology (ICT): provision of cyber café in schools of higher learning. Donation of books to libraries in tertiary institution.	19
2. Social activities -Sponsorship/organization of social gathering on campuses and outside -Sponsorship of football competition	7.2
3. Charitable causes -Donation to orphanages -Sponsorship of/donation to disable and less privilege individuals. (e.g provision of wheel chairs for the crippled).	5.1

4. Fair Financial returns -Fair dividend for shareholders -Fair developmental/educational support scheme.	3.4
5. Fair/good employment package -Fair salaries -Self development support scheme -Adequate bonuses -Allowances: housing, Health etc	0.9
6. Superior customer services. -Decent environment -Quick response to customer complaints.	
Total	**100**

Source: Field survey, 2008

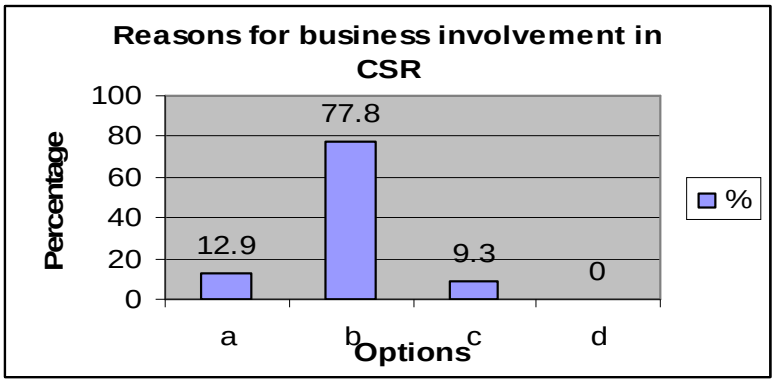
Table three above provides a list of common areas of business involvement in corporate social responsibility, about 46.3% of respondents attest that they are involved in one form of social responsibility activity that is related to rural community development, 19% are involved in educational activities while 15.4% identified with economic empowerment (Youths and women) and poverty alleviation. Other categories include social activities (7.2%), charitable causes (5.1%), fair financial returns (3.4%), good employment package (2.7%) and superior customer services (0.9%). It is worth mentioning that this may not represent a perfect checklist of areas of business involvement in social responsibility, but it contains the common areas of involvement.

Table 4:5 Reasons for business involvement in Corporate Social Responsibility

Options	Freq.	%
*Why does your organization consider involvement in corporate social responsibility?	7	12.9
a. Charitable causes	42	77.8
b. A strategy of maximizing business wealth by creating an overall positive impact and gaining from its positive economic effects.	5	9.3
c. Competition among similar business.	-	-
d. Other reasons.		
Total	**54**	**100**

Source: Field survey, 2008

Figure 4:3



Source: constructed by the researcher, 2008

The table and chart above highlights the propelling wheel of business involvement in social responsibility. It indicates that 77.8% of respondents businesses engage in social responsibility because of it attendants/resultant economics benefits. This is a confirmation of the enlightenment self interest theory which hold that *"...business actually serves it own long run interest when it helps out it is own community" (Hodgetts 1982)*. This empirical revelation also supports the argument of Mackey, 2005, who asserts that *"certain amount of corporate philanthropy is simply good*

business and works for the long term benefits of the investors". Also, it can logically be said that the practice of corporate social responsibility is borne out of the passion to maximize the business wealth and not hostility to business profitability.

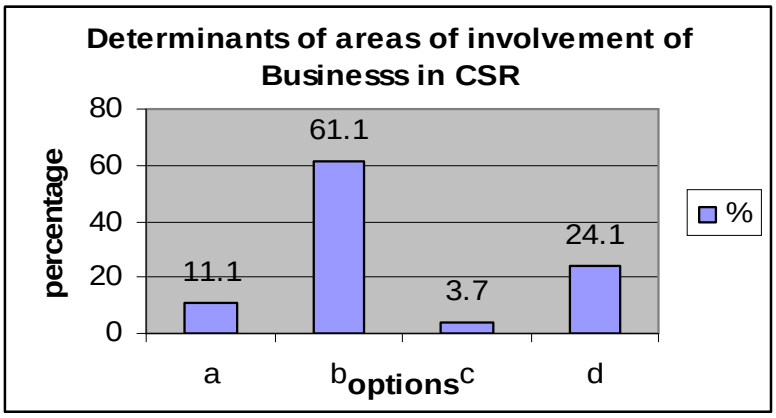
However, 12.9% attributed their reasons to charitable causes only while 9.3% reported that their act of corporate social responsibility is a result of competitive activities.

Table 4:6 Factors determining the choice of area of involvement in Business Corporate social responsibility

Options	**Freq.**	**%**
*What informs/determines the choice of your organization's area(s) of involvement in corporate social responsibility?		
a. Competitor's areas of involvement in corporate social responsibility	6	11.1
b. perceived long term economic benefits and stakeholders areas of need	33	61.1
c. Rules and regulation of the land.	2	3.7
d. Others - It is dependent on the immediate objective(s) that needs to be achieved. - It depends on the amount of pressure from a specific quota. - It depends on the organization's corporate social responsibility agenda or plan.	13	24.1
Total	**54**	**100**

Source: Field survey, 2008

Figure 4:4



Source: constructed by the researcher, 2008

On the issue of what determines a business choice of area of involvement in corporate social responsibility, the response presented in the above table (table 5) and chart four shows that 61.1% of the respondents businesses suggested that their choice of area is usually influenced by the long-run economic benefits foreseeable in each venture and constituent's members (stakeholders) area of need.

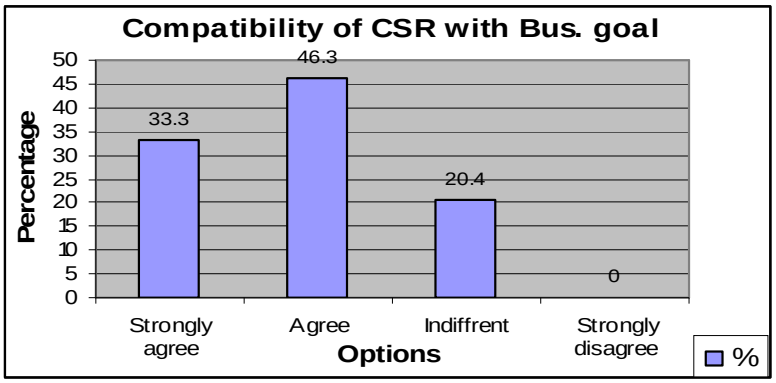
The interviews conducted revealed that most businesses analyze carefully the economic gains in terms of patronage or profit derived or derivable in a specific quota where pressure is mounted before making any of such consideration. Although, further revelation indicated that the act of corporate social responsibility is not necessarily preceded by pressure, however, a number of cases have proved to be so. 24% indicated other influencing variables different from the options listed while only 11.1% attributed the determinant to competitor's activity. The balance of 3.7% opined that it is determined by the laws and regulators of the land.

Table 4:7 Compatibility of corporate social responsibility with business goal of maximizing wealth.

Options	Freq.	%
* How will you describe your view with respect to this statement: corporate social responsibility is compatible with the goal of maximizing business' wealth? ----------		
a. Strongly agree	18	33.3
b. Agree	25	46.3
c. Indifferent	11	20.4
d. Strongly disagree	-	-
Total	**54**	**100**

Source: Field survey, 2008

Figure 4:5



Source: constructed by the researcher, 2008

Table six and chart five above depicts the opinions of respondents on how compatible the practice of corporate social responsibility is with the business goal of wealth maximization. 33.3% strongly agreed, with the statement as presented in the table, 46.3% agreed making the percentage of agreement to be 79.6% while 20.4% stood on the fence (indifferent), no respondent indicated outright disagreement with the statement. A further inquiry revealed that every act of business which can be described as social responsibility is preceded by a

meticulous consideration of it likely effect on business image, profit, sales (market share) etc. any venture that falls below the breakeven point is not considered worthy. I.e. at least Net Present Value (NPV) should equal zero. For example if a business spends money in making the business premises convenient and congenial, it is expected that it will translate in to higher productivity of employees and better patronage by customers; this in turn means greater sales and consequently better profit.

Questionnaire II

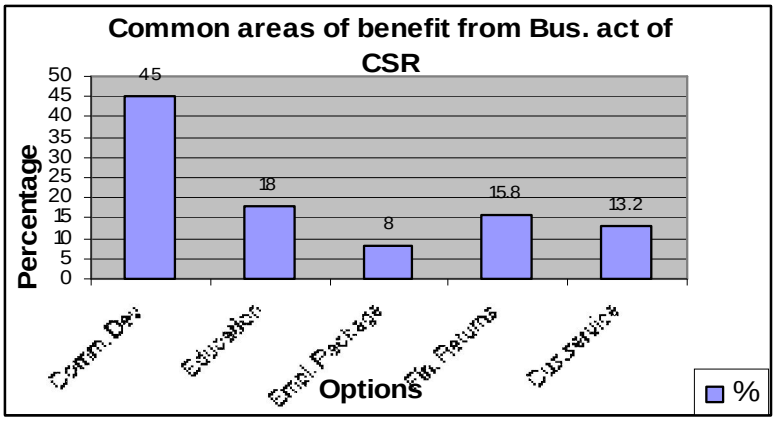
The questionnaire as earlier discussed was directed to educated members of the general public who have benefited from any of business social responsibility. We have a total number of 38 respondents in all.

Table 4:8 Common areas of benefit from Business act of corporate social responsibility

Options	**Freq.**	**%**
1. Community development Programs -Rural health awareness campaign -Rural water projects (overhead tanks and boreholes).	17	45
2. Education -Student scholarship -Building of students hostels -Information communication Technology (ICT) cyber café	7	18
3. Employment package -Car and housing loans -Fair compensations	3	8
4. Financial returns -Fair returns on investment -Bonus stocks	6	15.8
5. Customer services -Convenient business environment -Prompt and adequate customer service	5	13.2
Total	**38**	**100**

Source: Field survey, 2008

Figure 4:6



Source: constructed by the researcher, 2008

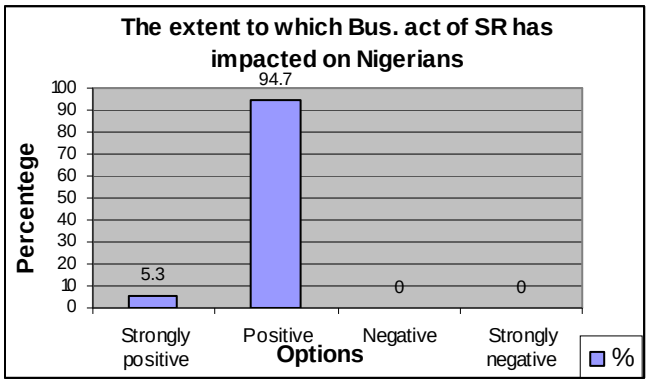
The above table (7) and chart six shows common areas of business involvement in social responsibility from which respondents have benefited. The result indicates some level of correspondence with the presentation of table three (3) which depicts areas of business involvement in corporate social responsibility. 45% of the respondents attested to have benefited from one community development program or the other. 46.3% of the business studied reported to have been involved in one act of community development program or the other (table 3). Other notable areas where respondents have benefited from business act of corporate social responsibility includes educational (18%), employment package (8%), fair financial returns (15.8%) and business service (13.2%).

Table 4:9 The extent to which business act of social responsibility has impacted on the life of Nigerians

Options	Freq.	%
*To what extent has business act of social responsibility impacted on your life?		
a. Strongly positive	2	5.3
b. Positive	36	94.7
c. Negative	-	-
d. Strongly negative	-	-
Total	**38**	**100**

Source: Field survey, 2008

Figure 4:7



Source: constructed by the researcher, 2008

The table and chart above indicates no negative impact of business act of social responsibility. 94.7% acknowledged that the social responsibility has a positive impact on their lives while the balance of 5.3% attested to a strong positive impact.

Questionnaires I & II combined

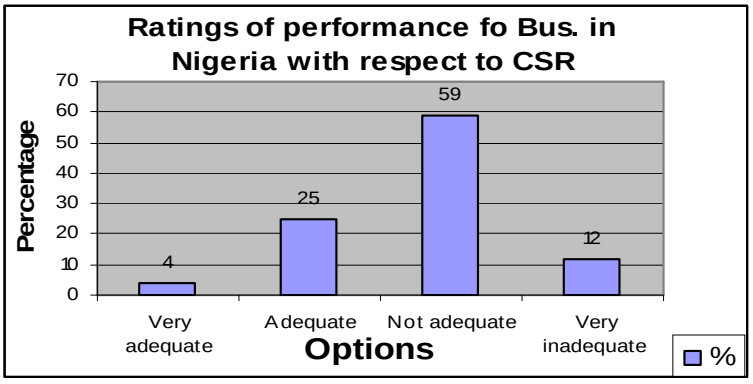
The following presentations are a result of opinions expressed in both questionnaires with regards to two issues that are common to both questionnaires.

Table 4:10 Performance of business in Nigeria with respect to corporate social responsibility

Options	Freq.	%
*Ratings of the performance of businesses in Nigeria with respect to corporate social responsibility ----------		
a. Very adequate	4	4
b. Adequate	23	25
c. Not adequate	54	59
d. Very inadequate	11	12
Total	**93**	**100**

Source: Field survey, 2008

Figure 4:8



Source: constructed by the researcher, 2008

From the combined responses tabulated and charted above, it can be said evidently that the activities of businesses with respect to corporate social responsibility in Nigeria is not adequate i.e. businesses do not exercise commensurate amount of corporate social responsibility as it is expected. 59% attested that business effort in that direction is not adequate, 12% opined that it is very inadequate while 25%

others said it is adequate and finally an insignificant 4% registered that it is very adequate.

Table 4:11 How to improve Business-stakeholders relationship

Options	**Freq.**	**%**
*How do you feel Business-stakeholders relationship can be further enhanced? ----------		
1. Equitable distribution of business profit Through: -Fair financial return on investment (dividend) -Adequate compensation of employees -Adhering to tax obligation	22	24
2. Developing common goal and mutually benefiting relationship among business and its stakeholders Through : -Participatory decision making processes -Two way communication between business and stakeholders	24	26
3. Commitment to ethical behavior in business processes Through: -Maintaining integrity at all times	16	17.4
4. Community involvement Through: -Donating to causes that have direct bearings with rural development as a better proportion of Nigerians leaves in rural areas.	18	19.6
5. Stakeholders should be accorded respect and regards business "*landlords"* Through: -Developing a fair and comprehensive policy measures that should guide social responsibility.	8	8.7
6.Business' social responsibility should be incorporated in to the entire business strategy from the beginning Through: -Developing a fair and comprehensive policy measures that should guide social responsibility activities.	4	4.3
Total	**92**	**100**

Source: Field survey, 2008

The presentation above highlights the opinion of respondents on how the relationship between business and stakeholders can be enhanced. 26% of the responses received indicated that creating common goals among stakeholders and creating benefiting relationship can facilitate the relationship. In other words, the stakeholders should be made to see one another as "*one big family*" pursuing a common goal. 24% advocated equitable distribution of business wealth as the key to developing the desired relationship. Other respondents opined community development programs (19.6%) while the balance of 17.4% suggested that business commitment to ethical behaviors will result in the desired relationship.

4:3 Test of Hypotheses

The method adopted for the test of hypotheses is Chi-Square (X^2).

Statement of hypothesis (one):

Business involvement in corporate social responsibility is not guided by a commitment to maximize business wealth continually.

The relevant data for the test of the above hypothesis (one) is presented in table five as below

Options	Freq.	%
*Why does your organization consider involvement in corporate social responsibility?		
a. Charitable causes	7	12.9
b. A strategy of maximizing business wealth by creating an overall positive impact and gaining from its positive economic effects.	42	77.8
c. Competition among similar business.	5	9.3
Other reasons.	-	-
Total	**54**	**100**

The Chi-Square (X^2) formula is given as follows:

$$X^2 = \sum_{j=1}^{k} \frac{(o_j - e_j)^2}{e_j}$$

The formula can be written or expanded to be:

$$X^2 = \frac{(o_1 - e_1)^2}{e_1} + \frac{(o_2 - e_2)^2}{e_2} + \text{------} + \frac{(o_k - e_k)^2}{e_k}$$

Where X^2 = Chi –Square

O_j = Observed frequency on (data collected)

ej = Expected frequency i.e $\frac{\text{Total number of responses}}{\text{Number of variables (options)}}$

Level of significance

0.95 level of significance (95%).

Degree of freedom (v)

Formula (v) = k -1

Where v = Degree of freedom

k = Number of variables (options)

Thus: k = 4

V = 4 – 1 = 3

Critical value

Critical value of x^2 at 95% level of significance and 3 degree of freedom = 7.81

Decision Rule

If the computed value of X^2 is higher than the critical value at 95% confidence level and the computed degree of freedom, the hypothesis should be rejected or nullified other wise accepted.

Chi-Square computation

Expected frequency = $\frac{54}{4}$ = 13.5

Test

$$X^2 = \frac{(7-13.5)^2}{13.5} + \frac{(42-13.5)^2}{13.5} + \frac{(5-13.5)^2}{13.5} + \frac{(0-13.5)^2}{13.5}$$

$$= 3.1 + 60.2 + 5.4 + 13.5 = \underline{82.2}$$

The critical value of $X^2_{95\%}$ for v (k-1= 4-1) = 3 degree of freedom is 7.81 (from Chi-Square table).

Thus, since 82.2 > 7.81, we reject the hypothesis.

Statement of hypothesis (two):
Business firms are not guided significantly by long term economic benefits and stakeholders' areas of need in selecting an area of involvement in corporate social responsibility.

The relevant data for the test of the above hypothesis (two) is presented in table six as below:

Options	**Freq.**	**%**
*What informs/determines the choice of your organization's area(s) of involvement in corporate social responsibility?		
a. Competitor's areas of involvement in corporate social responsibility	6	11.1
b. perceived long term economic benefits and stakeholders areas of need	33	61.1
c. Rules and regulation of the land.	2	3.7
d. Others - It is dependent on the immediate objective(s) that needs to be achieved. - It depends on the amount of pressure from a specific quota. - It depends on the organization's corporate social responsibility agenda or plan.	13	24.1
Total	**54**	**100**

Chi Square computation

Expected frequency = $\frac{54}{4}$ = 13.5

Test

$$X^2 = \frac{(6-13.5)^2}{13.5} + \frac{(33-13.5)^2}{13.5} + \frac{(52-13.5)^2}{13.5} + \frac{(13-13.5)^2}{13.5}$$

= 4.2 + 28.2 + 9.8 + 0 = 42

The critical value of $X^2_{95\%}$ for v (k-1= 4-1) = 3 degree of freedom is 7.81 (from Chi-Square table).

Thus, since 42 > 7.81, we reject the hypothesis.

Statement of hypothesis (three):
Corporate Social responsibility does not have any significant positive impact on the Nigerian populace.

The relevant adapt for the test of the above hypothesis (three) is presented in table nine as below.

Options	**Freq.**	**%**
*To what extent has business act of social responsibility impacted on your life?		
a. Strongly positive	2	5.3
b. Positive	36	94.7
c. Negative	-	-
d. Strongly negative	-	-
Total	**38**	**100**

Chi Square computation

Expected frequency = $\frac{38}{4} = 9.5$

$$X^2 = \frac{(2-9.5)^2}{9.5} + \frac{(36-9.5)^2}{9.5} + \frac{(0-9.5)^2}{9.5} + \frac{(0-9.5)^2}{9.5}$$

= 5.9 + 73.9 + 0 + 0 = 79.8

The critical value of $X^2_{95\%}$ for v (k-1= 4-1) = 3 degree of freedom is 7.81 (from Chi-Square table).

Thus, since 79.8 > 7.81, we reject the hypothesis.

CHAPTER FIVE
Summary, Conclusion and Recommendations

5:1 Summary of major findings

Wealth maximization as a dominant goal of business might not be simple a view as it sounds, it impact as a business major goal on corporate social responsibility is the hub of this research. The following findings were made:

1. The study confirms that corporate social responsibility is not corporate charity as argued by some scholars; it is an entirely different business philosophy in which business processes are managed to produce an overall positive impact on the entire business stakeholders.
2. The commonest area of business involvement in corporate social responsibility is in activities that constitute community development. E.g. water project health campaign e.t.c.
3. The deep-seated reason for business involvement in social responsibility is to maximize business wealth. Hence, this intention determines to a large extent the area of involvement in social responsibility.
4. The business act of social responsibility has a significant positive impact on the beneficiaries.
5. Business in Nigeria do not discharge commensurate act of social responsibility therefore considered grossly inadequate.
6. To improve business-stake holders relationship the following action are essential:

   - Develop common goal and mutually beneficial relationship among business and it stakeholders.

- Equitable distribution of income (profit) among stakeholders.

-Community development programme among others.

5:2 Conclusions

Business profitability and wealth maximization is a globally acceptable business goal even though a few writers suggest otherwise. In the light of this popular believe any activity by management (agent) that is found/perceived to be detrimental to it achievement is severely sanctioned especially by owners. The position of corporate social responsibility advocated by many as been in accord with the business prime goal is difficult to establish with reasonable degree of acceptance. From the studies, it can be concluded that this much-debated subject (CSR) has no harm on the enormously desired business goal of wealth maximization. In fact it is evidenced from the study that the advocates of business social responsibility are much more obsessed with the love of increasing business' wealth and that engineers the drive in them. Corporate social responsibility does more good to business than it is believed to, No wonder *"emphases on corporate social responsibility"* is one of the enlisted qualities of a good and successful strategist (Fred David, 2006).

It is also important to mention conclusively that according to the study the area of business' involvement in social responsibility is dictated by the passion for business wealth maximization. However, even as business' social responsibility seems to be of *"enlightened self interest"*, it has significant positive impact on the beneficiaries across the nations.

5:3 Recommendations

The following recommendations are hereby offered to guide business in the area of corporate social responsibility and the strive for maximizing business wealth.

1. Any business seeking to maximize wealth sustain-ably must dedicate adequate time and resources to corporate social responsibility.
2. Business act of social responsibility must be guided by a framework developed during the strategy formulation process. i.e. It should not be an incidental event.
3. Every act of social responsibility must be preceded by thorough research to establish it relevance and importance.
4. Every act of business responsibility must be geared towards achieving a specific objective.
5. Business should not be guided only by derivable or derived economic benefits to discharge social responsibility; the long term operation/life of the business must be bone in mind while making decision today (present).
6. A dual communication mechanism should be established and maintained among business it stakeholders.
7. The business and it stakeholders should see themselves as partners striving for something common, this will improve relationship among them and consequently, they will enjoy the effect of synergy.

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APPENDICES

APPENDIX A: QUESTIONNAIRE I

I am a Master of Business Administration student (MBA) of ABU, Zaria conducting a research entitled ***"An Evaluation of the Impact of Wealth Maximization Goal of Business on Corporate Social Responsibility in Nigeria".***

The purpose of this questionnaire is to elicit information that is necessary for the successful conduct of the research work, therefore, your candid view(s) or opinion(s) as a respondent to the questions/issues raised in the questionnaire will be highly appreciated.

All information given will be treated with the strictest confidence and it will be used purely for this research purpose.

Yours faithfully,
Abolaji, Ola Timothy.

Please tick the option(s) that suits or apply to you like this [✓] and or write your opinion in the space provided.

Bio Data

1. Gender (a) Male [ ] (b) Female [ ]
2. Age group (a) 18-24 [ ] (b) 25-29 [ ] (c) 30-34 [ ] (d) 35-39 [ ] (e) 40 and above[ ]
3. Educational Qualifications (a) Tertiary [ ] (b) Sec. School and Below [ ]
   (c) Technical [ ]
4. Rank or position (a) Top Management [ ] (b) Middle Management [ ] (c) Others [ ]
5. Which of the following describes your understanding of corporate social responsibility?
   (a) Business display of corporate charity [ ] (b) A continuing commitment by business to behave ethically and manage the business processes to produce an overall positive impact on the entire business stakeholders (Customers, Employees, Owners, Society etc) [ ]
   (c) A way of giving back to the society [ ]
   (d) A way of building recognition and good business image
6. Does your organization engage in corporate social responsibility? (a) Yes [ ] No [ ]
7. If your answer to question 6 above is Yes, does your organisation have any corporate social responsibility policy? (a) Yes [ ] (b) No [ ]
8. What is/are your organization's specific areas of involvement in corporate social responsibility? E.g. Student scholarship, fair financial returns to shareholders, poverty alleviation programmes etc.
   ……

9. Corporate Social Responsibility attracts greater business cost. Why does your organisation consider involvement in it?

   (a) Charitable causes [ ] (b) A strategy of maximizing business wealth by creating an overall positive impact and gaining from its positive economic effects [ ]

   (c) Competition among similar businesses [ ] (d) Other reasons please specify

   ……

10. Business has the liberty to make a choice as to the area of involvement in Corporate Social Responsibility, what informs the choice of your organization's area of involvement?

    (a) Competitor's area of involvement in Corporate Social Responsibility [ ]

    (b) Perceived long term economic benefits and stakeholders area of need [ ]

    (c) Rules and regulations of the land [ ]

    (d) Others specify ……

11. How will you describe your view on the following statement: Corporate Social Responsibility is compatible with the goal of maximizing business wealth; it long run effect sustains and even increases the wealth of business if properly managed?

    (a) Strongly agree [ ] (b) Agree [ ] (c) Indifferent [ ] (d) Strongly disagree [ ]

12. How will you rate the performance of business in Nigeria with respect to corporate social responsibility?

    (a) Very adequate [ ] (b) Adequate [ ] (c) Not adequate [ ] (d) Very inadequate [ ]

13. How do you feel business-stakeholders relationship can be further enhanced?

    ……

    ……

    ……

APPENDIX B: QUESTIONNAIRE II

I am a Master of Business Administration student (MBA) of ABU, Zaria conducting a research entitled ***"An Evaluation of the Impact of Wealth Maximization Goal of Business on Corporate Social Responsibility in Nigeria".***

The purpose of this questionnaire is to elicit information that is necessary for the successful conduct of the research work therefore, your candid view(s) or opinion(s) as a respondent to the questions/issues raised in the questionnaire will be highly appreciated.

All information given will be treated with the strictest confidence and it will be used purely for this research purpose.

Yours faithfully,
Abolaji, Ola Timothy.

Please tick the option(s) that suits or apply to you like this [✓] and or write your opinion in the space provided.

Bio Data

1. Gender (a) Male [ ] (b) Female [ ]
2. Age group (a) 18-24 [ ] (b) 25-29 [ ] (c) 30-34 [ ] (d) 35-39 [ ] (e) 40 and above
3. Educational Qualifications (a) Tertiary [ ] (b) Sec. School and Below [ ] (c) Technical [ ]
4. Rank or position (a) Top Management [ ] (b) Middle Management [ ] (c) Others [ ]
5. Are you aware of corporate social responsibility? (a) Yes [ ] (b) No [ ]
6. Have you ever benefited from business act of corporate social responsibility? (a) Yes [ ] (b) No [ ]
7. If the answer to question 6. is Yes, in what way(s) have you benefited? E.g. Student scholarship, fair financial returns from business, poverty alleviation programmes, community development activities etc.
   Specify……
8. To what extent has the act of business social responsibility impacted on your life?
   (a) Strongly positive [ ] (b) Positive (c) Negative [ ] (d) Strongly Negative [ ]
9. How will you rate the performance of business in Nigeria with respect to corporate social responsibility?
   (a) Very adequate [ ] (b) Adequate [ ] (c) Not adequate [ ] (d) Very inadequate [ ]
10. How do you feel business-stakeholders relationship can be further enhanced?
    Specify……..…

APPENDIX C: CHI SQUARE TABLE

PROBABILITY UNDER H_0 THAT $X^2 \geq$ CHI SQUARE

The areas given across the top are the areas to the right of the critical value. To look up an area on the left, subtract it from one, and then look it up (ie: 0.05 on the left is 0.95 on the right)										
df	**0.995**	**0.99**	**0.975**	**0.95**	**0.90**	**0.10**	**0.05**	**0.025**	**0.01**	**0.005**
1	---	---	0.001	0.004	0.016	2.706	3.841	5.024	6.635	7.879
2	0.010	0.020	0.051	0.103	0.211	4.605	5.991	7.378	9.210	10.597
3	0.072	0.115	0.216	0.352	0.584	6.251	7.815	9.348	11.345	12.838
4	0.207	0.297	0.484	0.711	1.064	7.779	9.488	11.143	13.277	14.860
5	0.412	0.554	0.831	1.145	1.610	9.236	11.070	12.833	15.086	16.750
6	0.676	0.872	1.237	1.635	2.204	10.645	12.592	14.449	16.812	18.548
7	0.989	1.239	1.690	2.167	2.833	12.017	14.067	16.013	18.475	20.278
8	1.344	1.646	2.180	2.733	3.490	13.362	15.507	17.535	20.090	21.955
9	1.735	2.088	2.700	3.325	4.168	14.684	16.919	19.023	21.666	23.589
10	2.156	2.558	3.247	3.940	4.865	15.987	18.307	20.483	23.209	25.188
11	2.603	3.053	3.816	4.575	5.578	17.275	19.675	21.920	24.725	26.757
12	3.074	3.571	4.404	5.226	6.304	18.549	21.026	23.337	26.217	28.300
13	3.565	4.107	5.009	5.892	7.042	19.812	22.362	24.736	27.688	29.819
14	4.075	4.660	5.629	6.571	7.790	21.064	23.685	26.119	29.141	31.319
15	4.601	5.229	6.262	7.261	8.547	22.307	24.996	27.488	30.578	32.801
16	5.142	5.812	6.908	7.962	9.312	23.542	26.296	28.845	32.000	34.267
17	5.697	6.408	7.564	8.672	10.085	24.769	27.587	30.191	33.409	35.718
18	6.265	7.015	8.231	9.390	10.865	25.989	28.869	31.526	34.805	37.156
19	6.844	7.633	8.907	10.117	11.651	27.204	30.144	32.852	36.191	38.582
20	7.434	8.260	9.591	10.851	12.443	28.412	31.410	34.170	37.566	39.997
21	8.034	8.897	10.283	11.591	13.240	29.615	32.671	35.479	38.932	41.401
22	8.643	9.542	10.982	12.338	14.041	30.813	33.924	36.781	40.289	42.796
23	9.260	10.196	11.689	13.091	14.848	32.007	35.172	38.076	41.638	44.181
24	9.886	10.856	12.401	13.848	15.659	33.196	36.415	39.364	42.980	45.559
25	10.520	11.524	13.120	14.611	16.473	34.382	37.652	40.646	44.314	46.928
26	11.160	12.198	13.844	15.379	17.292	35.563	38.885	41.923	45.642	48.290
27	11.808	12.879	14.573	16.151	18.114	36.741	40.113	43.195	46.963	49.645
28	12.461	13.565	15.308	16.928	18.939	37.916	41.337	44.461	48.278	50.993
29	13.121	14.256	16.047	17.708	19.768	39.087	42.557	45.722	49.588	52.336
30	13.787	14.953	16.791	18.493	20.599	40.256	43.773	46.979	50.892	53.672