TITLE PAGE

CORPORATE SOCIAL RESPONSIBILITY IN NIGERIA: A CASE STUDY OF PEUGEOT AUTOMOBILE OF NIGERIA LIMITED AND UNITED NIGERIA TEXTILES PLC.

BY

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A PROJECT SUBMITTED TO THE POSTGRADUATE SCHOOL, AHMADU BELLO UNIVERSITY, ZARIA, IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF MASTER OF BUSINESS ADMINISTRATION (MBA) DEGREE

DEPARTMENT OF BUSINESS ADMINISTRATION INSTITUTE OF ADMINISTRATION, AHMADU BELLO UNIVERSITY, ZARIA, NIGERIA.

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DEDICATION

This project is dedicated to my parents Ezediogo and Mrs. B.O.N. Ibegbu, my brothers and sisters and other members of the family. And also, to the long-suffering people of South Africa who have just sung that sweet song of liberty 'Free at Last', especially the fountain-head of their struggle, Dr. Nelson Mandela, for only his like is what a true leader is made of.

DECLARATION

I hereby solemnly declare that this study, is my original product, which to the best of my knowledge, has not been presented to this or any other institution in Nigeria or abroad, by any other person for the award of any degree. All pieces of information have been duely acknowledged in the references and bibliography.

I assume responsibility for any mistake, error, or omission found in this submission.



IBEGBU, NELSON NWABUFO AZUKA

CERTIFICATION

This project report entitled Corporate Social Responsibility in Nigeria: A Case Study of Peugeot Automobile of Nigeria (PAN) Limited and United Nigeria Textiles (UNT) Plc, by Ibegbu, Nelson Nwabufo Azuka meets the regulation governing the award of the degree of Master of Business Administration (MBA) of Ahmadu Bello University, and is approved for its contribution to knowledge and literary presentation.

Dr. I. D. Bagobiri — Supervisor — Signature — 20/7/94 — Date

Abu-Abdissamad — Head of Department — Signature — 6/4/98 — Date

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Dr. M. A. Alkali — External Examiner — Signature — 25/10/94 — Date

Dean, Post-graduate School — Signature — 24/6/98 — Date

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Lest I gorget, I wish to use this opportunity to thank all teaching and non-teaching staff of Business Administration department of this great citadel of knowledge for their various assistance while the course lasted. Classmates and friends with whom I exchanged views on this project and related academic issues are to partake of this modest contribution.

To all, I wish the Lord's abundant blessings.

IBEGBU, NELSON N.A.

ABSTRACT

Corporate Social Responsibility is a concept that requires institutions to regard themselves as part and parcel of the same social system, and as such contribute to the sustenance and healthy growth arid development of it, The study here is focused on how far this idea has fared in Nigeria, using the due of PAN Ltd., and UNT Plc.

The result of the exercise indicates that "social responsibility" is not altoghter a dirty phrase in Nigeria, but has not been fully imbibed as a business culture. Hence, the half-heartedness of social involvements by companies who tend to concentrate more on economic (monetary) gains.

While the company executives are contented with the level of their social contributions, the society at large feels the former need to double their outlook. And this is an indictment of the degree of commitment to Corporate Social Responsibility in Nigeria.

Some of the recommendation made to remedy this situation include making social activities of institutions mandatory, with good monitoring machinery.

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CHAPTER 1

THE STUDY AND ITS METHODOLOGY

1.1 INTRODUCTION

The long history of business has hardly focused on the ideal of giving to the environment part of what is taken from it. Thus, the issue of business being socially responsible in the sense of 'appropriate' and concrete concern for its human, and non-human, is a novelty in most parts of the world, most especially in the developing and under-developed countries (ala Third World) to which our country Nigeria incidentally belongs.

Many economists have developed various ideas in support of, and against, the concept of corporate organisations shouldering any burdens not directly concerned with the production of goods and services. These have their merits and demerits, but the trend is more in favour of the adoption of social responsibility as part and parcel of business endeavour.

Basically, business is directly responsible to its shareholders (owners), employees, consumers, the government, and also to a large extent, the immediate community of its location as well as to the wider community of humanity.

Earlier belief was that as long as business throve to maximize the stock holders' wealth, pay employees their agreed salaries, produce goods and services for consumers (not necessarily strictly to their desire and taste), and pay up all forms of government taxes and operate within the laws of the land, it was on the right course. However, business has developed further in philosophical and economic senses.

In general, the whole concept of corporate Social Responsibility concerns management's consideration of the social effects of its principally economic decisions. Actually, the demand is for all business irrespective of size, location, industry, and ownership to integrate societal interests as an important aspect in their pursuits. This attitude is likely, in most respects, to enhance rather than detract from, the good corporate citizenship of the organisation.

A healthy organisation is not expected to remain healthy in an unhealthy society. Both business and the host community and indeed society in general need to grow together, otherwise, the rot from societal ills could eventually eat up business itself.

1.2 OBJECT OF THE STUDY

The main thrust of this project is to examine and

ascertain how far this new ideal in the business world - the integration of the concept of social responsibility in all business thinking, has been accepted by Nigerian businesses, with special focus on Kaduna State.

It is thought that Kaduna as one of Nigeria's most strategically important towns and the capital of Kaduna State - after being for the defunct Northern Region and later, North Central State. Thus, the city has remained a veritable centre of both business and political activities. Therefore, the outcome of this study could serve as an approximate surrogate of the general attitude of corportate business organisation in Nigeria to the concept of Social Responsibility.

1.3 RELEVANCE OF THE STUDY

A study of this sort is expectedly directed at pointing, to the relevant organisations concerned, the way forward. Here it is intended, to make useful deductions available to corporate organisations, for practical application, since their adoption is likely to promote a healthier business life, transformable to the much desired economic growth and development. By extension, this study will also benefit the government, stockholders and society as a whole.

1.4 SCOPE OF THE RESEARCH

This study, for some reasons, has been confined to two prominent companies in Kaduna, namely:

Peugeot Automobile Nigeria (PAN) Plc, and the United Nigerian Textiles (UNT) Plc,

The reasons among others include the considerably big size of the chosen outfits. However, many other companies in Kaduna were not left out entirely, for, data were also sourced from them in respect of the subject matter.

1.5 RESEARCH LIMITATIONS AND CONSTRAINTS

It took a good deal of skill and coaxing to make business executives and their staff let out data as they feared that somehow they would either be publicized in bad light, or that one was after some of their trade trump cards. Persuation was highly valuable in getting at even seemingly innocuous data. It must be stated that because of the off-town nature of the location of these firms it was quite expensive making several rounds of visit to executives. They were either attending meetings, or said not to be at their desk, or were too busy to see visitors, except for business purposes, or on pre-scheduled appointments. However, some later mellowed when they discovered that no harm was meant.

The original intention of this research was to carry out a more extensive study covering companies nation-wide. But it was discovered that the costs in terms of time and money would be prohibitive

for a private student researcher. However, efforts were made to collect vital data from well-spread companies with outposts in Kaduna, although their organisational structures militated against this as most of them only directed one to their head-quarters, mainly in Lagos. Hence, the choice of concentrating on Kaduna.

Because of the rather localised nature of the study the outcome may not adequately equate for all the companies in the country. Thus, a sweeping generalisation from the results is highly discouraged.

1.6 RESEARCH METHODOLOGY

The sources of data were both primary as well as secondary. Primary sources include the face-to-face personal interviews with executives of the companies (mostly, their Public Relations Managers), employees, and members of the public, as well as the use of questionnaires.

Secondary data were garnered from historical publications such as company manuals and annual reports presented at their annual general meetings (AGMs), and of course, from newspapers, news magazines and texts.

The interviews were of conversational nature, and answers of the respondents recorded by jotting. In addition, telephone calls were used to fill gaps and where clarification was necessary. The

setting of interview included offices and factory as well as their cafetaria.

An average of thirty persons were physically interviewed and fifty questionnaires distributed for each company's study.

These methods were aimed at getting very important data, but most of the executives were elusive on questions considered sensitive by them. On such instances unstructured questions were put across so that the respondents would throw some light on issues on hand. Also, where time was frugally spared, like in the factory, structured true/false, yes/no type questions were used.

The data were then subjected to critical analysis. However reluctant respondents ocassionally were, useful deductions were feasible through an unbiased, detached weighing of the facts on the ground. This is the major source of the strength of the exercise as a case study. The weakness however is derivable from the fact that the 'behind the scene' truths of a corporate goal and operations are not likely to be revealed by many an organisation. By this, whatever deductions made cannot be totally unassailable.

CHAPTER 2

LITERATURE REVIEW

2.1 INTRODUCTION

The review of existing literature in this subject - Corporate Social Responsibility in Nigeria with special focus on Peugeot Automobile Nigeria (PAN) Limited, and United Textiles Plc, is aimed at establishing a sound theoritical background for it. It primarily involves a sort of history of the concept, leading to the various definitions proferred in the attempt to give it a concrete generally acceptable form.

Also considered here are the ideas of the different schools of thought, the present trend and then some of the arguments for and against social responsibility in business organisations.

2.2 THE CONCEPT OF SOCIAL RESPONSIBILITY

The concept of social responsibility is not an easy question to deal with in any socio-economic environment. It has for some time now become a hotly debated issue among corporate executives policy makers, academics and even consumers and the general public. This arises mostly because of the controversy about the role business is expected to play as a social force regarding the improvement of the socio-economic circumstances of the environment. It becomes more compelling

a question with the decreasing ability of government to cope with its welfare responsibility.

As such, the public, considering the enormous profit declared by business and its unarguable contribution to many social dislocations, look up to it to be seriously involved in the processes and actions for alleviating these problems.

Historically, businessmen have always conceived some idea of their responsibility to society. The historical development of this conception of their responsibility to society is what we will refer to here as the evolution of the concept of social responsibility. This evolutional process can be divided into three phases[1]. These are as follows:

Phase 1 - Profit Maximization Management

During this period, there was the belief that business managers have only one objective - to maximize profits. The only constraint on this pursuit was the legal framework within which the firm operated. This resulted from the calvinist thoughts that the road to salvation was through hard work and the accumulation of wealth.

Phase 2 - Trusteeship Management

The trusteeship concept emerged in the 1920s and 1930s and dictated that corporate managers were responsible not just for maximizing stockholders wealth but also for maintaining an equitable

balance among competing claims of customers, employees, suppliers, creditors, and community as well as stockholders. Trusteeship management emerged as a result of the increasing diffusion of ownership of shares of the corporation and the development of a pluralistic society in the United States of America. A pluralistic society is defined as a society which has many semi-autonomous and autonomous groups through which power is diffused - no one group has overwhelming power over all others and each has a direct or indirect impact on all others.[2]

Phase 3 - Quality of Life Management

Phase 3 described as 'quality of life management' believes that even though group interests are important in decision making. It believes also that although money (profit making) is important, but people are more important than money. And that whatever is good for society should be good for the corporation.

During this phase, the philosophy of caveat venditor (seller beware) replaced the selfish one of caveat emptor (buyer beware). The philosophy underlying this phase is people-oriented. Corporations take interest in the welfare and problems of employees and in the protection of the environment, for a quality life. The corporation is also expected to show interest in the arts, the cultural and

aesthetic values of society.

Experts believe that each succeeding phase superimposes rather than replaces the preceeding phase.

About the 1960 s the general public in many developed countries began to demonstrate more concern about the quality of the natural environment; lakes, rivers and other such natural facilities were noticed to have been losing their recreational attractions because of pollution from factories and sundry activities. The odours of gaseous emissions also from similar sources heightened the situation. Scientists' revelation of the hazardous consequences of these pollutants on human beings and the possibility of the extinction of certain living species naturally elicited more serious studies.

Economists then went to work over the issue. In their view, the natural environment is a public good - a common property, for which incidentally there exists no market where buyers and sellers could bargain. And thus the basic cause of environmental degradation arises from the failure of the market to adequately deal with public goods. To economists, however, the remedy for this market failure can be found in decisive government action through policies and that the environment should be regarded as a scarce resource to which some costs have to be attached, although they have not really succeeded in producing a convincing way of evaluating these costs.

EXTERNALITIES

Also important in the study of social responsibility is the concept of externalities, alternatively called side effects, spillover effects, secondary effects or external economies and diseconomies. Externalities come about when activities of economic units (firms and consumers) affect the production or consumption of other units and where the benefits or costs which accrue to these units do not normally enter into the gain and loss calculations. In other words, these effects, although discerned, are left impriced and hence the bearers are, normally, uncompensated. If externalities are priced and the bearers compensated then they could be said to be internalised.

Distinction could be drawn between private and public externalities. According to Hartwick and Oliwiler (1986), a private externality is normally bilateral or involves few individuals. The main characteristic of a private externality is that the external effect must be fully appropriated by the agents involved.[3]

A public externality results when a natural resource is used without payment and the utilisation by one agent does not normally reduce the quantity of the resource available to others, although its quality may be affected due to the general freedom to use it. Air and water pollution are examples of

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this kind of externality as they emerge in the form of 'public bad'.

Business does not exist in a vacuum but within an environment which include those factors external to it. These factors are economic, political, social, technological, legal, and demographical. They create business opportunities, as well as constraints or even threats. At the same time, business has duties to its shareholders, employees, customers, suppliers, management and all. The interacting influences of these factors affect and are affected by business, directly and sometimes indirectly.

And according to Koontz and Fulmer (1975),

> "Any business firm must live within its total environment if it expects to survive. while the basic purpose of business is economic, it must be responsive not only to market and economic factors, but also to other elements in its environment - social, economic, technological, political and ethical".[4]

This postulation shows that apart from the main aim of making profit by business, some not easily quantifiable elements like ethics and politics are not altogether divorced from the survival of business. There are many more people who share similar views with Koontz and Fulmer.

F. O. Mc. Oliver is of the opinion that "social responsibility is a sense of obligation and accountability of individuals and institutions

to the society beyond their primary function".[5] This implies that organisations should regard it a duty and debt to fulfil actions that society will regard as socially responsive to its problems. These actions include in essence care for the environment, and various ways of alleviating the welfare problems of the human neighbours and employees of corporate organisations. Hence, the construction of amenities like schools, clinics, recreational facilities by business organisations are in this sense seen as being in the right direction and not an intrusion into the duty of government nor an unnecessary act that impinges on the growth of shareholders' wealth.

Keith and Gubellin (1962) also argued in favour of business becoming more socially responsible. To them, being socially responsible in the liberal sense is merely like putting something back into society so as to keep it fertile for further business activities. They further stressed that business institutions should accept the concept of social responsibility if they are to preserve the structure which makes possible their own way of life.[6] To these thinkers, society is like the goose that lay the golden eggs of business - profits, and thus is entitled to rescusitation and maintenance.

Musselsman V.A, and Hughes E.H (1950) argued that business should be responsible for maintaining a

healthy environment of the community which largely depends on its activies.[7] They contended that this function should be added to the legitimate profit maximization objective of any business enterprise. It is the belief of this duo that social responsibility should be shared by all individuals, institutions and business enterprises since they ultimately survive on one another.

Furthermore, Kenneth Andrews defines social responsibility as "the intelligent and objective concern for the welfare of society that restrains individual and corporate behaviour from ultimately destructive activities, no matter how immediately profitable, and leads in the direction of positive contributions to human betterment".[8]

For Andrews, even some profitable ventures of the present would not be worth the while of society if the long run effects would be detrimental. Thus, the future implications of present actions should be understood and secured no matter the attractiveness of urgent profitability of an enterprise.

In his own definition, Howard Bowen sees corporate social responsibility as "obligations to pursue those policies, to make those decisions, or to follow those lines of action which are

desirable in terms of the objectives and values of our society".[9] We could discern that policies, and strategies are here seen as veritable instruments to make an organisation, to be socially responsible, and they should be employed deliberately in that direction as organisations' way of life.

According to Sethi, social responsibility means "bringing corporate behaviour up to a level where it is congruent with the prevailing social norms, values and expectations of performance".[10] By this, business is in fact expected not to exist like a 'foreign body' within the fabric of society. It should 'behave' as part and parcel of it by not ignoring its effects on its neighbours and participants.

French and Saward (1975) see social responsibility as "the duty of a business enterprise to ensure that it does not disrupt the life of the community in which it operates".[11] By implication, if business in any way dislocate the communal life of its host, it must be liable for restoration.

For Daris and Blomstrom (1975), "social responsibility is the obligation of decision makers to take actions which project and improve the welfare of society as a whole along with their own interests".[12] This view is very much in line with earlier ones that state that being involved in social welfare should be integrated into corporate plans and policies, and that by so doing, business is better for it on the long run.

In the same view, Omolayole (1977), a Nigerian business consultant defines social responsibility as the "interest in and commitment to the aims, objectives and aspirations of the wider society in which the private sector functions".[13] Omolayole's view is pertinent since he is supposed to understand the full weight and implication of corporate business social responsibility in Nigeria - as an insider'. And his is not different from those views earlier mentioned - all pointing to the need for business to see itself as a subset of the wider society and thus thrive to operate for the betterment of the 'whole' as if never can survive in a sick society.

Hargreaves and Danman (1973) define the concept as "those investments in and contributions to the wider community designed to survive and operate efficiently".[14]

These authors even see social responsibility from a business perspective. The investments and contribution could be geared towards making the business climate clement and ultimately improve the efficiency of business activities in a community.

The above definitions of the concept of corporate social responsibility are only one side of the great divide. The other side of the coin need be equally highlighted.

Milton Friedman, a classical economist argues that, "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, engage in open and free competition without deception or fraud".[15]

To Friedman, business is responsible only to itself so long as its operations are within the demands of law and the rules of open competition. Anything outside these will thus amount to business social irresponsibility, so to speak. He contends that "if anything is certain to destroy our free society, to undermine its very foundation, it would be a widespread acceptance of management of social responsibilities in some sense other than to make as much money as possible".[16] Hence the sole focus of business as goal of enterprise and management should be nothing but profit maximization.

Peter Drucker, in the same vein, believes that "the first responsibility of managers to society is to operate at a profit".[17] Friedman and Drucker are of the opinion that business should strive to be more efficient in their operations and that lack of effectiveness threatens the survival of business for which liquidation represents a loss of national income and indeed a waste of scarce natural resources. They contend that in the bid to produce goods and

services business utilizes society's resources such as land, labour and capital and are thus duty bound to allocate them in an optimum way. The firm is fundamentally an economic unit and must make profit in order to survive. To these men and their ilk, the profits made will contribute to a healthy and vigorous economy which will have a positive spillover effect on the general society. Therefore survival made possible by great profits is seen by them as the prerequisite for the discharge of other social responsibilities. In this vein, if a firm makes great profits and is duely taxed by the authorities, it has sufficiently discharged its economic and social duty. So even where government carries out welfare schemes, the firms could lay claims to such achievement.

in fact, to Friedman, the concept of social responsibility can be equated with stealing from the shareholders, that "managers have no responsibility in the social area outside the maximization of shareholders' wealth."[18]

Similarly, Professor Theodore Levitt[19] sees no reason whatsoever for corporate social responsibility. He believes the function is completely outside the vale of the market system which is subjected to the usual rigorous test of efficiency.

Long time ago, Adam Smith (1776), a classicial economist articulated this profit maximization theory with little or no concern for society.

According to him, "Every individual endeavours to employ his capital so that his product may be of the greatest value. He generally neither intends to promote the public interest, nor knows how much he is promoting it. He intends only to promote his own security, only his own gain. And he is led by an invisible hand to promote an end which was not part of his intention. By pursuing his own interest, he frequently promotes that of the society more effectually than when he really intends to".[20] There is so much similarity in the views of the anti-social responsibility proponents, as there also is among the supporters of the concept. They both represent the two extremes - the classical and the neo-classical standpoints.

However, there are some authors who tend to chart the mid course. Rudelius Brickson and Bakula (1973) for instance wrote that business is basically regarded for the provision of a good return for its owners but in trying to do so, business creates social problems such as pollution, destruction of natural resources and other dislocations. As a result, they argue, business should be actively involved in solving the socio-economic problems of the society. Here, they recognise the need for profit making, but are equally concerned about the spillover effects from such endeavours and the necessity in participating to solve the problems therefrom, whether directly tracable or not.

Further in the above group are Stocker and Prakash Sethi. According to them, "Any social instituions, and business is no exception, operates in society via a social contract, expressed or implied, whereby its survival and growth are based on:

(a) the distribution of economic, social or political benefits to groups from which it derives its power

In a dynamic society, neither the source of institutional power, nor the needs for services are permanent. Therefore, an institution must continually meet the twin needs of legitimising and relevance by demonstrating that society requires its services and that the group benefiting from its rewards have society's approval, and

(b) the delivery of some socially desirable ends to society in general.[21]

The result of the above approach in the conduct of business will be corporate concern about society vis-a-vis its survival, thus making possible a convergence of both interests.

It is necessary to include the views of Robert Dahl, that "every large corporation should be thought of as a social enterprise; that is an entity whose existence and decisions can be justified in so far as they serve public or social purposes".[22]

Dahl here tries to be more emphatic about the social involvement of business rather than the heavy economic ascription many experts are known to have given it. Thus, to him, business owes (especially big concerns) its relevance and essence to society.

These strong ideas on both sides make it most pertinent to evaluate the amount of responsibility that could be expected of business especially by the proponents of the concept of social responsibility.

The Power - Responsibility Equation

No doubt business in society is very influencial as a result of its enormous social and economic power. Government seeks its counsel on a wide range of issues and its utterances and actions also have a lot of influence on host communities. For example, the assets of Bell Telephone System were about thirty billion dollars in 1963, making it the largest business in the world; General Motors and Standard Oil of New Jersey had both assets and sales of over ten billion dollars in the same year - the annual sales of General Motors Corporation were greater than the General National Product (GNP) of the Netherlands.[23]

Business organisations contribute in the shaping of nations' economic policies, labour relations policies and so on. To the extent that these groups have social power the lessons of history and management suggest that social responsibility or

an equal amount arises therefrom. As stated by one philosopher, "The demand of the law in a well-ordered society is that responsibility shall lie where the power of decision lies. Where that demand is met, men have a legal order; where it is not, they have only the illusion of one".[24]

The idea of equal power and responsibility is not novel to business. For example, one of the cardinal rules of scientific management is that authority and responsibility should be balanced. This rule applies not only to the relationship within the firm but also to the firm with the large society. As a matter of fact, business as organisations have been strong proponents of balanced social power and responsibility in the external society, particularly in their views on responsibilities of labour leaders.

Considering the power - responsibility equation, what happens if responsibilities are avoided by business? Simply put, imbalance will result, since responsibility arises from power, and the avoidance of social responsibilities leads to gradual erosion of social power. This is the Iron Law of Responsibility: "Those who do not take responsibility for their power, ultimately shall lose it".[25]

As it applies to business, the Iron Law of Responsibility insists that to the extent that

business does not accept social responsibility obligations as they arise, other groups eventually will step in to assure those responsibilities and the social power therein.

2.3 The Concept of Shareholders and Enlightened Self-interest

The Concept of Shareholders: In the traditional economic model, corporations are responsible to owners of their equity shares, and all actions are geared towards maximising the shareholders' wealth. However, from the socio-economic view point, this narrow interest has been replaced by the wider concept of stockholders to cover all groups which have a stake in the various actions of the corporation and which support and to whom the organisation is responsible. This suggests that groups apart from equity owners also make contributions and that their interests should also be protected.

Freeman and Reed (1977) define stockholders in both the narrow and broad sense thus:

(a) Any identifiable group or individual on which the organisation is dependent for its continued survival - employees, customers, certain suppliers, key government agencies, shareowners, certain financial institutions as well as others, are all stakeholders in the narrow sense.

(b) Any identifiable group or individual who can affect the achievement of an organisation's objectives or who is affected by the achievement of an organisation's objectives - public interest groups, protest groups, government agencies, trade association, competitors, unions, as well as employees, customer segments, shareowners, and others are stakeholders, in this sense.[26]

From the above definitions one could see that a given stakeholder, for example, an employee may have more than one kind of interest and/or power. He might be a shareholder, a customer, employee and a union official, for instance. Thus the success of a corporation as regard social responsibility depends to a large extent the level of commitment of the stakeholders to such a concept. The importance of this all is that social responsibility requires a willingness on the part of the corporation to be responsive without external pressure urging it to do so, and managers knowing that it serves the long run objectives of the firm.

The Concept of Enlightened Self-interest

Much of the modern ideas of corporate social responsibility duel on enlightened self-interest.[27] It means a socially responsive action on the part of management which cannot be clearly justified on the basis of cost and revenue calculations and

short-term profits. The course of action is intuitively taken in the belief that it serves best the firm's long term interests.

Since the concept is not strictly based on economic logics, managers need a high sense of judgement in embarking on such a line of action, so that the firm's priorities would not be compromised. At the end of the day, if a manager achieves good corporate image without making profits, or where losses are recorded, he can hardly be adjudged in good light.

2.4 Corporate Response to Social Responsibility: The Models

The lack of unanimity of agreement as to what social responsibility is militates against a simple single prescriptive response model on the part of corporations. At the policy level, some typical business responses can be identified and grouped under various analytical models, namely (a) The Regulatory Model, (b) The Defensive Model, (c) The Deceptive Model and (d) The Accomodating Model[28], explained below:

(a) The Regulatory Model: This response approach believes that business should continue their traditional activities unfettered with the proviso that they operate within the bounds of the law. They would respect the norms and culture of their environment, engage in "fair" business practices without deception or fraud.

This response strategy is not to be encouraged for business because it is too risky and does not inspire much goodwill from the public. The model only stresses compliance with rules and regulations. But apart from the letters of the law, the spirit is also important. Where goodwill is lacking a single suit could earn the corporation the maximum penalty sometimes this could spell doom for the firm. Firms that adopt this approach will comply to laws say on pollution, labelling, advertising and so on, and where they are in breach, they simply pay stipulated fines or compensation without scrupples. Even though they operate within the letters of the laws, they will be portrayed as insensitive in the eye of the public which they suppose to serve. It is thus advisable for business to contribute in moulding the law and strive to benefit therefrom.

(b) The Defensive Model: This policy measure attempts to "kill" social responsibility demands. Spearheaded by Milton Friedman and Theodore Levitt, the response model endeavours to justify or rationalise the classical business objective of maximum profit. It reveals the consequences of lack of profits to a business organisation. It maintains that for business profit is a prerequisite for survival

and growth. It argues that managers have no authority to spend shareholders' investment recklessly. If managers do, the argument goes, they are not only irresponsible, but also thieves. The logic is that managers would in fact be giving shareholders hidden tax. This approach believes that managers are not even "competent" to decide the societal goals for which shareholders money should be spent.

This rather fighting approach to social responsibility demand is not wise because some social responsibility demands are just and reasonable.

(c) The Deceptive Model: This appraoch basically attempts to deceive the public. It pretends to undertake some social development projects while the cost is passed to the consumers in the form of higher prices or lower dividends to the shareholders. It may on the one hand award scholarships which would be highly publicised and on the other hand refuse to pay its workers good wages.

A variant of this approach is common with businesses whose owners now want to cover up for their initial capital which might have been obtained fraudualently. They pretend to really have the public interest at heart. They operate good conditions of service for their workers and donate very generously

indeed to charitable organisations. Some of these types of businesses could even have connections at high quarters that guarantee a lot of money without any serious efforts. For instance, they could be sure of over-valued contract awards, such businesses can therefore afford to waste resources and operate at low levels of efficiency.

Since this approach is basically deceptive, it cannot be recommended.

(d) The Accomodating Model: This approach regards social responsibility as an important social imput in the decision making process of the firm. This viewpoint attempts to study the trend and magnitude of demands and pits these against company resources. It then decides and accepts a level of other social responsibility it can afford without jeopardising its survival and growth objectives. The firm should adopt the position that there are long-term profits in the problems of the society. The firm should engage in fair practices and stay within the rules of fair competition and the law even if this would mean less profits. This is the recommended model.

2.5 The Various Schools of Thought Conceptual Framework

There are three major viewpoints on social responsibility and central management (used

instead of "top management" to avoid the strong connotation of social status and use of power which the latter carries).[29] They are as follows:

(a) Resource Converter viewpoint: This group believes that: socially responsible action for a business enterprise is that course that enables the enterprise to function as a dynamic resource converter on a continuing basis.

This school of thought is arguing that an enterprise justifies its existence by converting resources into desired outputs. Resource inputs of labour, materials, ideas, government support, capital, and the like (which are considered scarce) are converted into outputs of goods, services, employment, stimulating experiences, markets, and other things desired by those who provide the inputs. The job of central managers is here seen as designing and maintaining of a converting mechanism that will generate continuing flows of these inputs and outputs.

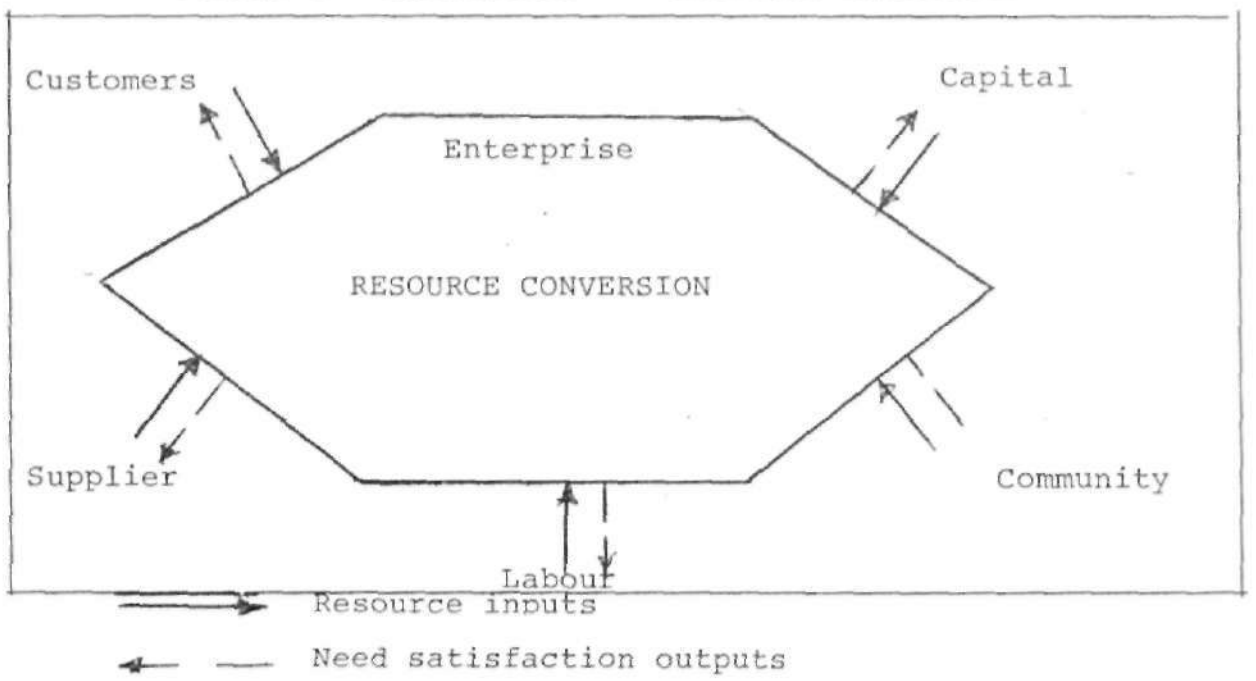
An automobile garage, for instance, converts labour, parts, machinery, and capital into repair services, jobs, rent, etc. Likewise, a poultry farmer converts chicks, feed, labour, equipment and other resources into outputs of eggs, meat, jobs, a market for grain, and a profit on capital. Civilized

society depends on a continuing flow of such conversions. Thus, here, social responsibility of business managers is mainly concerned about the effectiveness and the side effects of resource conversions.

This concept of central managers dealing primarily with resources conversion puts emphasis on three basic elements, namely:

(i) Building Continuing Exchange Flows with Resource Suppliers: The relationship with each resource supplier always involves an exchange. Each group of contributors (customers, suppliers, community, capital, labour, etc) provides a needed resource and receives in exchange part of the outflow of the enterprise. This is illustrated by Fig. 1, below, showing these flows for five typical outside contributing/ receiving groups.

FIGURE 1* ENTERPRISE = RESOURCE CONVERTER



Typically, an array of conditions provides the basis for continuing cooperation. Employees, for instance, are concerned about meaningful work, stability of employment, reasonable supervision, future opportunities, and a whole array of fringe benefits in addition to their salaries.

Suppliers of materials want a continuing market, sure and prompt payment, convenient delivery times etc. Investors are concerned about security, returns, and perhaps some share in management. Community is concerned about environmental protection, growth in employment opportunities etc. For each resource contributor, mutual agreement about the conditions under which the exchange will continue is subject to evolution and periodic renegotiation.

In fact, most of the widely discussed "social responsibility" issues deal with modification of previous conditions of cooperation, such as shown in Table 1.

TABLE 1: SOME "SOCIAL RESPONSIBILITY" ISSUES

Input Group	Reason Prompting a Change
Labour	"Equal opportunity", effect of inflation on emolument etc.
Investors	Inflation protection; public disclosure of information.

Community	Environmental protection; employement opportunities.
Suppliers	Predictable long-run markets
Customers	Consumerism pressues for quality guarantees, informative labelling.

Kast and Rosenzweig classified the social issues as follows:

Consumer Relations: Product information; fair advertising and packaging, product safety and quality; service, warranties and guarantees.

Environment: Control of air, water, and solid waste pollution; conservation of energy and other resouces, minimising noise, odour and vitual pollution.

Individual: Fair employment and non-discriminatory practices, affirmative action; employee rights of speech; due process, privacy and safety.

Community: Corporate giving and community involvement; urban development, job training; support for education and the arts; cooperating with local government.

Government: Obeying laws and regulation, cooperating with local, state, and federal government to deal with social issues.

Society (at large): Corporate governance; role of board, dealing with shareholders and other

interested groups, stand on national and international issues. Maintenance of business legitimacy as an institution.[30]

The reall core of social responsibility of business is here generally seen as the maintenance of resource flows on mutually acceptable terms. And this is a very difficult assignment in times of rapidly changing values and expectations.

(ii) Designing an Internal Conversion Technology

This internal conversion technology involves more than mechanical efficiency. Each enterprise, large or small, must maintain a balance between the outputs it generates and the outputs it generates and the satisfaction it has agreed to provide its suppliers of resources. For instance, promises of stable employment must be compatible with protection promised to suppliers of capital. Such ability to make ends meet, depends, partly, on the skill of executives in devising a "conversion technology" suited to their particular company. The way the resources are converted strongly affects the outputs. So, in addition to negotiating agreements assuring the continuing availability of resources, central management must design internal systems to effectively utilize the resources.

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Every enterprise has its technology for converting resources into outputs. For example, a school has its teaching technology, an insurance company has its technology for policy risks, and a beauty shop has its technology for shaping unruly hair.

The desired outputs include interesting jobs, low capital risks, minimum pollution of the environment etc.

(iii) Integrating and Balancing External and Internal Flows

Important as attracting resources and designing conversion technologies may be, it is the combination of responding to "needs" of resource contributors and restricting total responses to what total output permits that poses the final challenge to central management.

Socially responsible executives must respond quickly enough to the everchanging desires of resource contributors to maintain a continuing flow of needed resources, and at the same time, they must keep their enterprise alive by generating the right quantity and mix of outputs to fulfil commitments. If they do not, some key resource will be withdrawn and the enterprise will collapse - a disservice to society if allowed to happen.

Considering a Company as a resource converter uses a broad social viewpoint. Indeed, every successful resource converter must make a profit in order to continue to attract capital. To survive, a company must also provide attractive employment, be a good customer, earn continuing support of governments and the community, and serve customers well. The task for central management is to find a way to do all these things simultaneously while keeping abreast of changes in each field. And this will portray the enterprise as being socially responsible.

(b) Central Management Viewpoint - Integrated Timely Action

This viewpoint sees central management as the group within an enterprise which designs a particular course that enables the firm to perform in a socially responsible fashion.

Central Management is concerned with the total enterprise - the "whole business", giving attention to interdependence. Commitments to customers must be reconcilled with vacation schedules for employees; automated production must not generate air pollution. A major distinctive concern of the central management viewpoint is the relating of parts to the whole, integrating them into a balanced,

workable plan. Another is setting priorities for the enterprise, among a wide array of options.

Central management therefore focuses on missions and priorities on the one hand, and on inter-relationships, functional integration, and a balanced plan of action on the other.

(c) <u>The Analytical Framework Viewpoint - the Future Oriented Approach</u>

This viewpoint is concerned with a central management that is socially responsible by way of being forward - looking. The following approach is normally employed.

(i) Design company strategy on the basis of continuous matching of anticipated opportunities and problem in the industry with distinctive company strengths and limitation.

(ii) Amplify and clarify this strategy in policy.

(iii) When a diversified corporation is involved, plan for a balanced portfolio strategy covering the several business units (companies) and modify the strategies and policies of the business - units to fit into this consolidated plan.

(iv) Set up an organisation to carry out the strategy and policy.

(v) Guide the execution of the strategy and policy through the organisation. This calls for programming, activating and controlling the operations.

2.6 The Current Attitude to Social Responsibility

The soundness of classical economists' arguement on the profit objective of organisations not withstanding, the current attitude to the concept of social responsibility is mainly the recognition of the pluralistic nature of society, but with a good dose of the application of the concept of enlightened self-interest.

A pluralistic society, therefore, is a social system in which diverse groups maintain a concurrent private freedom and public responsibility. Pluralism is a basic reality in mordern business culture - business is influenced by all other groups in the general social system, and it, in turn influences them.

Eells and Walton observed that, "Pluralism always implies multiplicity, frequently diversity, and sometimes conflict. It is as much the generator as the result of freedom... It is... as much opposed to the ambitious pretences of a James Stuat (the King can do no wrong), as it is to the Rousseavian version of democracy (the collectivity can do no wrong)" [31]

Pluralsim diffuses power and this suggests that progress is made through responsible negotiation and compromise among the various power centres. Pluralism also implies that business is a joint venture of responsible citizens and groups of citizens, such as investors, managers, workers, communities, scientists, and others. Together these groups offer diverse inputs and expect diverse outputs. Viewed as a whole, the outputs are more than economic; social, psychological, political, etc. This joint venture involving many groups is not necessarily a conflict or struggle for absolute power. Rather, it represents the efforts of people to reconcile their needs through a variety of organisational interests. Thus, the business organisation becomes responsible to a variety of ways, rather than being responsible only to stockholders, and these claimants in turn have responsibilities to business because of their power to affect it. We can then say that pluralism is a major consideration in solving the social responsibility dilemma. It multiplies the centres of social power, all of which need to be concerned with social responsibility as they relate to one another in the social system. Therefore, the modern attitude towards social responsibility is that demanding collective efforts at solving social problems and making every power centre to shun the prima donna syndrome of "I before others"

Enlightened self interest is necessary - business needs to initiate without being prompted first, programmes and actions for the amelioration of social problems.

2.7 Arguments For and Against, Social Responsibility

The seemingly unending lack of unanimity over the acceptance of social responsibility of corporations as a necessity, makes a brief review of the stands of the protagonists and the antagonists worthwhile.

As highlighted earlier, the anti corporate social responsibility camp views the corporation from an economic lens and conclude that business is only responsible to stock-owners. Some of their arguments are as follows:

(a) The competitive market system work effectively on when the corporation concentrates on economic performance and emphasizes the interests of stockholders. This model assures optimal use of society's resources.

(b) As economic institutions, corporation should so cialise in what they do best for efficient production of goods and services. Projects are a reward for effective social performance.

(c) Business is not required to pursue social goals. This function should be left to other institution in the society.

(d) Any altruistic attempt at corporate social

responsibility represents an appropriation of stockholders' resources that should rightfully be returned as profits.

(è) Business exercises great economic power Corporate social responsibility will result in corporations having undue influence over many other activities.

(f) The firms emphasizing social responsibilities are at a competitive disadvantage to those who do not. This is particularly detrimental in international competition.

Davis, Fredirck and Blomstrom (1975) summarise the arguments against social responsibility as follows[32]

(1) Need for profit maximisation
(2) Threat to business' primary purpose
(3) Business costs of social responsibility
(4) Cost to society for social involvement
(5) Weakened international balance of payments
(6) Business has enough power
(7) lack of social skills
(8) Lack of accountability
(9) Divided support.

Adam Smith (1776) argued that business produce public good when their operations result in the reduction of costs, and they improve efficiency in their effort to maximize profits

Milton Friedman subscribes to this standpoint and has tended to take the most powerful position against corporate social responsibility.

On the other hand, proponents of corporate social responsibility articulate their views as follows:

(a) The pure competitive situation does not exist and the current economic environment does not automatically ensure the optimal allocation of resources. There is no guarantee of efficiency and equity.

(b) Businesses are not just economic instruments. Their activities have significant social efforts. Profits alone are not the sole indicator of social performance.

(c) Managers are not usually trained to deal with corporate social responsibility in their decisions, yet the social impact of their actions is inevitable. Many corporations have vast resources, some of which should be channelled into activities related to social welfare.

(d) Corporate social responsibility does not necessarily misapproriate stockholder interest. In the long run, consideration of social interests, responsibilities will enhance stockholder.

(e) An improved society offers the opportunity for better condition. Investment in improving the social fabric will provide a favourable business climate.

(f) Businesses that take a more responsive position discourage groups such as unions and government from stepping in to fill the void, thereby ultimately avoiding a break-down of competition and the "free enterprise" system.

In the broad sense, it is in the best interest of the corporation to engage in socially responsible acts.

Again, Davis Fredrick and Blomstrom summed up the arguments in favour of corporate social responsibility as follows:

(1) Changed public needs and expectations
(2) Better social environment
(3) Discouragement of further government regulation
(4) System inter-dependence require social involvement.
(5) Balance of responsibility with power
(6) Stockholders interest
(7) Problems can become profits
(8) Public image
(9) Let business try
(10) Business has the resources
(11) Prevention is better than cure

In the view of proponents of corporate social responsibility public needs and expectation have grown to the point where business earns relevance only where it satisfies society's needs and expectations; corporate involvement provides better social environment resulting in less government regulation; that business' enormous power should go hand in hand with equal responsibility to society - for a balance through good welfare programmes; the complexity of modern social systems makes interdependence between business and society inevitable - hence the need for positive symbiosis; that share-holders' interest can be served by corporate social responsibility, even if indirectly; that providing solutions to certain social problems can yield economic profits; corporate image as good citizen is enhanced by socially responsible actions, that government and society have not really succeeded in remedying societal ills, therefore, business should be given a chance to try; that business has enormous wealth and so it is better to utilize part of its resources to ameliorate social problems and not wait until the social system collapses before it lends a hand, for it may be too late for both society and business.

SUMMARY

The study of earlier literature on the concept of social responsibility actually reveals the contro-

versial nature of the topic as it pits the classical group on the one side of the divide against the ideas of the neo-classical group. The former believes and unwaveringly, that business justifies its existence by making good profits for and only for its stockholders and that business is not "competent" to involve itself in social responsibility. The classicals, in fact, stridently argue that it amounts to stealing if management should use any resources for this purpose.

On the other side, the neo-classicals believe and passionately also, that business does not exist in a vacuum but in the society and should see itself as a sub-set of the larger social family. The group argues philisophically that business cannot thrive in a sick society and thus should participate fully in developing and sustaining a healthy and vibrant society because by so doing business will at least,on the long run,benefit.

This literature review in essence will be used as the framework for the study here, to actually posit the firms where they belong now, and also, strive to point the better way forward, if need be.

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CHAPTER 3

THE HISTORICAL DEVELOPMENTS OF THE COMPANIES

3.1 INTRODUCTION

This chapter deals with the historical developments in the two companies under study: Peugeot Automobiles of Nigeria (PAN) Limited, and United Nigeria Textiles (UNT) Plc. The aim here is to seek to understand the background to the companies' corporate attitudes in general and as regards social responsibility in particular. Naturally, this chapter is divided into two main parts.

3.2 HISTORICAL DEVELOPMENTS IN PAN LIMITED

The first set of Peugeot cars (one hundred in number) came into Nigeria in 1957 through importation by individuals. However, in 1959, SCOA was appointed sole agent for the French Company's products in Nigeria and it brought in the first set of the 403 brand. The earlier imports were of the 203 brand.[33]

Following Nigeria's independence in 1960 and the rapidly growing economy, car importation grew as rapidly. The Federal Military Government under General Yakubu Gowon in the early years of the oil boom era saw the need to enter into agreement with Automobiles Peugeot France to set up an assembly plant in the country. This resulted in the incorporation of Peugeot Automobiles of Nigeria on 15 December 1972 with an authorised share capital

of ₦3 million and paid up capital of ₦2 million.

On 14 March, 1975, the assembly plant in Kaduna was commissioned by the then Head of State, General Gowon and the first set of Nigerian Peugeot cars rolled out of the plant.

In its first few years of operation, the head office of the company was located in Lagos while the assembly plant was located at its permanent site in Kaduna. However, the head office was moved to Kaduna in the early 80 s. The movement of all the divisions was completed in 1983. Since then, many developments and expansions have been recorded, including the acquisition of adjacent lands at their Kaduna South industrial area location, for the purpose of complete manufacturing activities.

The plant was primarily programmed to assemble and manufacture Peugeot brands of vehicles. There was a clear vision from inception for the establishment of the outfit - it is set up to serve as a concrete justification for Nigeria's Steel Industry and a catalyst for other integrated industries. And in addition, to provide employment for thousands of Nigerians.

Since 1975, PAN has recorded a remarkable growth. Its annual turnover of just ₦88.4 million in 1975 rose to ₦493.6 million in 1984 with declared profit of ₦28 million that year. The production figure for 1975 was 2,592, and 59,490 cars in 1981 - a

great leap indeed! However, because of the unhealthy national economic situation, production has reduced considerably, and is in fact fluctuating depending on a number of factors like availability of foreign exchange, and demand. Altogether since inception PAN has produced about half a million cars.

Ownership and Management: PAN's equity structure is as follows:-

Federal Government of Nigeria	40%
Kaduna and Katsina State Governments	10%
Nigerian Peugeot Distributors	10%
Automobiles Peugeot France	40%

Thus, the two major owners are the Federal Government of Nigeria and the technical partners, Automobiles Peugeot of France.

The company's policy affairs are guided by a Board of Directors headed by a Chairman, while the general management, which supervises the daily activities of the corporation is le d by a Managing Director, assisted by a Deputy Managing Director.

The management is structured into five divisions: Personnel administration, commercial, finance, industrial, and the local contents/purchase divisions. Each is headed by a General Manager.

At present, PAN employs more than 2,000 workers of which about 75 per cent are Nigerian, and 80 per

cent of the management cadre are also Nigerian. In fact, PAN at inception employed only six hundred and ninety-one (691) persons, in 1975, and the figure rose to over 4,000 in the early 1980's, before the Structural Adjustment Programme took its tolls, reducing the level to an average of about 2000 over the past five years.

Training and Development

In line with one of its objectives, the company has a comprehensive training programme aimed at making the nation develop in automobile technology. Through the guidance of its training consultants - Organisation for Rehabilitation Through Training (ORT) of London, PAN has trained a great number of their staff both locally and overseas. For example, a total of 2,500 PAN staff acquired specialist training in 1984 alone. The company also, in collaboration with universities and polytechnics, organizes seminars and workshops to keep its workers current with modern developments in all aspects of its operations.

Manufacturing

The manufacturing plant located in Kaduna South Industrial Estate produces eight series of Peugeot cars on the Nigerian road today. These are: the 504 Family Series, the 504 Family A/C, the 504 GR/ORD, the 504 GR A/C, the 504 GL/AC, the 505 SR 5-speed, the 505 SR 2.00cc, and the J5 Transit Mini-Bus.

However, the company only assembles the complete Knock Down, CKD parts which are imported from its parent company in France with the local content inputs which now account for about thirty-five per cent of the finished product. This is considered a great achievement in the Nigerian automobile manufacturing industry as its counter-parts like the Volkswagen of Nigeria (VON) Limited and Anambra Manufacturing Company (ANAMCO) Limited, assemblers of some volkswagon and mercedes benz brands are yet to attain upto twenty per cent local content levels. In fact, it is known in the indust ry that to achieve 0.1 per cent local content gulps about ₦30 million, translating thus into about ₦9 billion of PAN's investment in this wise. In addition, the company is putting in more efforts to improve on this, through its research and development machinery. PAN is also well known for its quality control.

Marketing and After-Sales

In Nigeria today PAN's brands of vehicles are the commonest. Before the incursion of the imported used cars, called Tokumbo in local parlance, they accounted for about 60 per cent of vehicles on Nigerian roads. Also, peugeot spare parts are very common, found virtually in every nook and cranny. There are over 200 accredited garage - maintaining dealers of the company's products throughout Nigeria and it ensures that dealers are supplied genuine parts adequately.

PAN has also made a considerable impact in the exportation of its products. At present, it markets its brands and spare parts in many West African countries.

As part of its after-sales services, PAN organises seminars and workshops for the purpose of enlightening users on the most effective and efficient ways of handling and maintaining its products.

Concern for Society

PAN variously supports the development of sports, community enhancement by helping to sink water boreholes, build rural roads, helps police patrols by donating vehicles, render help to charity homes and to needy individuals and organisations. Very importantly it organises seminars and workshops on the safe usage of peugeot vehicles and continues to research on how to improve their mechanical efficiencies.

3.3 HISTORICAL DEVELOPMENTS IN UNT PLC

The United Nigeria Textiles UNT) Plc was incorporated in 1964 as a private Limited Liability company by some Chinese investors. It was solely owned by them. Then it was a mere finisher company that only engaged in dyeing of grey bafts which it marketed.

Gradually, it later evolved into a complete integrated textile mill producing Real Wax and

Superb Java Prints. Apart from profit making the objectives of the company also include to help Nigeria grow industrially.

Ownership and Management

Around 1968 the company accepted the first set of local investors by selling part of the shares to Nigerians. But with the Indigenisation Decree of 1972, more Nigerians got involved in the ownership of the firm.

At present, Nigerian citizens and associations hold 41 per cent of the company's shares while overseas interests own 59 per cent with a preponderance of Chinese. Also, the management cadre is dominated by these Chinese accounting for about 80 per cent. The present Board of Directors consists of six foreigners and four Nigerians with a foreigner (Chinese) heading the board as Chairman and another leading the management as the managing director. A Nigerian is the vice Chairman.

Operating Performance

Since inception 30 years ago, UNT has always recorded a high level of performance. Today, its shares are reputed as well sought after by investors. At the Stock Exchange, investors are always on the lookout for the company's shares to buy. UNT is known for having never recorded a loss since the beginning.

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In spite of Nigeria's harsh economic condition since the advent of the Structural Adjustment Programme (SAP), the company's performance for the past six years never dwindled. Its profit for the period exceeded ₦300 million while its dividend per share and earnings per share (EPS) of 7.44K and 15.67K respectively of 1988 rose to 25.00K and 53.75K respectively in 1992.[34] In 1993, its turnover rose to the significant billion Naira level.

Laurels

UNT Plc in September 1987 was awarded the Swiss Gold Medal for quality for a high standard of production; standard Organisation of Nigeria Gold Certificate in October for maintaining a high quality standard consecutively for over ten years; the National Productivity Merid Award in 1993, in recognition of its examplary contribution to national productivity - presented by the Honourable Secretary of Labour and Productivity.[35] All these go a long way to show that the firm has been doing well.

In the early 1980s, UNT expanded by investing in some other textile companies. It acquired Unitex Limited, Funtua Textile Limited, Zamfara Textile Industries Limited which all form its subsidiaries, while it is a major shareholder in Supertex Limited. These four companies follow the fruitful footsteps of UNT which had to transfer a good number of

trained employees to them. Shortage of manpower did not result because less hands became necessary following its improved operational mechanization. About 3,000 workers were in this manner posted. And UNT still retains an annual average of about 5,000 workers, without a retrenchment.

Modernisation of Plant

The modernisation of the finishing plant which began in 1989 was completed 1992. And there have been efforts to improve its spinning and weaving to produce better refined yarn and grey baff. With these in place, UNT will be in a good competitive position against European Wax products.

Personnel and Industrial Relations

A good healthy industrial relation is known to prevail at UNT and this could be attributed to the establishment of good communication machinery. There is a constant interaction between management and employees through the Unions and Staff Association. Seminars are constantly organised. Also, in collaboration with the Industrial Training Fund (ITF), a comprehensive training programme is implemented for employees. Many are sent to colleges of technology and universities on training especially on textile related courses, but generally for the self development of the individuals.

In the area of safety, health and welfare, the company accords its work force a priority. Two safety advisory committees - the central and the departmental, are operational. They ensure the enforcement of safety rules. And the company owns the All Nigerian Foundation - a hospital that caters for UNT employees and families and also the general public. In addition, it has a clinic, well equipped and staffed, at the UNT premises exclusively for the staff.

To ease accomodation problems, UNT quarters were built in the early 1980s. This ensures that many of its staff are decently accomodated.

The company operates an accident insurance scheme for its employees. It does not run a pension but provisions are made for retirement and terminal benefits for employees in company's service for a continuous period of four years.

Concern for Society

Apart from the afore-mentioned All Nigerian Foundation Hospital, the company contributes to research effort in agriculture, government's schools and development programmes, sporting activities, charity organisations, road construction and award of scholarships. The company also encourages environmental cleanliness.

3.4 SUMMARY

From the foregoing, it could be seen that the companies - PAN and UNT have striven much to grow from strength to strength. They have recorded appreciable improvements since their inceptions and have also shown some concern for the society in which they operate. It would however be necessary to further study how much their efforts towards ameliorating societal problems have gone down with society - with the knowledge of their efforts in the mind. And this is the aim of the next chapter.

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CHAPTER 4

PRESENTATION AND ANALYSIS OF DATA

4.1 INTRODUCTION

Data on the companies under study - PAN Limited and UNT Plc were obtained through personal interviews of some of their executives in addition with questionnaires (see Schedule A Questionnaire in the Appendix) which they filled and returned. And the perception of community of their (the companies) social commitments is weighed from their answers to direct personal interviews and the Schedule B Questionnaire (see Appendix also). Both claims are clarified further by observation where possible. Fortunately enough both companies are located in the Kakuri area of the Kaduna State Capital, Kaduna. Thus, the same group of respondents served to obtain information on the companies' social activities in the area.

From earlier definitions of the concept that is social responsibility, it is in the main, seen in the light of some specific activities which a firm embarks upon in response to the needs of society. These among others include improved education, health, community services, economic efficiency, conservation, recreational facilities, and urban renewal and development.[36]

The main thrust of Schedule A Questionnaire for the executives of the companies is to gauge the

corporations' concern for the owners - shareholders, employees, customers/consumers, the society at large, and the government, in the areas of education and training, transportation, health, direct financial assistance to schools. Also sought were their responses to civic, charitable, religious and other aids, etc.

For the purpose of garnering data, the Schedule A Questionnaire was distributed to the executives through the Personnel and Public Relations Affairs departments of the corporations.

4.2 Analysis of Schedule A Questionnaire

The aim here is to ascertain how PAN and UNT see themselves in terms of their social activities.

Company Concern for Image

As to whether the companies are bothered about favourable public image of them, the executives are in the affirmative, stressing that a poor corporate image would even result in adverse economic consequences. So they tend to make deliberate efforts to court a healthy public acceptance of their products and existence.

On Community Awareness of Companies' Social Efforts

Both companies contend that almost in all cases they need to blow their trumpet before recording appreciable public knowledge of their efforts at alleviating society's problems.

For this purpose, they usually display sign-boards proclaiming that a facility was sponsored by them. They also make use of the print and electronic media and occasions like community social gatherings to announce their contributions. These, they opine, are necessary because not many are educated enough to pick the written messages.

On Attendance of Community Gatherings

Executives of the Companies declared that whenever invited to communual gatherings like launching of development schemes, they make it a point to attend, to enhance their interaction and visibility with the public, and utilize such opportunities to highlight any efforts already made, or projected, to assist members of the public. Such occasions greatly promote mutual understanding, thus reducing the possibility of friction.

Responsibility to Shareholders

In an economic sense, the shareholders are the stockholders of the companies who are the de jure owners of the concern. As gleaned in early expose from experts like Milton Friedman, "there is 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, engage in open and free competition without deception or fraud".3' Although social responsibility may not

be seen only through the Friedmanian lens, managers of both companies stated that their corporate policies regarding social actions were executed with the blessings of the owners, the later being not oblivious of the advantages of such involvements in the larger promotion of the economic pursuits of business. However, this support is not without caution not to over-indulge. This is mostly the reason why in spite of the huge profits declared, the proportion earmarked for social responsibility is usually small - even less than the five percent mark claimed by both companies executives.

Over the last five years, PAN made about ₦100 million[38] while UNT recorded about ₦300 million[39] despite the bad economic climate of the period Dividends were raised as the networths of the shareholders wealth increased. To this extent, both companies could be said to be sufficiently responsible to their owners. This is more so when it is considered that UNT has never recorded a loss since its establishment 30 years ago!.

Responsibility to Employees

Employees as the people who eventually turn whatever raw materials into finished form and also see to the successful marketing of the finished products are a veritable asset to any organisation. For them to be effective and efficient their work environment need be made as conducive as possible.

A well-motivated work force is a sine qua non for any organisation that seeks to be productive.

In both PAN and UNT employees are assured first and foremost of their tenure, constant and regular payment of salaries and allowances. Both have never retrenched their workers - according to their executives, even despite the economic tight-ropes of the recent times. They also advance vehicle loans, clinic facilities, training, canteen services and end-of-year bonus. PAN does not provide staff bus, staff school and accomodation but gives its workers transportation and rent subsidies, but UNT provides all these facilities. Where there is shortage like housing, workers rents are well paid. Moreover, decision-making process in both companies involve the participatory inputs of representatives of the workers - the Unions. All the above go a long way to commend both companies for the relative industrial peace and harmony over a considerably long period now - an index of good responsiveness to workers' yearnings for better living.

Responsibility to Customers and Users

In todays's marketing, the customer is the centre of all organisational efforts. The product (from its planning to production stage), the price, packaging, distribution and promotion should be aimed at satisfying the needs and wants of the customer. In other words, the customer is King!.

PAN and UNT believing in the Marketing Concept (the customer-orientation) as pointed out above, make it a point of duty to strive to satisfy customers. And this is why, as stated by their executives, they have always on a continuous basis researched on customer complaints. PAN's efforts are directed at solving the seeming perenial door problems of peugeot products; the stability questions raised on the J5 brand and its lack of roominess and similar complaints.

According to PAN Managers, the new products in the market have taken care of the issues raised by users. For example neck rests and enough leg-room have been provided for the J5 mini-bus, so also the stability improved. The door problems have been solved too. However, they opined that lack of regular maintenance and the use of non-genuine parts make the pronlem appear persistent. Other human frailties like over-speeding are attributable for the incidents of crashes involving a lot of J5 buses. PAN's managers also contend that the fact that majority of the vehicles on Nigerian roads are peugeot gives the impression that their mini-bus is unstable, However, statistics are not available to prove them right or wrong.

For UNT, earlier accounts reveal that the efforts at improved spinning and weaving and finishing plants, apart from resulting in good sales, are directed at satisfying the quality taste of her customers and users. At the same time, their products are made

available to a wide range of users through the expanded distributorship. At present, their products are being exported far to sister countries of the subregion of the Economic Community of West African States (ECOWAS).

The pricing and promotion of PAN and UNT's products, in the light of the present economic situation are not bad. Their pricing are reasonably competitive within their respective industries. And their advertising is especially effectively directed through media such as the mass electronic and prints.

Responsibility To Society

The society at large is the producer of the enabling environment for the exercise of business activities. Economic endeavours are not likely to yield healthy friuts in a sick and foul environment. Hence the inclination to the ideas of some experts who advocate that business units make deliberate efforts at contributing to a verile and vibrant society through participation in the welfare, education and employment and community development of their immediate and even far 'hosts'. In other words, a decaying society invariably will cause the eventual demise of a well conceived business enterprise.

According to the exceutives of both PAN and UNT, it is a standing practice for them to aid the growth of education and training of citizens. Both award scholarships occasionally and also give direct

financial aid to schools where such requests are made to them. PAN encourages the study of automobile engineering at the Ahmadu Bello University Zaria through assistance to the mechanical engineering department. UNT also promotes research on cotton seeds at the same institution and supports the department of Textile Technology of Kaduna Polytechnic financially and otherwise. These efforts are in addition to the fact that they sponsor some members of their staff to study not just these areas that will likely benefit them, but other areas of human endeavours and most times without bonding the employees. PAN organises seminars for drivers to enlighten them on the usage of their vehicles - to reduce the incidents of accidents on our roads.

On the aspect of Medical Care for society, PAN and UNT have not done badly. In fact the former in conjunction with Lion's Club Kaduna Chapter built a Clinic along Kachia Road - to help treat accident victims along the road and nearby. UNT also built the All Nigerian Foundation Hospital at the UNITEX complex, for the use of the general public, with members of staff who may prefer there. These are in addition to the clinics in their factories and the wide range medical retainers where their staff and families patronise at their expense without a limit.

The two companies according to their managers also participate in other welfare activities like

Environmental Sanitation and construction of Rural Feeder Road. In addition to these PAN is involved in the drilling of water boreholes for some communities. An example is the Birnin Yaro Water Scheme which it completed in collaboration with the Rotary Club. Their signpost is clearly displayed at the site of the project very close to the Kaduna - Zaria dual carriage way.

Both companies claim that there are no complaints by public of air and/or water pollution and that they contribute in the efforts to make the general environment clean for habitation. UNT has a comprehensive water treatment and recycling plant while PAN's effluent is reasonably treated and discharged. The companies comply with the requirements of the Federal Environmental Protection Agency (FEPA) as regards waste treatment and disposal.

On the issue of involvement in the efforts to combat societal ills, both companies answer in the affirmative. Both give cash and sundry assistance to any organisation involved in campaigns against drug abuse, criminal activities etc. Associations like Nigerian Council for Women Society (NCWS), Child Welfare League (CWL), Nigerian Union of Journalists (NUJ), Inner Wheels Club and many others have benefitted immensely from the assistance of PAN. Executives were not forthcoming with specific examples of such beneficiaries. Also, the Nigerian Police Force has always been assisted with patrol

vehicles. Where PAN does not make an outright donation of vehicles for these purposes it give them out for occasional use and bears the operational and overhead costs.

In the area of promoting recreational activities, both companies are very much known. PAN is actively involved in sponsoring Professional/ Amateur Golf Tournaments, Polo competition - which are very much considered elitist, and others in schools. So also, UNT sponsors football, golf, dart and badmington tournaments. The famous scorer Rashidi Yekini once played with UNT Football Club - a pride indeed to the company. Golf and Polo are very popular in this part of the country and Kaduna is its supposed nerve centre.

In addition to the aforementioned welfare activities, PAN had contributed for the erection of some churches and mosques in their immediate locality. It also donated fire fighting equipment and ambulance facilities to some un-mentioned organisations.

Responsibility To Government

Responsibility to government dwells in the main on the companies' civic duty of paying taxes to government as and when due and also responding to calls for assistance as may occasionally be needed. Both concerns as stated by their executives and corroborated by checked facts and figures from relevant bodies like the excise section of Customs

and Excise Department and the Inland Revenue Department.

On the questions of how to make corporate social responsibility more effective, both companies agreed that making the issue mandatory could go a long way to make the Concept Yield Concrete result across the board. This they reason, would create a generally healthy environment for all business and civic life. However, they both feel that setting aside a particular per-centage of company's net earnings which will be compulsory, may result in lower concern. But, since most companies hardly participate or do scantily, this option seems quite like a veritable approach to make all firms get involved actively.

4.3 Analysis of Schedule B Questionnaire

The Schedule B Questionnaire was aimed at testing and weighing the level of public appreciation of the social involvements of PAN and UNT. Thus, for this purpose a total of one hundred sets of the 'instrument' were distributed to various cadres of members of public. However, only seventy-eight were returned answered. And the analysis is aided by tabulation of some of the garnered data, as follows.

Table 2: Proportion of Respondents

		Number	Percentage (%)
(i)	Answered questionnaires	78	78
(ii)	unreturned questionnaires	22	22
		100	100

Table 3: Respondents Classified by Level of Education

		Number	Percentage (%)
(i)	Elite (very high)	32	41.03
(ii)	Intermediate (high)	26	33.33
(iii)	Semi-educated (low)	15	19.23
(iv)	Illiterate (very low)	5	6.41
	TOTAL	78	100.00

Elite (very high) = University or/and professional education.

High = School Certificate and above but below university level.

Low = First School leaving Certificate (Primary Six), modern school and commercial school.

Very Low = Below primary school.

*Calculations are based on the number of answered questionnaires, not on the total number distributed.

Although not apparent from the above table, the illiterate cadre might have contributed more to the number of unanswered questionnaires. Another

cadre responsible for it might include the busy class of professionals, especially given the urgency required for response.

Table 4: Respondents Classified by Occupation

		Numberr	Percentage
(i)	Salaried workers	23	23
(ii)	Traditional/religious leaders	8	8
(iii)	Farmers	14	14
(iv)	Traders and Businessmen	20	20
(v)	Others	35	35
	Total	100	100

Table 5: Age Distibution of Respondents

		Number	Percentage
(i)	Below 20	10	10
(ii)	21 - 30	25	25
(iii)	31 - 40	30	30
(iv)	41 - 50	20	20
(v)	Above 50	15	15
		100	100

The administration of the questionnaire took into congnisance that although age does not automatically translate into experience, the bracket betwee 20 and 50 will be rich in knowledge while still very active.

Table 6: People's Impressions About the Activities of PAN and UNT

		Number	Percentage
(i)	Activities have benefited community	23	29.49
(ii)	Both companies have not done enough to help the community	31	39.74
(iii)	Activities have adversely affected the community	8	10.26
(iv)	Activities have benefited companies themselves	12	5.13
	Total	78	100%

*Calculations are based on the number of answered questionnaire.

The above figure indicate that majority of the people (40%) feel that the companies do not live up to their social expectations. This is more glaring when the proportion of people who feel that the activities of the companies really benefit the latter, is added.

The proportion that feels that the community is adversely affected could be termed 'environmental activists' because they believe that however well treated the companies' wastes are, the environment does not remain its natural self. This group of

people demand much more corporate actions than now prevail, to assuage the 'damage' done to natural environment.

Table 7: Contribution of PAN and UNT to Improved Infrastructures like roads, water etc

Response	Number	Percentage (%)
Yes	19	24.36
No	43	55.13
Don't Know	16	20.51
Total	78	100.00

Here also, majority of respondents do not feel that the companies contribute to the development of infrastructural needs of their community. It goes further to butress the earlier assertion that the companies have not done enough for the community. Those who affirmed to the companies' contributions were mostly people living close to the sites of such 'donated' facilities, like in Kakuri and Birnin Yaro, and also people who have seen the bold sign-boards mounted to announce the denors.

Table 8: Contribution to Education

Response	Number	Percentage (%)
Yes	20	25.64
No	8	10.26
Don't Know	50	64.10
Total	78	100.00

Most members of the public are oblivious of the contributions of PAN and UNT To the advancement of education. However most of the 26% of respondents who are aware of the Companies' efforts come form especially the departments that have benefited, like the departments of agriculture and mechanical engineering (ABU Zaria), and of textile technology (Kaduna Polytechnic) and some primary and secondary schools like Essence International School, Sacred Heart Primary School and the department of mathematics (Nigerian Defence Academy) all in Kaduna.

Moreover, the reason for this low level of appreciation could be because the contributions in this support of a launch, and not for much more enduring projects like construction and donation of library or laboratory or scholarships.

Table 9: Contribution to Improved Health Facilities

Response	Number	Percentage (%)
Yes	26	33.33
No	9	12.54
don't Know	43	55.13
Total	78	100.00

Also here, majority of members of the public are not aware of the companies' contribution towards improved medical facilities. However, the proportion

that agreed to these efforts is fairly large (33%) - a third of respondents. This is attributable to the popularity of the UNT - sponsored All Nigerian Foundation Hospital which greatly serves the general public as well as the strategically located PAN - Lion's Club - funded Hospital on Kachia Raod. This has been of great help to accident victims along the road and the vicinity.

Table 10: Contributions to Development Funds

Response	Number	Percentage (%)
Yes	52	66.67
No	20	25.64
Don't Know	6	7.69
Total	78	100.00

Majority of the people were aware of the contributions of the companies to development funds. This was highly because of the publicity normally given to these launches .

Table 11: Sponsorship of Sporting Activities

Response	Number	Percentage (%)
Yes	60	76.92
No	8	10.26
Don't Know	10	12.82
Total	78	100.00

The above reveals that the involvement of PAN and UNT in the sponsorship of sporting events is quite appreciated by a lot of people in the society.

Both companies promote many golf, polo, tennis and badmington competitions, in and around Kaduna. In addition, the UNT's Football Club is a popular outfit, and in fact is reputed to have produced some outstanding players, like the national football hero - Rasheed Yekini. The two companies also assist colleges financially in the area of sports. Generally sporting activities, are given high publicity, a fact maximally utilized by the companies to enhance their own public image through sponsorship.

Table 12: Companies' Contribution Towards Provisions of Employment

Response	Number	Percentage (%)
Yes	12	15.38
No	46	58.97
Don't Know	20	25.65
Total	78	100.00

From the above table, most people feel that the companies do not absorb as many workers as possible, thus denying a lot of the opportunity of earning their living. the companies however claim that apart from the fact that their operations are highly mechanised, the present economic crunch does not support "unwarranted" work-force. But the public sees the profitability of the companies as an indication of their ability to employ more.

Table 13: Environmental (air, water, noise) Pollution

Response	Number	Percentage (%)
Yes	41	52.56
No	14	17.95
Don't Know	23	29.49
Total	78	100.00

The proportion of respondents who feel that the companies pollute the environment is high but not greatly so. Most respondents point out air pollution as commonest as the odour of chemicals used in strong. However evidence from both the companies and the Federal Environmental Protection Agency show that there is no threat to the habitat.

Table 14: Are Contributions of PAN and UNT Commensurate with the Gains?

Response	Number	Percentage (%)
Yes	6	7.69
No	60	76.92
Don't Know	12	15.38
Total	78	100.00

This table indicates that an overwhelming majority of the public are dissatisfied with what the companies give back to society from their gains out of it. The public expects more in terms of all forms of social supports like education, employment, health and infrastructural facilities.

Table 15: Whether To Make Social Responsibility Mandatory for Companies

Response	Number	Percentage (%)
Mandatory	47	60.26
Voluntary	12	15.38
Don't Know	19	24.39
Total	78	100.00

Making corporate social responsible mandatory is most popular than the current state of voluntariness which has seemingly encouraged lukewarness and half-hearted social actions. Most people interviewed are of the opinion that companies should be made to set aside a mandatory percentage of their annual net income for social supports.

4.4 SUMMARY

It could be deducted from the above analysis that companies are more interested in activities that are economically gainful for them, including those that give them good publicity. Also, where they contribute socially, the public is either inadequately aware, or feels that much more is required of the corporate bodies. The public, in fact, requests definite government actions like mandating companies to be socially responsible to a given minimum.

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CHAPTER 5

5.0 SUMMARY, RECOMMENDATIONS AND CONCLUSIONS

5.1 SUMMARY

Corporate social responsibility as a concept and reality demands institutions to contribute to the sustenance and growth of the larger society. This is because while the social system serves as resource supplier to the organisations, the latter are the resource converters. Without the availability of these factors of production, organisations may not have to convert anything. In the extreme, they will not even exist in the first place! Thus, both the social system and the corporate entities need to relate in sy m-biotic continuity for their mutual existence and survival.

The study of this topic as regards Nigeria in whole, carried out by focusing on two notable companies in an economically, politically and socially strategic Kaduna setting, reveals that economic prosp erity, atimes even at the expense of society, is predominantly more desirable than otherwise. However, a balance between both should be the best business goal.

There has been an increase in awareness as to the enomous profits made by firms using society's inputs against the low plough-back, hence the recent strident call for governmental actions

for a redress.

Also some company executives now share the public's view of the urgent need for more social involvements by firms as a show of good neighbourliness, moreover since these firms possess the economic power and wherewithals. Society is seen as encompassing all the stakeholders rather than the tiny proportion of the stockholders of these institutions.

Though experts differ in their various opinions on the concept of corporate social responsibility, the liberal and more philosophical viewpoint of increased social involvement emphasized equally as the economic profitability, is gaining more ground than the seemly stiff-necked postulation that enterprises should be totally profit-oriented.

This latter school's position that social responsiveness amounts to a distraction, and illegality and a destruction to business, has also waned in popularity and become somewhat old-fashioned.

Moreover, active social responsibility is currently being applied as a veritable business strategy for profitability.

5.2 Recommendations

Having highlighted the rather unfortunate fact about the less than satisfactory degree of corporate social responsibility in Nigeria as gleaned from the study of PAN and UNT, this

study will be an incomplete exercise without an attempt at pointing to the way forward. This is necessary since the present state of affairs is a result of several factors ranging from low level of awareness of the relevance of the concept, to utter neglect by, or lukewarmness of, the government and the business community.

Today, the concept pf social responsibility has become a reality that institutions ignore only at their peril. Nigerian managers (of government and private enterprises) should acknowledge this fact and thus endeavour to make the issue as paramount as the drive for profit making. Failure in this direction could result in impleasant moves by public to antagonise corporate institutions by way of protest and demand for social roles commensurate with the perceived gains they make. it might also take the form of political or/and legal petitions, and even government's stiffer regulations.

However, the government and its agencies have a prime role to play. They should set the best example. Government enterprises are expected to take the lead by planning and executing social projects, beyond those functions 'legally' marshalled for them. And to make this possible these activities should be included in the policies of the organisations so that the concept is fully internalised by employees and management.

From the above position of moral authority, government should legislate a stipulated percentage, not less than 10 percent of corporate net profits, across the board (for all enterprises), to be committed into social projects on the environment, health, education, accomodation, transportation and other welfare demands.

It is a fact that without effective monitoring, administration and enforcement of any regulation, non-compliance and corrupt evasion of institutions would render useless even the most enlightened laws. Thus, government should take these aspects seriously.

Moreover, government needs strong political will, active public involvement and even the willing support of enterprises. This means that complete mobilisation of society is inevitable to actualise this proposal because government alone is not capable since it is not omni-present. For the companies in particular, there is great need for a re-orientation of our managers, to shift considerably from the present over-emphasized profit goal of their organisations to a balanced mix which meaningfully considers their communual role.

There should as pointed out earlier, be a social policy which highlights the importance of good interaction with company's host - the community and the people. This means the initiation of a two-way communication programme or machinery that

will enable the people know the firm and vice versa. Honouring invitations, and, in fact, having a regular meeting forum will enhance this function effectively. With this in place, company's community projects will be well articulated and appreciated by the beneficiaries, because their consent and understanding would be sought and obtained.

The above system could be put in place by establishing a community relations committee in the company's organisation. A group of executives could constitute this channel.

Small companies could form associations that would articulate their joint community projects because separately their contributions might make insignificant impacts.

Alternatively, government could request a mandatory per-centage of the total legislated amount to be paid into a common pool from where socially related programmes are funded - strictly considering the host communities of contributors as priorities. Even spread of these projects is a serious necessity.

For the public, articulate individuals can form non-profit making organisations known as Social Audit, to carry out independent investigations to cross-check and determine the actual social contributions made by corporate institutions

against their claims and gains from society. This public effort should complement a legal requirement to compel companies make annual social reports.

Finally, eventhough a situation whereby corporate bodies voluntarily imbibe the philosophy of "adequate social roles" and execute them without external - public and/or government pressure is preferred, its vulnerability to abuse makes the mandatory, legislated, and regulated option inevitable. Thus, the latter is preferred because all corporate institutions are affected in the same proportion - so to speak. Moreso, it is very much in line with the cherished principle of fair play.

5.3 Conclusions

Discussions about corporate social responsibility have reached a high pitch in recent years and it is predictable that this interest will continue as Nigerian social system is fast developing. Awareness has greatly increased unlike before now.

Thus the climate of public opinion indicates and insists that actions by all corporate institutions must be responsible both economically and socially. Much is obviously at stake where either social responsibility or economic profitability is risked. While economic well-being of an organisation ensures its survival, it is perilous

to ignore social responsibility, since it is a way of giving something back to the system that immensely contributes to its existence in the first place - a replenishment kind of action.

Social responsibility by an organisation gives it a favourable public image, removing or at lest reducing possible hostility from the larger society. Although the benefits accruing from social actions of a company cannot be measured directly in physical monetarty terms, it is however, greatly contributory even to economic prosperity. Goodwill of the public easily translates to patronage, especially where competition exists.

Social responsibility when viewed through the lens of balance between it and the economic power of organisations that benefit from inputs of the social system is justifiable.

Logical as the position of Milton Friedman, Peter Drucker and other opposing experts is, the fallacy in their objections lies in the fact that their pure competition economic model only exists in theory. They also contend that business should neither possess social power nor social responsibility (giving a zero sum equation). But in reality, the various actions of business do have social impacts. Hence, if Friedman's postulations are to be followed, business will possess some social power and exercise no social responsibility

thus tilting the equation against the latter - an unhealthy one-sidedness.

However, social responsibility should not take the garb of the direct opposite of the Friedmanian aparthy. Business is never a social Father Christmas to the point of assuming all welfare responsibility. Thus, the Omolayole's version of corporate social responsibility might be viewed as a bit on the extreme, because it suggests servitude of business to society rather than service.

Business is only one of the many centres of initiative in a pluralistic social system like Nigeria's. A middle-of-the -road approach to corporate social responsibility is preferred to the extremities of the Friedmanian "no responsibility" and Omolayole's "total responsibility" viewpoints. This will ensure and enhance a healthy socio-economic growth of society.

Nigerian corporate organisations are generally yet to embrace fully the Phase III stage of the concept of social responsibility which advocates promotion of good quality of life for host communities of business enterprises. But in the interest of the general social system it should be accepted and implemented through social activities and humane business eithics. They should voluntarily, without public pressure, adopt this business philosophy.

An undeniable fact in favour of corporate social responsibility is that public needs and expectations have grown to the point that business is now thought worth existing only if they are socially responsive.

There is no doubt that in economic terms, social responsibility results in lower short-run profits, but likely to yield higher returns in the long run.

Very important on this issue is the question of ownership structure of most viable business enterprises in Nigeria, like the ones studied here. Foreigners' strong interests might contribute negatively to some extent since they export capital, expertise, and funds primarily for profits and would not be well disposed to actions and activities that detract from this goal. They might tend to ignore the truism that business can only flourish in a healthy environment which needs great financial inputs to realise.

Finally, it has to be stated that profit making as a major corporate goal is not unimportant in itself, but should be intertwined with corporate social responsibility. Added to this is that a firm actually needs to operate profitably to enable it achieve any social plans. In fact, an unprofitable organisation helps neither itself nor the society at Large.

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SCHEDULE A QUESTIONAIRE: COMPANY QUESTIONAIRE

RESEARCH TOPIC: CORPORATE SOCIAL RESPONSIBILITY IN NIGERIA

*REQUEST: PLEASE, TICK OR WRITE AS APPROPRIATE

I Identification Information

1. Name of Company _____

2. Location of Company:

   (a) Town _____

   (b) Town _____

   (c) Local Govt. Area _____

3. Title of Officer/Executive completing questionaire

   _____

4. Name of Officer/Executive (Optional) _____

   _____

5. Sex: (a) Male [ ] (b) Female [ ]

6. Age:

   (a) Below 20 [ ]

   (b) 20 - 30 [ ]

   (c) 31 - 40 [ ]

   (d) 41 - 50 [ ]

   (e) Above 50 [ ]

7. Marital Status: (a) Single [ ] (b) Married [ ]

8. Education Level

   (a) Primary [ ]

   (b) Secondary [ ]

   (c) Technical [ ]

   (d) University [ ]

   (e) If others, please specify .....

9. Years in Service

(a) 1 - 5 years [ ]

(b) 6 - 10 years [ ]

(c) 11 - 15 years [ ]

(d) 16 and above (Please specify [ ]

II Historical Development of the Company

1. Year Company was established .....

2. Did Company start as a single Company or in partnership with another Company?

(a) As a Single Company [ ]

(b) In partnership [ ]

3. If in partnership, with what Company and what proportion? .....

.....

4. What was the objective of Company?

(a) Make Profit

(b) Help Nigeria Industrially

(c) Utilize available cheap labour

(d) Others .....

5. What was the company's early expansion programme?

.....

.....

III Staffing and Management Policies

1. What method does the Company use in recruiting?

(a) Solicitation [ ]

(b) Employment agencies [ ]

(c) Contacting college students [ ]

2. How do you rate the image of your Company in the Community?

(a) Excellent [ ] (c) Poor [ ]

(b) Average [ ] (d) Don't know [ ]

3. How well recognised in your community are the services or products of your Company?

(a) 100% of the population [ ] (c) 75% [ ]

(b) 75% [ ] (d) Don't know [ ]

4. How often does your Company attend functions in the Community?

(a) Very often [ ] (c) Occassionally [ ]

(b) Often [ ] (d) Seldom [ ]

5. Do you think companies should demonstrate social function in order to be successful?

(a) Yes [ ] (b) No [ ]

6. Does your Company have a policy regarding involvement in Community affairs?

(a) Yes [ ] (b) No [ ] (c) Don't know [ ]

7. What is the Company's estimate of the customers' perception of its contributions to the Community?

(a) Very high [ ] (c) Poor [ ]

(b) High [ ] (d) Don't know [ ]

(d) All of the above

(c) Others (please specify) ....

.....

2. What is the Company's average annual strength in the last 5 years?

.....

3. What factors have been responsible for either the increase or decrease in the last 5 years?

.....

.....

.....

4. How many (proportion) Nigerian employees are in the Company?

(a) Up to ¼ of the entire Staff [ ]

(b) Up to ½ of the entire Staff [ ]

(c) Up to ¾ of the entire Staff [ ]

(d) Above ¾ of the entire Staff [ ]

(e) If (d), please specify .....

5. How many Nigerians are in Managrial positions?

(a) About 20% of the Management Staff [ ]

(b) About 30% of the Management Staff [ ]

(c) About 40% of the Management Staff [ ]

(d) About 50% of the Management Staff [ ]

(e) If not within (a) - (d), please specify [ ]

IV General Information

1. How concerned are you about the image of your company in the community?

(a) Very much [ ] (b) Average [ ] (c) Very Little [ ]

8. How does the public get to know about your contributions to the society?

(a) Through Signposts [ ]

(b) Throught public announcement [ ]

V Responsibility of Owners

1. Who are the owners of your Company?

(a) Government [ ] (d) Government/Individuals [ ]

(b) Individual [ ]

(c) Management Staff [ ] (e) Other Corporations [ ]

2. Are the shareholders aware of your policies and programs with regard to community involvement?

(a) Yes [ ] (b) No [ ] (c) Don't know [ ]

3. If yes, do they support such policies?

(a) Yes [ ] (b) No [ ] (c) Don't know [ ]

4. How much profit has the Company made in the past 5 years.

(a) About ₦100 million [ ]

(b) About ₦300 million [ ]

(c) If above or below, please specify [ ]

5. Are the shareholders satisfied with your profit performance?

(a) Yes [ ] (b) No [ ] (c) Don't know [ ]

6. What portion of these profits have been used for social welfare or other Community projects?

(a) About 5%

(b) About 10%

(c) If above or lower, please specify .....

.....

7. Do the shareholders get dividends?

(a) Yes ☐ (b) No ☐ (c) Don't know ☐

VI Responsibility to Employees

1. Do some members of your staff have shares in the Company.

(a) Yes ☐ (b) No ☐

2. 2. Which of the following benefits do your staff get fro from the Company. Please, tick as many as apply to your Company.

	YES	NO
(i) Vehicle loans.....	☐	☐
(ii) Prompt Salary payment	☐	☐
(iii) Staff school for Children	☐	☐
(iv) Good working environment	☐	☐
(v) Staff Bus	☐	☐
(vi) Clinic Facilities	☐	☐
(vii) Traning	☐	☐
((viii) Canteen	☐	☐
(ix) Accomodation	☐	☐
(x) End of year Bouns	☐	☐

xi) If others, please state .....

.....

xii) Identify those only subsidized .....

.....

VII Responsibility to customers

1. Do your sutomers get your products when needed?

(a) Yes [ ] (b) No [ ] (c) Don't know [ ]

2. Do you feel the customers get good quality products/ services from your Company?

(a) Yes [ ] (b) No [ ] (c) Don't know [ ]

3. Are customer satisfied with the price?

(a) Yes [ ] (b) No [ ] (c) Don't know [ ]

4. Have you had any complaints or grievance with any customer(s)?

(a) YES [ ] (b) NO [ ] (c) Don't know [ ]

5. Was such complaint taken care of?

(a) YES [ ] (b) No [ ] (c) Don't know [ ]

6. Any channel for resolving similar issues?

(a) YES [ ] (b) NO [ ] (c) Don't know [ ]

7. Are you satisfied with the products/services rendered to to your customers?

(a) YES [ ] (b) NO [ ] (c) Don't know [ ]

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VIII Responsibility to Government

1. Is the government aware of your social responsibility programmes?

(a) YES [ ] (b) No [ ] (c) Don't know [ ]

2. Has your Company ever received commendations from government for your social responsibility

(a) YES [ ] (b) NO [ ] (c) Don't know [ ]

3. If yes, what evidence .....

.....

4. Does your Company pay tax as and when due:

(a) YES [ ] (b) NO [ ] (c) Don't know [ ]

(d) Further details? .....

5 What other major development progammes of N National/State interest is/are being financed by your Company.

(a) .....

(b) .....

(c) .....

(d) .....

(e) .....

IX Responsibility to society

A. EDUCATION

1. Does your company participate in community efforts to improve local schools?

(a) YES [ ] (B) NO [ ] (C) Don't know [ ]

4. If yes, please give names or schools

2. If yes, please describe type of efforts .....

.....

3. Does your Company give direct financial aid to schools (including scholarships, grants and tuition)?

(a) YES [ ] (B) NO [ ] (C) DON'T KNOW [ ]

4. If yes, please give names of schools

i) .....

ii) .....

iii) .....

iv) .....

v) .....

B. Genral Welfare

5. Has your Company ever contributed to building/equiping of any hospital or maternity home in your area?

(a) Yes [ ] (b) No [ ] (c) Don't know [ ]

6. If yes, please give name of hospital/maternity home

i) .....

ii) .....

iii) .....

iv) .....

7. Do you participate in other community welfare activities such as

	YES	NO
i) Borehole for water	[ ]	[ ]
ii) Children's recre-te park	[ ]	[ ]
iii) Emironmental Sanitation	[ ]	[ ]

	YES	NO
iv) Local Market Construction	☐	☐
v) Rural electrification	☐	☐
vi) Rural Feeder roads	☐	☐

Any further comments: .....

.....

.....

.....

8. Do people around your factory complain about air or water pollution by your Company?

(a) YES ☐ (b) NO ☐ (c) Don't Know ☐

9. Is your company making efforts toward control of environmental pollution

(a) Yes ☐ (b) No ☐ (c) Don't know ☐

10. Is your company involved in campaigns against societal ills such as drug abuse, alconolism ect.c.

(a) Yes ☐ (b) No ☐ (c) Don't Know ☐

11. Is your Company involved in sporting activities?

(a) Yes ☐ (b) No ☐ (c) Don't Know ☐

Please give a brief comment: .....

.....

.....

.....

12. Does your Company participate in community efforts to improve public transportation?

(a) Yes ☐ (b) No ☐ (c) Don't Know ☐

If yes, please describe type of effort .....

.....

.....

13. In what other type of social welfare activities not covered in the foregoing questions is/has your Company been engaged?

(a) .....

(b) .....

(c) .....

(d) .....

(e) .....

14. Does the Company have any motive for making contribution to the community?

(a) YES ☐ (b) NO ☐

If yes, p;ease state .....

.....

15. What do you think are the major constraints militating against the Company in making contributions to the Community?

.....

.....

16. Please suggest some ways to make social action more effective

.....

.....

.....

.....

17. Should corporate social responsibility be made mandatory?

(a) Mandatory ☐ (c) Don't know ☐

(b) Voluntary ☐ (d) No response ☐

THANK YOU VERY MUCH FOR RESPONDING BY COMPLETING THIS QUESTIONAIRA

SCHEDULE B QUESTIONAIRE: GENERAL PUBLIC QUESTIONAIRE

RESEARCH TOPIC: CORPORATE SOCIAL RESPINSIBILITY IN NIGERIA, A STUDY OF PAN AND UNT PLC, IN KADUNA STATE

*REQUEST: PLEASE, TICK OR WIRTE AS APPROPRIATE

I. SAMPLE BACKGROUND INFORMATION

1. Name (Optional) .....

2. Office address

3. Rank

4. Sex (a) Male ☐ (b) Female ☐

5. Age: (a) 20 - below ☐
(b) 21 - 30 ☐
(c) 31 - 40 ☐
(d) 41 - 50 ☐
(e) 50 and above ☐

6. Marital Status

(a) Single ☐ (b) Married ☐

7. Level of Education

Primary ☐
Secondary ☐
Technical ☐
University ☐

8. Occupation

Civil Servant ☐
Business/Trade ☐
Unemployed ☐

If others, please specify .....

9. Length of stay in town:

5 years and below [ ]

Between 6 - 10 years [ ]

Between 11 - 20 years [ ]

Above 20 years [ ]

II General Information

1. What do you feel about the operations of the following companies?

	PAN	UNTPLC
(a) Operation have benefited Community	[ ]	[ ]
(b) They have not done enough for Community	[ ]	[ ]
(c) Operation have adversely affected Community	[ ]	[ ]
(d) Operations have benefitted the Companies themselves	[ ]	[ ]

(

2. How do you rate the image of these Companies in the Community?

	PAN	UNTPLC
(a) Excellent	[ ]	[ ]
(b) Good	[ ]	[ ]
(c) Fair	[ ]	[ ]
(d) Poor	[ ]	[ ]
(e) Don't Know	[ ]	[ ]

3. Do you think the Companies contribute to Community welfare or project such as construction of roads, boreholes e.t.c.

	YES	NO
Pan	[ ]	[ ]
UNT	[ ]	[ ]

4. What of their contribution to education in the State?

	PAN	UNT
(a) Very much	[ ]	[ ]
(b) Just Okay	[ ]	[ ]
(c) Little	[ ]	[ ]
(d) None	[ ]	[ ]

5. Do you have an idea about sponsorship of sports activities?

	YES	NO
PAN	[ ]	[ ]
UNT	[ ]	[ ]

6. Do you get their products/services when you need them?

	YES	NO
PAN	[ ]	[ ]
UNT	[ ]	[ ]

7. Do you get good quality products from the Company?

	YES	NO
PAN	[ ]	[ ]
UNT	[ ]	[ ]

8. Is the price Okay?

	YES	NO
PAN	[ ]	[ ]
UNT	[ ]	[ ]

9. Have you had any grievance with any of the Company?

	YES	NO
PAN	[ ]	[ ]
UNT	[ ]	[ ]

10. Was it solved?

	YES	NO
PAN	[ ]	[ ]
UNT	[ ]	[ ]

11. What channel did you follow in solving the problem?

.....

.....

.....

12. Is there government machinery for channelling grievances?

	PAN	UNT
(a) YES	[ ]	[ ]
(b) NO	[ ]	[ ]
(c) DON'T KNOW	[ ]	[ ]

13. Do you think the Companies employ as many people from the area as they should?

	PAN	UNT
(a) YES	☐	☐
(b) NO	☐	☐
(c) DON'T KNOW	☐	☐

14. What is the nature of employment offered?

	PAN	UNT
(a) Permanent	☐	☐
(b) Temporary	☐	☐
(c) No idea	☐	☐

15. Operations of the companies have contributed to high cos t of living

	PAN	UNT
(a) Yes	☐	☐
(b) No	☐	☐
(c) Don't know	☐	☐

16. Their operations cause environmental pollition

	PAN	UNT
(a) Air Pollution	☐	☐
(b) Water Pollution	☐	☐
(c) Noise	☐	☐
(d) None	☐	☐

17. They have contributed to increase in crime rate

	PAN	UNT
(a) Yes	☐	☐
(b) No	☐	☐

	PAN	UNT
(c) Don't Know	[ ]	[ ]

18. They have contributed to high rate of prostitution

	PAN	UNT
(a) Yes	[ ]	[ ]
(b) No	[ ]	[ ]
(c) Don't Know	[ ]	[ ]

19. Do the Companies carry out compaigns against social ills?

	PAN	UNT
(a) Yes	[ ]	[ ]
(b) No	[ ]	[ ]
(c) Don't Know	[ ]	[ ]

20. Do you think the degree of socially responsible activities of the Companies is commensurate with the benefits they derived?

	PAN	UNT
Yes	[ ]	[ ]
No	[ ]	[ ]
Don't Know	[ ]	[ ]

23. What do you think is responsible for the level of social responsibility of the Companies?

	PAN	UNT
(a) Substantial Foreign Ownership	[ ]	[ ]
(b) Lack of interest	[ ]	[ ]

	PAN	UNT
(c) Lack of Government action	☐	☐

22. Should Companies be mandated to be socially responsible?

(a) Yes

(b) No

(c) Don't Know

23. What do you think government should do to make Companies more socially responsible?

.....

.....

.....

.....

.....

Thanks very much for responding to this questionaire.