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An Empirical Evaluation of the Extent of Responsiveness to Corporate Social Responsibility by Some Manufacturing Companies in Nigeria

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Abstract:
The theory of "Social Darwinism" which was unfortunately misapplied to economic (corporate world) and used to justify ruthless competition and pursuit of profit for the interest of the stockholders without regards to ethics and morals, and the impact of corporate activities on the rest of the members of the society (stakeholders) and the environment took its negative toll on the business world. Corporate Social Responsibility, also known as "corporate citizenship" or "business conscience seeks to challenge the unethical business practices such as unhealthy competition, overexploitation of natural capital, pollution of the environment and the undue primacy given to the stockholders as the only legitimate group to which the corporation is indebted. Proponents argue that apart from the stockholders, there are many other groups that interface and equally have stakes in corporations just like the stockholders, and therefore, have right to expect returns from the organisations. The objective of this study, given the problem of voluntary nature of CSR, was to find out the extent to which manufacturing organisations in Nigeria respond to CSR initiatives. The study method was a survey designed to elicit information through structured questionnaires from the staff and customers of these companies. Data analyses were done using descriptive statistics and bar charts. Hypotheses were tested using the Mann-Whitney U statistics. The findings show that the studied manufacturing companies in Nigeria are not significantly CSR-compliant. The study recommends that corporate organisations in Nigeria should develop internal corporate policy or regulation to neutralise the impact of the voluntary nature of CSR over its implementation in companies and thus force or bind themselves (companies) to embrace Corporate Social Responsibility (CSR) as a means of achieving customer loyalty, competitive advantage and improved profitability.

Keywords: *Corporate-Social-Responsibility, Environmental-Sustainability, Social-Darwinism, Stakeholders, Stockholders.*

1. Background of the Study

The unfortunate misapplication of the theory of "Social Darwinism"[1] a theory that derives from Darwin's biological theory of natural selection and survival of the fittest, [2] to social, political, economic (corporate world) in the eighteenth century, did not only take its negative toll on the world's social and political structures but also on the world of business. For example, the theory was used as a justification for the effort to exterminate an entire race considered inferior by those who believed they were a superior race as evidenced in the holocaust. The scramble and subsequent balkanization of Africa as colonies and the subjugation of the citizens of Africa to external rule were based and justified by this theory [3]. In the world of business, same concept was interpreted by late 19th century capitalists as "an ethical precept that sanctioned cut-throat economic competition"[4] and was used to justify effort to eliminate from the marketplace businesses that have less economic and technological powers by the ones with superior financial and technological powers without regards to the implications inherent in such ruthless competition. These led to the notion that companies' only responsibility is to make profit, [5] and thus profit maximization became the only unfortunate feasible business strategy. This triggered off all manner of practices that were detrimental to the society and environment. Such practices threw to the winds ethics and morals and encouraged over exploitation of natural capital, pollution of the environment, dubious production of inferior goods and services, and sometimes altogether fake dangerous products as acceptable business philosophy, provided profits were made.

In fact, there is anecdotal evidence that there is "no morality in business" and the only thing that mattered to corporations was to fulfil what was considered their primary responsibility: adequate returns to the owners and stockholders irrespective of moral implications involved and how these practices impact negatively on the larger society and the environment. Social Darwinism supported ruthless capitalism and absolute *liaises faire* (free market economy) whereby government is prevented or is not expected to get involved in the production and distribution of economic goods and services but should allow unrestrained powers to captains of industries and corporations to do so following Adam Smith's "unseen hand" theory [6].

Such scramble for profit at all costs led many to believe that capitalism is an evil, but it has been argued that capitalism as a social system only “fosters relationships and cannot be moral or immoral in the sense that a person can be—only individuals can be moral agents” [7]. Whatever evil, therefore, that is associated with capitalism as an economic and social system is considered the evil perpetrated by the participants in the system. Capitalism is, therefore, viewed as the best economic and social system because it provides the greatest possibility for self-determination and moral agency [8]. In spite of this position, the abyss-like propensity for profit by some capitalists makes government involvement in business imperative, at least on the regulatory level, to ensure companies do not have absolute freedom to exploit the stakeholders and the environment for the sake of indefensible quest for profit to satisfy the stockholders.

2. Government Regulatory Roles and Corporate Social Responsibility

The danger of unrestrained powers to corporations demanded by absolute liaises faire justifies some level of government involvement by way of regulatory provisions and enactments to prevent these businesses from acting haywire to the detriment of society and environment, and ultimately to the corporations themselves. Government regulatory roles in businesses are designed to protect the environment, the citizens and the society in general against ruthless and faceless capitalist tendencies. Government involvement in businesses is to prevent operators from over exploitation of the natural capital, pollution of the environment and dubious exploitation in form of production of inferior and substandard goods and services; ruthless and absolute capitalism supported by “Social Darwinism” as means of business survival. Government regulatory roles, therefore, are a kind of forerunner to the concept of corporate social responsibility – it is the legal and compulsory aspect of it.

The enormous financial powers entrusted to the private sector corporations are such that some corporation’s annual budgets are sometimes bigger than those of some nation states [9], thus the corporations, apart from the performance of their legal social responsibilities such as payment of taxes, fair competition (in line with antitrust laws), obedience to regulatory and environmental laws designed to preserve the environment, are expected by society to invest part of their profits voluntarily to sustain the environment and to benefit members of the society in particular and general terms. No longer then would the government be left alone exclusively with the responsibility of provision of public goods and services.

Given the above scenario, the unethical business practices are gradually becoming obsolete and unsustainable in today’s business world. The realisation by consumers of their incredible powers upon which businesses have to depend for their survival is responsible for this changing paradigm. In the present age, there is a growing awareness amongst consumers of the corporations’ dependence on them for their survival, and as condition precedent for acceptance of the corporations activities and patronage of their products, these consumers expect companies they patronise not only to be socially and environmentally sensitive and friendly in their business practices such as offering of quality goods and services at affordable prices, ensuring clean environment in their areas of operations, avoiding unfair business practices, treating their workforce with human face, among others, but also to freely let go certain of their profits, without legal compulsion, for the upkeep of society, maintenance of the environment and wellbeing of the stakeholders.

Society, environment and stakeholders demand contributions from businesses to their wellbeing as a necessary condition for their continued provision of protection, platform to operate, and patronage for the products and services of businesses. The point is that companies exist because the society is. Companies operate because there is enabling environment for their operations. Companies produce goods and services because there are consumers to patronise their products. If companies in pursuit of profit neglect the needs of the society, the environment, and the consumers of their products, then the effect of this unethical behaviour will not only impact on those variables but also on the companies themselves, eventually.

3. Corporate Activities and Environmental Sustainability

The World Commission on Environment and Development asserts that “sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs.” By this, the Commission is concerned about the “*ecological footprint”* – the measure of the degree of exploitation of the natural capital (Earth’s resources) by the present generation. Over exploitation of the Earth’s resources for the present satisfaction of human needs and profit is known to have made it impossible for these resources to replenish themselves for sustainability. It follows, therefore, that any profit or revenue accruable to corporations by way of overexploitation or “bad business practices” at the expense of the people, and the planet is not only inimical to these, but also to the corporations themselves.

The effect on the environment of the operations of businesses is all well known. The depletion of the ozone layer is blamed on the extensive environmental pollution coming out of the production plants of companies in the process of production; toxic wastes produced by these factories are equally threatening the survival of the environment, hence, one of the primary focuses of corporate social responsibility is the environment [10]. It has been established that business operations affect the environment greatly negatively and because of the impact created on the society and environment as a result of operations of businesses, experts have advised that there is need for companies to be environmentally friendly by buying into the concept of environmental sustainability. Environmental sustainability forces businesses to look beyond making short term gains and look at the long term impact they are having on the natural world. Of course, environmental sustainability has become an international slogan designed to alert the business world of the danger of its operations on the environment and to adopt policies and actions to reduce such danger.

Campaign efforts in this direction are geared towards educating the business world of the long-term benefits of adopting policies, processes, decisions and actions that favour environmental sustainability with particular emphasis on preserving the capability of the environment to support human life.[11] This campaign became necessary because for much of the past, most businesses have acted with little regard or concern for the negative impact they have on the environment as many large and small organizations are guilty of significantly polluting the environment and engaging in practices that are simply not sustainable.[12] Pursuing environmental sustainability initiatives has some positive implications for businesses. Research evidence shows that environmentally sustainable businesses may also have a competitive edge when it comes to attracting customers and investors. Modern consumers are aware of social and environmental issues and keep themselves informed about which businesses are acting responsibly in the community. Investors are equally aware of these issues and there is a trend developing towards investing in environmentally sustainable companies. Corporations in favour of this campaign endeavour to reduce their ecological footprint (the degree of human demand on the ecosystem or natural capital and the ability of the system to be able to replenish itself for continued sustainability of biological life on the Earth). This involves, among other things, carefully managing their consumption of energy, natural resources, and reducing manufacturing wastes as well as rendering waste less toxic before disposing of it in a safe and legal manner [13].

In view of this, it has been argued that there is need not only for a balance in the use of other created things by human beings, but also that human beings should recognise their interdependence with one another and the whole of cosmos as life would be unsustainable without the other person and the environment. The cosmos should be seen as a unit whole made up of different parts and any effort to tear down or destroy some parts for economic reasons amounts to a dangerous threat to the survival of the entire whole, including human beings. Corporate Social Responsibility is, therefore, a call against anthropocentrism – a concept or theory that places human beings at the centre of everything, giving preference to human beings against all other considerations. Proponents of this theory believe that the problem of scarcity will eventually be solved and that there is no moral or practical need for legal controls to protect the natural environment or limit its exploitation [14]. Thus, human beings give themselves approval for selfish use of things without consideration for continued sustainability of things. The point is that all created things and human beings need one another to keep on surviving and in the use of other created things, human beings should not only use them but also preserve and grow them. It is, therefore, against the abusive use of other created things or negligence of the environment and fellow human beings by business concerns (companies) that corporate social responsibility seeks to ameliorate or address. Corporate social responsibility calls the attention of the business world to the fact that corporations and companies' sustainability is dependent on the sustainability of the environment. This means that when the environment is completely destroyed as a result of exploitation of its resources by companies for economic gains, the destruction of the companies themselves would follow suit.

4. Corporate Social Responsibility: An Overview

A concept that represents corporate organisations' voluntary contributions to the upkeep and maintenance of environment and the larger society is known as corporate social responsibility. It is the opinion of experts in management studies that corporate social responsibility is one of the most dynamic, complex, and challenging subjects that business leaders face today, and it is arguably one of the most critical [15]. It is a concept that requires businesses to broaden the narrow view they hold of what constitute their primary and one responsibility, namely, fair returns to the owners and stockholders; [16] and to extend their responsibilities to include caring for the customers, the environment, the larger society and other stakeholders.

It is opined that although the concept of corporate social responsibility (CSR) has been advocated for decades and is commonly employed by corporations globally, agreement on how it should be defined and implemented remains a contentious debate amongst academia, businesses and society.[17] There is evidence that the concept means different things to different persons, depending upon a range of local factors including culture, religion, and governmental or legal framework conditions, [18] hence the problem in having one generally accepted definition. It is further corroborated that there are myriads of definitions of Corporate Social Responsibilities [CSR], each considered valuable in their own right and designed to fit the specific organization. The majority of definitions integrate the three dimensions to the concept, that is, economic, environmental and social dimensions. CSR had also been commonly described as "a demonstration of certain responsible behaviour on the part of public and the private [government and business] sectors toward society and the environment" [19]. Business for Social Responsibility (BSR), a leading Global Business partner, defines CSR as achieving commercial success in ways that honours ethical values and respect people, communities, and the natural environment [20]. The concept is further defined variously as in the following quotations:

"as a company's obligation to be accountable to all its stakeholders in all its operations and activities. Socially responsible companies will consider the full scope of their impact on communities and the environment when making decisions, balancing the need of stakeholders with their need to make a profit"[21]

"CSR is concerned with treating the stakeholders of the firm ethically or in a socially responsible manner. Since stakeholders exist both within a firm's and outside a firm, hence, behaving socially and responsibly will increase the human development of stakeholders both within and outside the corporation"[22]

"as the intelligent and objective concern for the welfare of the society that retains the individual and corporate behaviour from ultimately destructive activities, no matter how immediately profitable and leads to the directions of positive construction of human betterment"[23].

The World Business Council for Sustainable Development, an organization in the forefront of making businesses become socially responsible, offers the following as the definition of CSR: *"... the continuing commitment by business to contribute to economic development while improving the quality of life of the workforce and their families as well as of the community and society at large".[24]* This definition recognizes the primary responsibility of the corporation – creation of wealth (economic development), but companies, in effort to achieve this primary responsibility must be mindful of the workforce, the community and the society at large, without which it is impossible to achieve the primary responsibility. Another definition, similar to the one above sees the concept as *"a business system that enables the production and distribution of wealth for the betterment of its stakeholders through the implementation and integration of ethical systems and sustainable management practices"* [25].

From the definitions above, it could be seen that all about Corporate Social Responsibility is that companies, apart from what is considered as their primary responsibility of making profit for the shareholders, have to also know that the achievement of the primary responsibility is a function of how they take into consideration the interest of the environment, the workforce, stakeholders (the customers, suppliers, and the larger society). This is why the European Foundation for Quality Management [EFQM] insists that corporate social responsibility involves a whole range of fundamentals that organizations are expected to acknowledge and to reflect in their actions. It includes among other things respecting human rights, fair treatment of the workforce, customers and suppliers, being good corporate citizens of the communities in which they operate and conservation of natural environment.[26]

5. CSR And Its Dimensions: The Triple Bottom Line

Corporate social responsibility is multi-dimensional. The triple bottom line is a catch phrase to capture the three areas which the concept of CSR is chiefly concerned with and these include: the **people**; the **planet** and the **profit** (revenue) [23]. These 3Ps are inseparably bound and none could possibly be pursued by corporations to the exclusion of others without serious injury to the corporations themselves. Thus, the sustainability of the 3Ps needs to be worked for and they are achievable through the instrumentality of CSR.

Though the major business strategy of corporations or businesses may be to make profit, businesses should also include in their strategic planning strategies not only to make profit, but to also impact positively and benefit the society, the environment and other stakeholders. Thus, corporations should pursue their CSR initiatives guided by the 3Ps (people, planet and profit).

5.1. People

For business organisations to be people-oriented means their activities and practices will be fair and beneficial toward the workforce (employees), the people of the community and region in which the organisations conduct their businesses, the customers, and other stakeholders. An enterprise dedicated to the triple bottom line seeks to provide benefit to many constituencies and not to exploit or endanger any group of them. In concrete terms, a firm or business that believes in Triple Bottom Line (TBL) will not exploit the workforce, that is, they have to pay fair salaries commensurate with the contributions of the workforce; they would maintain a safe work environment and tolerable working hours, and would not otherwise exploit a community or its labour force. By treating employees fairly and ethically, companies can also demonstrate their corporate social responsibility. It has been opined that a TBL business also typically seeks to "give back" by contributing to the strength and growth of its community with such things as health care and education [24]. Firms that are concerned about the people will not produce fake and inferior goods and services for their customers. They will practice social responsibility by donating to national and local charities. Whether it involves giving money or time, businesses have a lot of resources that can benefit charities and local community programmes. It also involves how company strategies reflect the cultural values, social values, belief system, and practices of the people in the area of their operations; contributions in the social development of the people such as scholarship award for manpower development; infrastructural development – provision of portable water, construction of bridges, sewage and waste management.

5.2. Planet

Planet refers to sustainable environmental practices. A TBL company endeavours to benefit the natural order as much as possible or at the least do no harm and minimise environmental impact [25]. Businesses exist and interface with the environment and each depends on the other for sustainability. There are empirical evidences that businesses, in pursuit of economic gains, impact negatively on the primary environmental elements such that it is doubtful if the economic gains in the long-run could be enough to compensate for the unintended harm done to the environment. A good example in Nigeria is the case of the Niger Delta region where oil exploration has destroyed the aqua life and made it impossible for agricultural production to take place. In this regard, businesses are expected not only to be driven by economic gains but to also be able to consider the negative unintended side effects of efficiency theory aimed at maximising economic gains regardless of the enormous irreparable damages on the ecosystem [26]. The ecology is seen as encompassing everything in the physical, chemical, biological, social, political, economic and philosophical worlds. These elements fit together as a single whole and have to be preserved for its own sake rather than to overshoot its carrying capacity in pursuit of economic gains with the attendant consequences to the human and animal lives [27]. Assuredly, the "symptoms of environmental problems are in the biological world (human and animal lives), but their source lies in economic and political organisations" [28]. For example, the oil exploration in the Niger Delta region of Nigeria has completely destroyed the ecosystem of that part of Nigeria.

Farming is almost impossible; sea life is completely extinct and a good number of indigenes get involved in illegal oil refining as a means of livelihood with attendant intermittent fire outbursts that have claimed many lives [29].

5.3. Profit

This has been defined as the economic value created by the firm after deducting the cost of all inputs, including the cost of the capital tied up. It, therefore, differs from traditional accounting definitions of profit. In the original concept, within a sustainability framework, the "profit" aspect needs to be seen as the real economic benefit enjoyed by the host society. It is the real economic impact the organization has on its economic environment. This is often confused to be limited to the internal profit made by a company or organization (which nevertheless remains an essential starting point for the computation). Therefore, an original TBL approach cannot be interpreted as simply traditional corporate accounting profit *plus* social and environmental impacts unless the "profits" of other entities are included as a social benefit [30].

6. Theoretical Framework

Way back in the first quarter of the 19th century the status of corporations as merely legal devices through which the private business transactions of individuals may be carried out was challenged. Though then many corporations were basically used as such, it was observed that the corporate form has acquired larger significance to be used narrowly in that sense. The corporation was seen as institution that has grown tremendously in proportions and had attracted to itself a combination of attributes and powers, and has attained a degree of prominence entitling it to be dealt with as a major social institution [31]. Corporation or business organisation when viewed as major social institution should cease to be considered as a sacred and exclusive preserve of the stockholders to whom managers bear special relationship because they hold shares in the firm. “All social custom, protective mechanisms and accepted management practices, myth, and ritual that reinforce the assumption of the primacy of the stockholder” need to be reconsidered in the light of the stakeholder theory. The theory demands for a new conceptualization of the corporation as having more than the stockholders who should legitimately make claims of value returns from the firm because in one way or the other firm’s activities impact many other stakeholders. The stakeholder theory model is shown below:

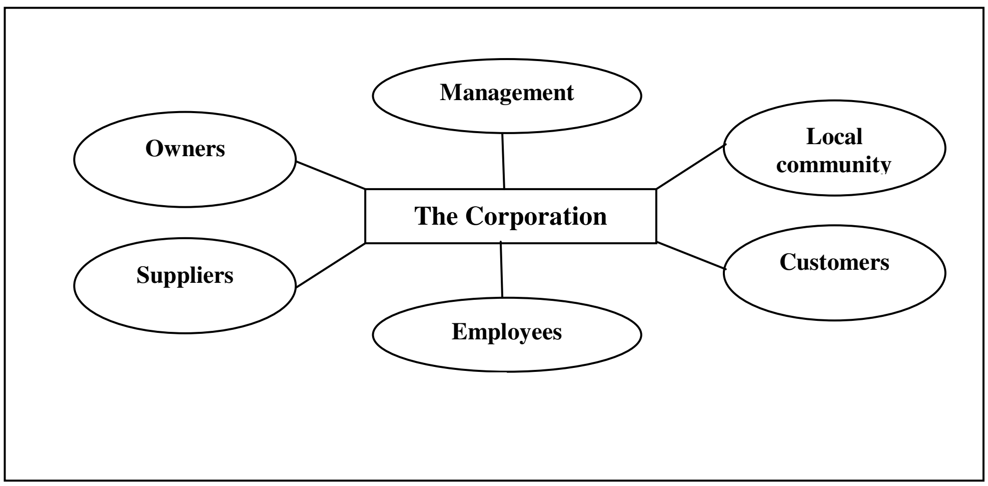

Figure 1: A stakeholder Model of the Corporation
Adapted from R. Edward Freeman, Stakeholder Theory of the Modern Corporation

The above figure shows the various stakeholders who maintain relationship with the firm. There is interdependence among the stakeholders and the firm. The stakeholder theory postulates that the corporation not only interfaces with the stockholders – the owners but also with many other persons as shown in the model and is indebted to the owners (stockholders) as well as to the management, employees, customers, suppliers and the local community, though the degree of indebtedness might be higher in respect of the stockholders but certainly corporations are not exclusively indebted to the stockholders.

From the standpoint of the stakeholder theory, the **owners (stockholders)** provide financial resources for the operations of the firm in the form of stocks, bonds, and so on and thus should reasonably expect financial returns from the corporation commensurate with their stakes in the firm, more so when stockholders have invested in the corporation to be able to care for themselves when they retire from active service. Quite often greater percentage of retirees depend for their livelihood on their investment in stocks and bonds, and rightly, morally and ethically should expect financial returns from the firm for their investments [32].

Suppliers play important role for the survival of the firm in that they provide the raw materials and technological devices for the productive activities of the firm. The quality of their materials and machines determines the quality of the products of the firm and the demand for it by the consumers. Conversely, the company is the reason the supplier exists and vice versa. Whatever affects negatively the firm directly affects the supplier. Both company and supplier, therefore, will tend to support and maintain good business relationship with each other the best they could as their survival depends on this. Thus neither will take the other for granted without serious consequences to both [33].

Employees have serious stake in the corporation. They stake their talents, knowledge and competence for the survival of the firm. They are rightly expected to "follow the instructions of management most of the time, to speak favourably about the company, and to be responsible citizens in the local communities in which the company operates". In return to these contributions, they expect from the firm security of their jobs, reasonable wages, benefits, helping hands in times of difficulties and challenges. Much has been said by management scholars on the miracle of progress and development that a firm will experience when the workforce is recognized and treated well [34].

Though **Management** constitutes part of the employees or workforce, they play specialized roles, different from those of the other employees for the survival of the company. Management, plans, organizes, leads, and controls all other resources of the corporation and allocates appropriately these resources in a most effective manner possible to attain the organizational goals. The survival of the firm is dependent on the ability of the management to play these roles effectively. It is the role of management to safeguard the welfare of the organization by way of ensuring that the divergent and conflicting demands of the various stakeholders are put in balance and not allowed to suffocate and put in danger the welfare of the corporation. For instance, stockholders may want higher financial returns, while customers may want more money spent on research and development; employees may want higher wages and better benefits, while the local community may want better parks and day-care facilities. When wages are too high and product quality is too low, customers leave, suppliers suffer, and owners sell their stocks and bonds, depressing the stock price and making it difficult to raise new capital at favourable rates. Thus, management must keep the relationships among stakeholders in balance as when these relationships become imbalanced, the survival of the firm is in jeopardy [31]. To achieve this, and in the spirit of stakeholder theory, management has to avoid primacy of one stakeholder over the others. In return for the stakes of the management team, they expect from the firm security of their jobs, welfare packages, adequate and reasonable wage, beautiful work environment and other fringe benefits.

Customers are the reason the corporation exists in the sense that the products of the firm are made or designed to satisfy the customers' needs. For the customers to enjoy these products, they have to exchange their financial resources for the products of the firm and thus become sources of revenue and by implication the lifeblood of the corporation as without revenue the firm will die. It has been argued that being close to the customer leads to success with other stakeholders and that a distinguishing characteristic of some companies that have performed well is their emphasis on the customer – the customers are treated as kings who are always right. Research has shown that when customers are well treated by management, automatically such treatment has multiplier effect as it robs off on the needs of suppliers, owners and other stakeholders [35].

Local Community provides the platform upon which the corporation stands for its productive activities. The firm is granted permission and right to build facilities and office apartments by the local community and, in turn, it benefits from the tax base and economic and social contributions of the firm. In return for the provision of local services, the firm is expected to be a good citizen, as is any person. The firm cannot expose the community to unreasonable hazards in the form of pollution and toxic wastes. When the firm mismanages its relationship with the local community, it is in the same position as a citizen who commits a crime as it has violated the implicit social contract with the community and should expect to be distrusted and ostracized. It should not be surprised when punitive measures are invoked [36].

7. Corporate Social Responsibility: A Tool For Competitive Advantage

Management scholars and experts agree that competitive advantage is the whole essence of management. They opine that management is all about helping the firm to survive and win in competition with other companies. If the firm is well managed, they say, it is far more likely to be a success and a leader in the highly competitive business world. They insist that for firms to survive and win, they have to gain advantage over their competitors by being better than their competitors at doing valuable things for their customers [and other stakeholders]. For them there are four ways through which a firm could gain competitive advantage over its competitors, all centred on customer satisfaction, and these include: 1) cost competitiveness, 2) high-quality products, 3) speed, and, 4) innovation [37].

Competitive advantage is achieved when a firm sustains profits that exceed the average of its industry. Research has shown that much of business strategy is to achieve a sustainable competitive advantage. This means that profit-making is a function of competitive advantage, which could be defined as an advantage over competitors gained by offering consumers greater values, either by means of lower prices or by providing greater benefits and service that justify higher prices [38].

There is congruence of opinions that competitive advantage is the essence of competitive strategy. There are two main types of competitive advantages: comparative advantage and differential advantage. Comparative advantage, or cost advantage, is a firm's ability to produce a good or service at a lower cost than its competitors, which gives the firm the ability to sell its goods or services at a lower price than its competitor or to generate a larger margin on sales. A differential advantage, on the other hand, is created when a firm's products or services differ from its competitors and are seen as better than a competitor's products by customers. A third type which is referred to as resources-based, emphasizes that a firm should possess resources and capabilities that are superior to those of its competitors and should utilize such resources and capabilities to create a competitive advantage that actually results in superior value creation [39].

The issue in question is whether competitive advantage and profit-making could be linked to corporate social responsibility? Could firms achieve competitive advantage by being socially responsible and responsive to social demands and issues that pertain to the needs of the society where they operate? Research has proven that companies that embark on social responsibility initiatives not only improve their reputation, but also improve their sales volume and profitability and more importantly, are in a position to attract talented and gifted workers (employees). In fact CSR has gained recognition among companies that it has become a part of their business strategy.

Firms that adopt CSR policy are known to have increased not only their profitability and value; but also have increased accountability and transparency and thus have popularised themselves to the investing public, shareholders and the local communities. She further contends that company reputation also increases along with the company's stock value [40].

Further research discovery shows that the gains accruable to firms that adopt CSR initiatives include not only increased profitability but also that it creates trust between the business and its customers which trust tends to give the business the benefit of the doubt if something goes wrong, rather than assuming malicious intent or raw negligence on the part of the company. Customers thus stick with businesses that they trust and thus build for the organisation customer loyalty which in turn creates competitive advantage [41]. The point is that adoption of CSR policies and initiatives remains a tool for creating competitive advantage and increased profitability.

8. Statement of the Problem

The voluntary nature of Corporate Social Responsibility (CSR) creates doubts on whether companies could be religious in keeping to the stakeholders' and societal expectations of them regarding their social responsibilities as espoused by the concept. Research-based information has it that the concept is a failure because of its voluntary nature "because it does not make companies keep their promises and ignores problems by allowing company reports to gloss over core business impacts" [42]. It is further asserted that the voluntary approach renders CSR useless in enforcing signed-up principles, and that "at best, companies' implementation of CSR is fragmented and shallow, at worst, CSR is ignored or used to emote about the wretchedness of the earth without really changing corporate practices [43].

The problem on ground, therefore, is that there is no study on the concept that examined the extent of responsiveness of Nigeria manufacturing companies to corporate social responsibility, given the voluntary nature of the concept. The only identifiable study in the area is the one by Olarenwaju in which he examined the ***impact of social responsibility on Nigeria society*** using banking and telecommunications industries for examples. That study from the onset took it for granted that these industries were CSR-compliant, hence its concern was to assess the impact of CSR on the Nigeria society. The empirical conclusions that these firms were CSR-compliant as he showed in his statistical analyses were, therefore, imposed or biased as the research topic already assumed those conclusions.

9. Objective of the Study

The general purpose of this study, therefore, is to empirically find out the extent of responsiveness to corporate social responsibility by some Nigeria Manufacturing Companies. The specific objectives will include: (1) to find out whether these firms provide for CSR initiatives in their annual budgets/reflect expenditure on CSR in their annual accounts; (2) to find out the frequency of employees' training, development and empowerment (promotions); (3) to find out the actual community-based projects embarked upon by these companies in pursuit of their CSR agenda (if any).

10. Research Questions/Research Hypotheses

This study was guided by the following research questions:

1. Does your firm make annual provision in its annual budgets for CSR Initiatives?
2. What is the frequency of employees' training, development and empowerment (promotions) in your organisation?
3. What are specific community-based projects your firm has executed within the area of its operations?

The following research hypotheses were posited:

Ho: There is significant evidence that provisions are made in the annual budgets of these companies for CSR Initiatives.

Ha: There is no significant evidence that provisions are made in the annual budgets of these companies for CSR Initiatives.

Ho: There is significant evidence that employees' training, development and empowerment (promotions) are regular in these manufacturing outfits.

Ha: There is no significant evidence that employees' training, development and empowerment (promotions) are regular in these manufacturing outfits.

11. Research Procedure/Instrumentation

A survey research design was employed to carry out this study. Data collection instrument was structured questionnaires with which information was elicited from the respondents (staff and customers) of these manufacturing companies. Sampling method employed for selection of the 6 companies and the respondents was purposive. Out of a total of 120 questionnaires distributed, 102 representing 85 percent were properly filled and returned. The analyses were, therefore, based on the responses from these 102 respondents which were distributed among the six companies as follows: Company A – 18; Company B – 20; Company C – 14; Company D – 18; Company E -15; and Company F – 17. The research instrument (questionnaire) is designed in a Likert Scale format of **Very High**, **High, Low,** and **Very Low.** The four scale format, instead of 5 or 7 or 9 is deliberately chosen to aid in the data analyses. The respondents were required to indicate the degree to which they believe their organisations support or encourage the CSR variables under study by ticking the appropriate boxes that bear the degree of their choice in each of the variables.

12. Data Analyses Technique

For purposes of empirical analyses and hypotheses testing, the Likert data were transformed into two distinct populations with **Very High** and **High** as representing Population Sample 1(those who are positively disposed that the companies are CSR-compliant to a very significant level) and **Low** and **Very Low** representing Population Sample 2 (those who are of the opinion that these companies are not significantly CSR-compliant). Descriptive statistics were employed to compare the equality or otherwise of the responses between the two populations. The hypotheses were tested using the Mann-Whitney U Test statistic which is given as $\mathbf{U = n_1n_2 + \frac{n1(n1+1)}{2} = R1}$, where, n_1 is the sample size from population 1 and n_2 is the sample size from population 2. We would test whether the distributions of the two population samples are equal or not under 95% Confidence Interval, that is, alpha (α) = 0.05.

Decision Rule: If our calculated U is equal to or less than the critical value at 0.05 alpha level, we shall reject Ho that manufacturing companies in Nigeria are not significantly CSR-compliant, otherwise, we reject Ha and accept Ho that manufacuring companies in Nigeria are significantly CSR-compliant in all of the four variables under consideration.

		Very high	High	Low	Very Low	Total
1.	To what extent does your firm make annual provision in its budgets for CSR Initiatives?	22	17	30	33	102
2.	To what extent does your organisation promote employees training, development and empowerment (promotions)?	10	15	45	32	102
3.	To what extent has your organisation contributed to community-based projects within the area of its operations?	20	20	36	26	102
4.	To what extent has your organisation complied with extant environmental laws to keep the environment clean?	26	16	30	30	102

Table 1: Distribution of Respondents according to their responses on each of the questionnaire items

A careful observation of above table reveals that out of the 102 respondents, 22 chose Very High, 17 High, 30 went for Low and 33 settled for Very Low in respect of item 1. For item 2 we have 10, 15, 45, and 32 for Very High, High, Low and Very Low respectively. For item 3, it is 20, 20, 36, and 26 for Very High, High, Low and Very Low respectively and finally for item 4 we have 26, 16, 30 and 30 for each of the options respectively. These responses are as shown in the bar chart below.

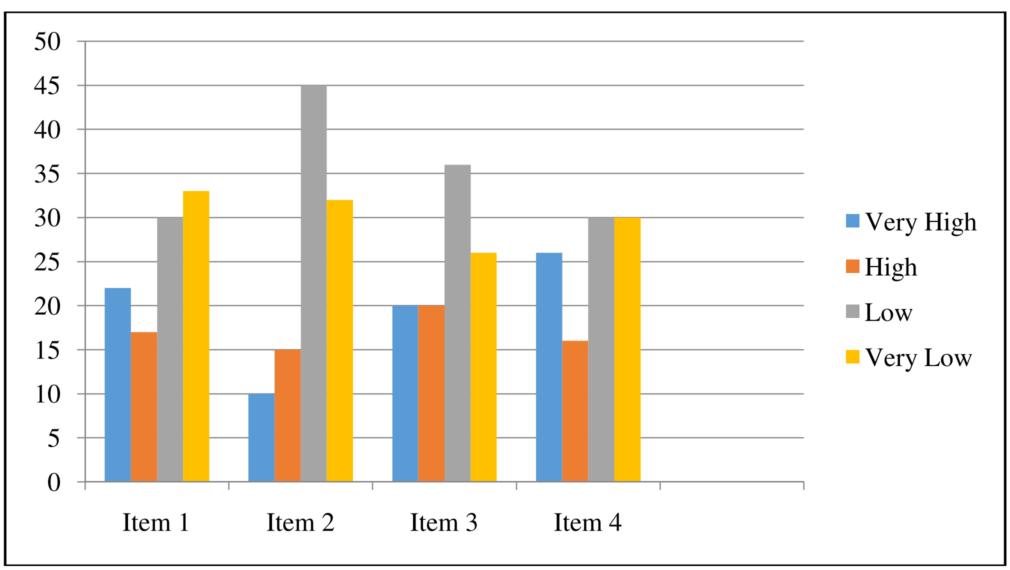

Figure 2: Bar chart distribution of the responses for each of the items by the respondents

It is evident from the table and the bar chart that popular opinion of the respondents is that the manufacturing industries studied are not significantly CSR-compliant in all of the variables studied. As has been stated earlier, we want to carry out statistical test, using Mann-Whitney U test statistic. The result of empirical test would be compared with that of the descriptive statistics above to determine if there is any difference or not.

13. Computation of Mann-Whitney U Test Statistics

The data below show the paired comparism of the percentage responses from the two population samples.

Very High/High %	**38**	**24**	**39**	**41**
Low/Very Low %	**62**	**76**	**61**	**59**

The data are combined, arranged and ranked as below:

Sample 1	**24**	**38**	**39**	**41**	**0**	**0**	**0**	**0**
Sample 2	**0**	**0**	**0**	**0**	**59**	**61**	**62**	**76**
Rank	**1**	**2**	**3**	**4**	**[5]**	**[6]**	**[7]**	**[8]**

Computations of the Sample Ranks ($R_{1 \text{ and }} R_2$) follow thus:

$\mathbf{R_1 = 1 + 2 + 3 + 4 = 10,}$

$\mathbf{R_2 = 5 + 6 + 7 + 8 = 26.}$

We compute the U Statistics for both ranks, thus:

$$U_1 = n_1n_2 + \frac{n1(n1+1)}{2} - R1 = 4x4 + \frac{(4\,x\,4+1)}{2} - 10 = 16 + \frac{(17)}{2} - 10 = 16 + 8.5 = 24.5 - 10 = 14.5.$$

$$U_2 = n_1n_2 + \frac{n1(n1+1)}{2} - R2 = 4x4 + \frac{(4\,x\,4+1)}{2} - 26 = 16 + \frac{(17)}{2} - 26 = 16 + 8.5 = 24.5 - 26 = -1.5.$$

Decision: We make reference to our decision rule above. The calculated U is the less of the U_1 and U_2. Therefore, the U Test value, is **-1.5** which is less than the table value of **0** at 0.05 alpha level with $n_1 = 4$ and $n_2 = 4$. We, therefore, reject each of the four null hypotheses and accept each of the Ha that the studied Nigeria organisations are not significantly CSR-compliant in each of the variables studied. Thus, the empirical test tows the path of the descriptive statistics.

14. Discussion

In all of the companies studied, there was no evidence of consistency in terms of yearly budgetary provisions for CSR-initiatives. What was observed during this study was a haphazard and bits and pieces of what seemed corporate philantrophy whereby some of the companies had the grace to make contributions to an appeal fund adverts on pages of newspapers to extend helping hands to indigent persons whose loved ones had need to get medical treatment from abroad to survive. On issue of proper treatment of workforce many of the respondent workforce who had courage narrated to the researcher their experiences in the workplace, for instance, many of them have served in the organisations for upwards of 6 – 8 years or more but were still on same salary grade level, without promotion or even increment in the level of their salary. On whether they are sponsored and encouraged to embark on further training to add value to themselves, they cried out that they were at a dead end kind of job. Some of them complained that they were working in the organisations because of lack of jobs elsewhere.

Given the nature of corporate social responsibility which is based on voluntariness, philantrophy, and morals, it definitely could not have constituted any surprise that corporate organisations were not religious in keeping to the tenets of the concept as the result of our study indicates. The class struggle between labour and capital dates back to antiquity and will continue to linger about indefinitely. During the Industrial Revolution, the founder of Scientific Management, Frederick Wilson Taylor ran into trouble with the workforce who saw his management science as inhuman and exploitatory and had complained to the Congress for intervention. Communism which is an alternate economic system to capitalism developed by Karl Max came about because the proponents believe that the worth of any product is the amount of labour invested in the production of such item, rather than on the amount of pleasures the capitalists enjoy for possessing means of production. Communism preaches that the outcome of productive effort (profit) should benefit the workforce more than the paltry salary paid them by the capitalists and industry captains. It detests the idea of the capitalists collecting all the profit and paying to the workforce paltry salary only enough for subsistence and argues that though the industry owners provide the structures, the infrastructures, technology and capital with which the corporations operate, these variables are only inanimate and worthless as long as the workforce do not put them into action.

The point is that human beings who work for corporations should not be seen as a real commodity whose worth is measured by the amount of salary paid to them. It is argued that the workforce is worth more than the salary paid to him and this added value is shown in the profit resulting from their labour. The workforce should, therefore, not only have a fair share of the profit resulting from their labour input apart from the wage or salary, but also should have a good working environment; job security; and health-care services to enable them make quality and spirited contributions to the sustenance of the corporation, and this is one of the focal point of Corporate Social Responsibility. Companies that understand the overriding importance of human resource in organisation offer the workforce chance to share in the profit of the organisation.

15. Recommendations

The study recommends that corporate organisations in Nigeria should develop internal corporate policy or regulation to neutralise the impact of voluntary nature of CSR over its implementation in companies and thus force or bind these companies to embrace Corporate Social Responsibility (CSR) as a means of achieving customer loyalty, competitive advantage and improved profitability.

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