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# CORPORATE SOCIAL RESPONSIBILITY AND ORGANISATIONAL PERFORMANCE IN A DEVELOPING ECONOMY

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**Abstract**

*Society is increasingly holding business organization accountable for putting the interest of stakeholders into consideration apart from theirs or, at best alongside their primary objective of profit maximization which is known as Corporate Social Responsibility (CSR). As CSR continue to make inroad into business arena, the harder its proponents are pressurized to provide business explanation or justification for it as a business practice. This study however investigated the influence of CSRon organizational performance in a developing economy, particularly Nigeria, withall business organizations in Oyo as thestudy population. A total of fifteen companies, five commercial banks, five communication network providers andfive manufacturing companies were selected. The subjects of the study include fourtop management staff each from the fifteencompanies making a total of sixty participants as the sample. The study adopted survey design. Threestudyquestions were asked, while two hypotheses were tested. Descriptive and inferential statistics were used to analyze the results. Results revealed that*

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*majority (78%)oftop management staff were involved in determining their CSR.The perception of top management of what should constitute CSRcovers many activities as 77.8% supported philanthropy, 54.4% agreed on workers welfare, 85% agreed on return of investment, 86.67% agreed on building friendly relationship with community while 78% agreed on avoidance of engaging in socially harmful act.The study also revealed that organization see the need for CSRto improve their profit generation, spread their market share and improve image. The results of hypothesis one wasaccepted as the calculated $X^2$ (109.89) is less than $X^2$ tab (919.448). The implication of this result is that CSR contributes to profit generation and business performance. However, hypothesis two was rejected sincethe calculated $X^2$ (65.45) is less than $X^2$ tab (919.448). The study concluded that CSR is a veritable tool for organization performance.*

***Keywords:*** *Corporate social responsibility, business organization, business performance, developing economy*

## Introduction

In Nigeria, the last decade has witnessed increasing demands on business organisation for greater consideration for the environment in which they operate, that is, there has being increasing demand on organization involvements in solving both social and ecological problems in the environment in which they operate, which is refer to as corporate social responsibility (CSR).Corporate Social Responsibility implies, the enforced or felt obligation of or business organization to serve or protect the interest of other groups apart from themselves. It is how an organization behave towards the immediate society in an ethical way as if it has conscience.The concept of Corporate Social Responsibility is broad and there is no generally acceptable definition for it. The definition vary from scholar to scholar and from country to country. According to Aderinto (1986) Corporate Social Responsibility (CSR) is an obligation, a liability, social consciousness, corporate legitimacy, charitable contribution and managerial enlightenment. Imosili (1986) definedsocial responsibility as the disposition of organization, especially profit types, to exhibit a missionary rather than mercenary attitude towards the society or environment in which they operate. That is, for an organization to be socially responsible, it will be expected by the society to fix roads, build schools, provide pipe borne water and electricity among other facilities in the environment in which they operate, which are traditionally the responsibility of the government. Therefore, the measure of social responsibility of an organization is the extent to which it undertakes such schemes on its own volition without pressure from the society or government.

Corporate Social Responsibility is defined by Pearce and Robinson (2011) as the obligation which a firm has to satisfy the financial interest of its stockholders as well as to meet the needs of the society.Corporate Social Responsibility entails the practice whereby organizations voluntarily integrate both social and environmental upliftment in their business philosophy and operations. Key areas of concern are environmental protection,well-being of employees, the community and civil society in general. Corporate Social responsibility, in the opinion of Krether (2007), has become a very vital organizational function that has been given serious consideration by corporate organization due to its importance in linking business performance to society and creating cordial relationship with government. Thompson, (2004), therefore, concluded that organizations should exercise social conscience in making decision that affect stakeholders especially the employees, communities where they operate and the society at large in order to be regarded as a society responsible organization.

A business organization is primarily established to create values at profit by producing goods and services which society demand as a measure of good organization performance.The primary stakeholders to corporate organizations are the owners who risk their money to establish and run the business. Therefore, the business has the responsibility of maximizing the wealth of the owners and other stakeholders such as the employees, the customers, the community and the government in responding to their demands (Fry et al, 2001).  In short, a business organization is basically established for the purpose of making profit for its owners, and this differentiate a business from other non-profit making ventures.Organisational performance is the comparison of the actual results of an organizations with its intended results (en.m.wikipedia.org). Richard, (2009) opined that organizational performance refers to the extent to which a firm is able to accomplish its stated objectives which can be with area of market share, turnover, innovation, productivity, profitability, customers' satisfaction and so on.Turnover is the actual sales value of a firm. Innovation is the modification of an existing product into a new product. Productivity is a measure of how well a firm is performing which also serves as an indicator of the efficiency and competitiveness of a firm in the production and marketing of goods and services.Profitability refers to the capacity of firm to generate profit. Profitability which is one of the indicators of organizational performance has two types of ratio namely return on sales, and return on investments (Peavier, 2012). Return on sales refers to a firm's ability to transform sales into profits. While return on investments measures the overall ability of a firm to generate shareholders' wealth.When an organization have good performances, then it can get involved in social corporate responsibility, as social responsibility constitute cost to the organization.Hence, for the purpose of this study, profitability and business patronage and turn over were used as a measure of organization performance. In effect the performance of a business is determined by the level of profit generated, sales turnover and market patronage among others.

Therefore, the concept of Corporate Social Responsibility seems to be at variance with the primary objective of establishing a business hence some critics see it as mere pretence or ploy. Lanbos, (2001), therefore, saw the emergence of Corporate Social Responsibility as a comfortable cover for firms to further their natural quest for profit and self-interest. As stated by Kofi Ana (1999) that we have to choose between a global market driven only by calculations of short term profit, and one which has human face; between a world which condemn a quarter of the human race to starvation and squalor, and one which offers everyone at least a chance of prosperity, in a healthy environment. Between a set fish, free for all in which we ignore the fate of thelosses, and a future on which the strong and successful accept their responsibilities showing global vision and leadership.The business organization therefore, to some critics, are not trusted as to their ultimate reason for corporate social responsibility.Porter and Kramer (2002) also saw the emergence of Corporate Social Responsibility or strategic philanthropy as though not to be only self-defeating, but provide anti corporatist with readymade tools to quickly uncover the variety of these firms and eagerly shape them as hypocrites. Hence, the concept of corporate social responsibility seems torun at cross purpose with the basic objective of setting up a business. Bowen recognized that business men should make decisions which are generally desirable for the values of society (Caroll, 1997). According to Primeau and Stieber, (1994) the business enterprise is besieged by popular misconceptions as well as by legal, religious and academic theorists anxious to prove that business seeks only self-serving aggrandizement, i.e. to maximize its profits and to do so at any cost to the consumers, the community and the environment. Dornbin (2012) stated that some individuals and business are tempted to act unethically, particularly in the short term, where there is a short opportunity to “make a killing” all in desperation for profit or good performance.

Nevertheless, a tradeoff may exist between organizational performance and corporate social responsibility, this has been challenged by many reportsin the last decade. There is no consensus of opinion by researcher on the need for Corporate Social Responsibilityor what should constitute Corporate Social Responsibility. Some organization have said, why us? Whileothers have agreed they should. As Corporate Social Responsibilitycontinues to make in road into business area, the harder its proponents are pressed to provide business explanation or justification for it as a business practice while skeptics express belief that it will inevitably result into the dilemma of possible tradeoff between profit and morality. Hence,this study examined the relationship between Corporate Social Responsibility and organizational performance in a developing economy. The under listed objectives were however examined:

i. what should constitute corporate social responsibility

ii. the perception of business organization about justification for corporate social responsibility in business

iii. ifCorporate Social Responsibility have any effect on business patronage in terms of market share and turnover

iv. whether Corporate Social Responsibility contribute to business profit.

**Research Questions**

The following research questions and hypotheses guided the study

a. What is the position of top management staff on what should constitute Corporate Social Responsibility

b. What is the justificationfor Corporate Social Responsibility in business

c. To what extent does Corporate Social Responsibility affect organization performance in terms of (profit and business patronage)

**Hypotheses**

i. There is no significant relationship between Corporate Social Responsibility (CSR) and organization performance.

ii. Corporate social responsibility rule not significantly contributes to business profit.

**Literature Review**

Corporate social responsibility arises out of the interdependence of an organization with the society and the environment where it is operating (Mullins, 2002). McShane and Glinow (2003) defined social responsibility as a person's or an organization's moral obligation towards others who are affected by his or her actions. It serves as a source of motivation in solving societal problems. Corporate social responsibility is combined with corporate social responsiveness to produce what is known as corporate social performance. In the words of Onwuchekwa (2000), an organization is socially responsible when it does not restrict itself within the minimum requirement of the law but rather, goes beyond it. He therefore views corporate social responsibility as the acceptance of social obligation by an organization beyond what the law requires.Jones and George (2003) viewed social responsibility as the obligation of a manager to enhance the welfare of the stakeholders and the society in general. In the perception of Kazmi (2003), what a corporate organization intends to do is indicated by its social responsibility. Social responsibility is an ethical or ideological theory that an entity whether the government, corporation, organization or individual has a responsibility to society. Welfare activity that it takes upon itself as an additional functional manner in which a business carries out its own activity. Social responsibility can be classified into two viz:

1. The shareholders, suppliers of resources, the consumers, the local community and society at large are affected by the way an enterprise functions. Thus a business enterprise should be able to strike a balance between these divergent groups. Social responsibility means eliminating corrupt, irresponsible or unethical behaviour that might bring harm to the community, its people, or the environment before the behaviour happens. Social responsibility is voluntary; it is about going above and beyond what is called for by the law (legal responsibility).

2. To use their ethical decision making to increase productivity. This can be done through programs that employees feel directly enhance their benefits given by the corporation, like better

health care or a better pension program. One thing that all companies must keep in mind is that employees are stakeholders in the business. They have a vested interest in what the company does and how it is run. When the company is perceived to feel that their employees are a valuable asset and the employee feel they are being treated and such, productivity increases.

Freidman and Bavmol, two of the greatest economists of our time, are opposed to the view that businessmen have many social responsibilities to fulfill. In the opinion of Friedman, the view that corporations and labour unions should accept 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 of fraud. If businessmen do have social responsibility other than making maximum profit for stockholders how are they to know what it is.  In his opinion, assigning any social responsibilities to private entrepreneur other than profit maximization is a fundamental subversive doctrine which undermines the very foundation of a free society. Baumol on the other hand is of the view that private business should not be asked to assume the responsibility of fulfilling the social and political goals of the society nor should they be expected to allocate resources optimally for, in his opinion, a competitive system automatically rewards efficiency and punishes inefficiency and where it fails, fiscal measures taxes and subsidies may be adopted to correct the system and to encourage the business infavour of social goals.According to Beer (2009) many of the Wall Street companies that collapsed during the economic crisis of (2008) result from their lack of focus on customer services, lack of clear business strategies, and their propensity to over prioritize profits at the expense of commonly accepted ethical practices and Corporate Social Responsibility (CSR).

**Theoretical Framework**

This study is anchored on the stakeholders' theory stated below;

**Stakeholder Theory of Business Corporate Social Responsibility (CSR)**

Freeman (1984) as cited by Elias (2005) advocated the stakeholder theory stated that corporate entities are responsible to many stakeholders which include consumers, investors, employees, shareholders government and the general public. Business Corporate Social Responsibility help management to align with their different interest group in a bid to maximize their welfare.

Stakeholder theory can also set the stage for effective measurement of corporate social overall performance by distinguishing between stakeholder issues and social issues. Business Corporate Social Responsibility conduct helps to resolve issues confronting corporate organization. Stakeholder theory provides a structural and rationale for understanding and explaining why building ethics into planning and operations is a sound management strategy. Clarkson (1998) opined that corporate social responsibilityprovides a framework for understanding why firms with records of ethical management height be expected to out-perform competitors lacking this focus on the medium or long term measure, by conventional financial and market test of performance. This theory maintains that there is need for an organization to engage in active social role in the society where it is operating since it depends on the society for sustenance (Ojo, 2012). Investors, shareholders, employees, customers, suppliers, government and the communities are the stakeholders capable of influencing organizational performance of which managers must ensure that their demands are satisfied according to this theory.The stakeholder theory therefore takes into consideration the need to satisfy those interested parties capable of influencing organizational performance if an organization is to survive in its environment (en.wikipedia.org). Corporate social responsibility has become a necessity in this present time due to the goodwill it generates and for the fact that interdependence exist between the corporate firms and the environment where they are operating. The purpose of establishing an enterprise is value creation that involves producing goods and services that will satisfy the demands of the society which maximizes profit for the owner and contribute in solving societal needs (Akindele, 2011).As the business organization are open system that take inputs from the environment while sending output to the same environment. There is need for synergy between the business organization and the environment. This synergy is regarded as corporate social responsibility hence the applicability of stakeholders theory to the study of relationship between corporate social responsibility and organization performance is appropriate.

**Empirical Review**

Empirical studies have been carried out in the area of corporate social responsibility and its relationship with the performance of organizations. The scholars' views and findings are presented as follows: Ojenike, et al 2014 carried out a study on the perception of Corporate Social Responsibility in Nigeria by examining 300 business leaders in South West Nigeria making use of survey research design. Their findings indicated that business leader's perception of as corporate responsibility covers legal, ethical, philanthropic and environmental responsibility, but the study did not provide answers to the questions of why do business need corporate social responsibility nor determine the extent of influence of Corporate Social Responsibility on organization performance. Ezeilo (2009) investigated the relationship between social responsibility and business performance with Intercontinental Bank, Nigeria Plc as a case study, he adopted a survey research design. The results indicated that most business organizations have positive perception about corporate social responsibility issues. The study therefore, concluded that organizations' growth, visibility, sustainability and survival on the long run depends on how socially responsible the company is to the stakeholders. In a study carried out by Okafor, Hassan and Hassan (2008) on environmental issues and corporate social responsibility with Nigeria as a case study revealed that industrial activities have adversely affected the environment, creating serious discomfort to the inhabitants especially in the oil producing area of which there is urgent need to address the problem through corporate social responsibility.

Anyafulu (2010) examined the impact of social responsibility on organizational performance using survey data and came up with the finding that different areas of corporate social responsibility contribute differently to the public image of an organization. In examining the relationship between corporate social responsibility and organizational effectiveness of insurance companies in Nigeria, Olowokudejo and Aduloju (2011) made use of survey data, discovered that involvement in corporate social responsibility have positive relationship with organizational effectiveness and therefore, conclude that being socially responsible can assist insurance companies to succeed in overall performance.Akindele (2011) carried out a study on corporate social responsibility as an organizational tool for survival in Nigeria by examining four major banks in Osogbo, OsunState.Inorder to identify the extent of participation of the banking industry in CSR using primary source of data collection procedure through the administration of questionnaire. Descriptive statutes was used to analyze the data and the findings of the study revealed that about 90% of the participants indicated that the extent of participation of the banks in social responsibility activities is high.A critical assessment of environmental issues and corporate social responsibility in Nigeria, the Niger Delta region as case study was undertaken by Ejumudo, Edo, and Sagay (2011). The researchers made use of survey research method which involved primary source of data collection and came up with the findings that oil companies activities in the region have had destructive effects on the environment and conclude that oil companies operating in the region has done little or nothing in reducing the hardship of the host communities.Classon and Dahlstrom (2006) carried out a study on corporate social responsibility and how it can affect company performance in Sweden using survey data, observe that CorporateSocial Responsibility can influence customer perceptions on a product or service offering and in the end affect company performance. Halbert and Inguilli (2003) in their study found out that there is a fundamental disparity between wealth maximization and business ethics, they found out that students believed in wealth maximizing values for shareholders. Bovie (1995) as cited by Marriam and Mutulich (2006) in his study found out that Corporate Social Responsibility and profit are inversely related. Literature also revealed that there is no consensus of opinion in literature thus, study seek to make further clarification on what should constitute corporate social responsibility, justification for it and the relationship between business performance and corporate social responsibility.

**Methodology**

The study adopted a survey design with a view to finding out the relationship between corporate social responsibility and business performance in terms of profitability, turn over and brand loyalty. All registered limited liability business (profit types) organizations in Ibadan, Oyo State constituted the population of the study.Five (5) Commercial Banks, five (5)communication network organizations and five(5) manufacturing companieswere purposefully selected as sample for the study. The subjects include five top management staff from each of the fifteenselected organizations.In all seventy five (75) top management staff, formed the sample population. However, only sixty (60) of the respondents duly completed and returned the data collection instrument that is sixtytop management staff duly concluded the research questionnaire.The research instrument designed consisted of three sections, A,B and C. Section 'A' solicited for information on the position of top management staff of the sampled organizations on what should constitute corporate responsibility and who should determine it, while section B solicited information on the justification or need for corporate social responsibility policy in business and section C solicited information on the relationship between corporation social responsibility and organization performance in terms of profit, turnover and business patronage.

A random sampling technique was used to select seventy five participants from fifteen business organization that are involved in corporate social responsibility (CSR) The dependent variable of the study is organization performance (turnover, patronage, profitability) while the independent variable is corporate social responsibility. The research instrument was a self-report questionnaire designed and distributed to seventy five top management staff of fifteen (15) business organization in Ibadan,within a duration of two weeks.This method was adopted because of the tight schedule of the participants.The instrument was pre-tested on ten top management staff of a Bank that was not part of the selected sample for this study and a re-administration done after two weeks interval. The face and content validity of the instrument were ratified by experts.To determine the reliability, the Pearson product moment statistic was applied and resultant 0.67, 0.6 and 0.65, were obtained for Sections A, B. and C respectively. In the questionnaire, the participant were expected to indicative the option among SA = StronglyAgreed, A = Agreed, U = Undecided, D= Disagreed and SD = Strongly disagreed, as attached to each item of question to indicate level of agreement or disagreement with the questions. The responses were scored using 5, 4, 3, 2, 1 ranging from (SA) Strongly Agree, (A) Agree, (U) Undecided, (D) Disagree, (SD) Strongly Disagree respectively.

## Data Presentation and Results Discussion

Data Analysis was done using descriptive and inferential statistics.

**Table 1:** Opinion of top management staff on what should constitute Corporate Social Responsibility

| S/N | | Strongly Agree (SA) | | Agree (A) | | Undecided (U) | | Disagree (D) | | Strongly Disagree (SD) | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | No. | % | No. | % | No. | % | No. | % | No. | % |
| **1.** | Environmental protection should constitute CSR | 10 | 16.67 | 08 | 13.3 | 0 | 0 | 30 | 50 | 12 | 20 |
| **2.** | Workers welfare should constitute CSR | 06 | 10 | 14 | 22.2 | 02 | 3.33 | 34 | 55.6 | 4 | 6.66 |

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **3.** | Human rights should constitute CSR | 0 | 0 | 05 | 8.3 | 05 | 8.3 | 48 | 80 | 02 | 2.33 |
| **4.** | Charity/Philanthropy should constitute CSR | 38 | 63.3 | 13 | 21.6 6 | 05 | 8.33 | 04 | 6.66 | 0 | 0 |
| **5.** | Business standard should constitute CSR | 20 | 33.33 | 10 | 16.6 6 | 02 | 3.33 | 8 | 13.2 3 | 20 | 33.33 |
| **6.** | Returns on investment to stakeholder should constitute CSR | 35 | 58.3 | 16 | 26.6 | 04 | 6.66 | 05 | 8.33 | 0 | 00 |
| **7.** | Compliance with laws and regulations should constitute CSR | 10 | 16.66 | 10 | 16.6 6 | 04 | 6.66 | 30 | 50 | 6 | 10 |
| **8.** | Commitment to sustainable development should constitute CSR | 07 | 11.66 | 03 | 5.00 | 04 | 6.66 | 40 | 66.6 6 | 06 | 10 |
| **9.** | Building friendly relationship with the community | 47 | 78.33 | 5 | 8.33 | 0 | 0 | 08 | 13.3 3 | 0 | 0 |
| **10.** | Human disaster management | 10 | 16.66 | 02 | 3.33 | 6 | 10 | 30 | 50 | 12 | 20 |
| **11.** | Community should determine what should constitute Corporate Social Responsibility | 10 | 16.66 | 0 | 0.0 | 08 | 13.33 | 2 | 3.33 | 40 | 66.66 |
| **12.** | Avoiding engaging in socially harmful acts is CSR | 32 | 53.3 | 15 | 25 | 0 | 0 | 08 | 13.3 3 | 05 | 8.33 |
| **13.** | Creating competitive immunity (that is make business more sustainable on the long run) is CSR | 37 | 55.6 | 10 | 16.6 6 | 03 | 5 | 10 | 16.6 6 | 0.00 | 0.00 |
| **14.** | As a management staff, I am involved in deciding what constitute on my organization CSR | 34 | 55.6 | 14 | 22.2 | 07 | 11.66 | 05 | 8.33 | 0 | 0.00 |
| **15.** | My company get involved in CSR on its own volition | 37 | 61.66 | 13 | 21.6 6 | 0 | 0 | 5 | 8.33 | 5 | 8.33 |

**Source: Field Survey 2017.**

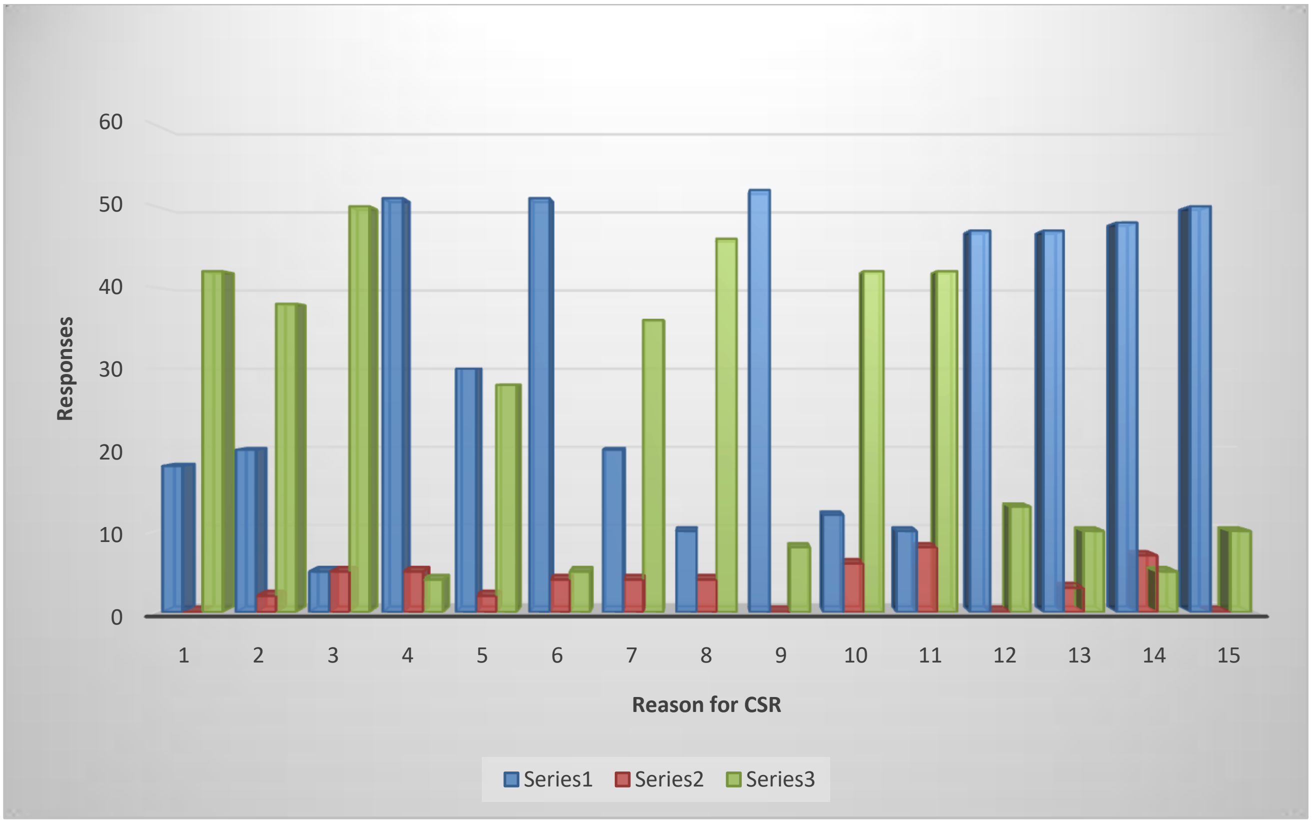


**Fig.1. Perception of top management staff on what should constitute Corporate Social Responsibility**

The resultsin table 1and Fig. 1, above revealed that 78% of the top management staff responded that they were involved in determining what constitute CRS in their organization while 22% said they were not involved. In the case of what should constitute corporate social responsibility majority (84.96% i.e. SA= 63.3%, A = 21.66%) agreed that philanthropic activities, should be part of corporate social responsibility, whilethe 29.9 percent of the respondents (SA = 16.66, A = 13.33) agreed that environmental protection should be part, while 85%of the respondents ( SA= 58.33% and A=26.66) agreed on return on investment as CSR, 86.66% agreed (SA=78.33%, A= 8.33%) agreed on building friendly relationship should constitute corporate social responsibility (CSR).while 88.99% (SA=55.66%, A=33.33%)agreed onworker welfare as CSR.
However, 82% of the respondents (SD=2.33%, D=80%) disagreed on human right activities as CSR, while 70% (SD= 20%, D = 50%)disagreed with the inclusion of environmental protection as CSR and 70% also disagreed on human disaster management as CSR.Majority of top management staff, 86% of them disagreed that community or society should determine what

should constitute corporate social responsibility because they perceive corporate social responsibility (CSR) as a form of charity or philanthropic activity. From the findings, it can be inferred that there is no consensus of opinion on what should constitute corporate social responsibility. The topmanagement staff sees corporate social responsibility from different perspectives since is seen as giving back to society or charity or philanthropic activity by business organization. The business organization determines what they want to give to society, the cost and how to go about it and so on. The respondents also supported that returns on investment to stakeholders building healthy and friendly environment with the community as corporate social responsibility (CSR), which in the long run will support their main objective of profit making.All the views that were supported by respondents about what should constitute corporate social responsibility supports the claims of previous studies e.g. Ojenike et-al.,2011, that corporate social responsibility covers economic legal philanthropic and environmental responsibilities.

**Table 2:The Position of top Management Staff on the Justification for Corporate Social Responsibility in**

**Business.**

| **S/N** | | **Strongly Agree** | | **Agree** | | **Undecided** | | **Disagree** | | **Strongly Disagree** | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | No | % | No | % | No | % | No | % | No | % |
| **1.** | Corporate Social Responsibility enhances business patronage | 40 | 66.6 | 05 | 8.33 | 5 | 8.33 | 08 | 13.23 | 2 | 3.33 |
| **2.** | Corporate social responsibility contribute to profit generation | 51 | 85 | 03 | 5.0 | 6 | 8.33 | 02 | 4 | 0 | 0.00 |
| **3.** | Corporate Social Responsibility (CSR) aids business loyalty | 46 | 76.66 | 4 | 6.66 | 0 | 0.00 | 4 | 6.66 | 5 | 8.33 |
| **4.** | Company attracts business | 12 | 20.00 | 10 | 16.66 | 0 | 0.00 | 20 | 66.6 | 08 | 13.33 |
| **5.** | Corporate Social Responsibility increase trade turnover | 36 | 61.00 | 08 | 13.33 | 4 | 6.66 | 2 | 3.33 | 10 | 16.66 |
| **6.** | Corporate Social Responsibility prevent law enforcement of difficult laws by government | 15 | 25.00 | 8 | 13.33 | 0 | 0.00 | 32 | 55.6 | 05 | 8.33 |
| **7.** | Corporate Social Responsibility can be eliminated with no consequent to organization performance | 8 | 13.33 | 05 | 8.33 | 7 | 11.66 | 40 | 66.66 | 0 | 0.00 |
| **8.** | There is no need for corporate | 0 | 0.00 | 04 | 6.6 | 2 | 4.00 | 10 | 16.66 | 44 | 73.33 |

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | social responsibility (CSR) in business. | | | | 6 | | | | | | |
| **9.** | Corporate social responsibility (CSR) ensure corporate growth. | 15 | 25.00 | 25 | 41. 66 | 05 | 8.33 | 15 | 25.00 | 0 | 0.00 |
| **10.** | Corporate Social Responsibility increase supports from local community | 50 | 83.8 | 3 | 5.0 0 | 0 | 0.00 | 07 | 11.66 | 0 | 0.00 |
| **11.** | A business can run successful without Corporate Social Responsibility | 8 | 13.33 | 05 | 66. 6 | 4 | 6.66 | 40 | 66.66 | 3 | 5.00 |

**Source: Fieldstudy 2017.**

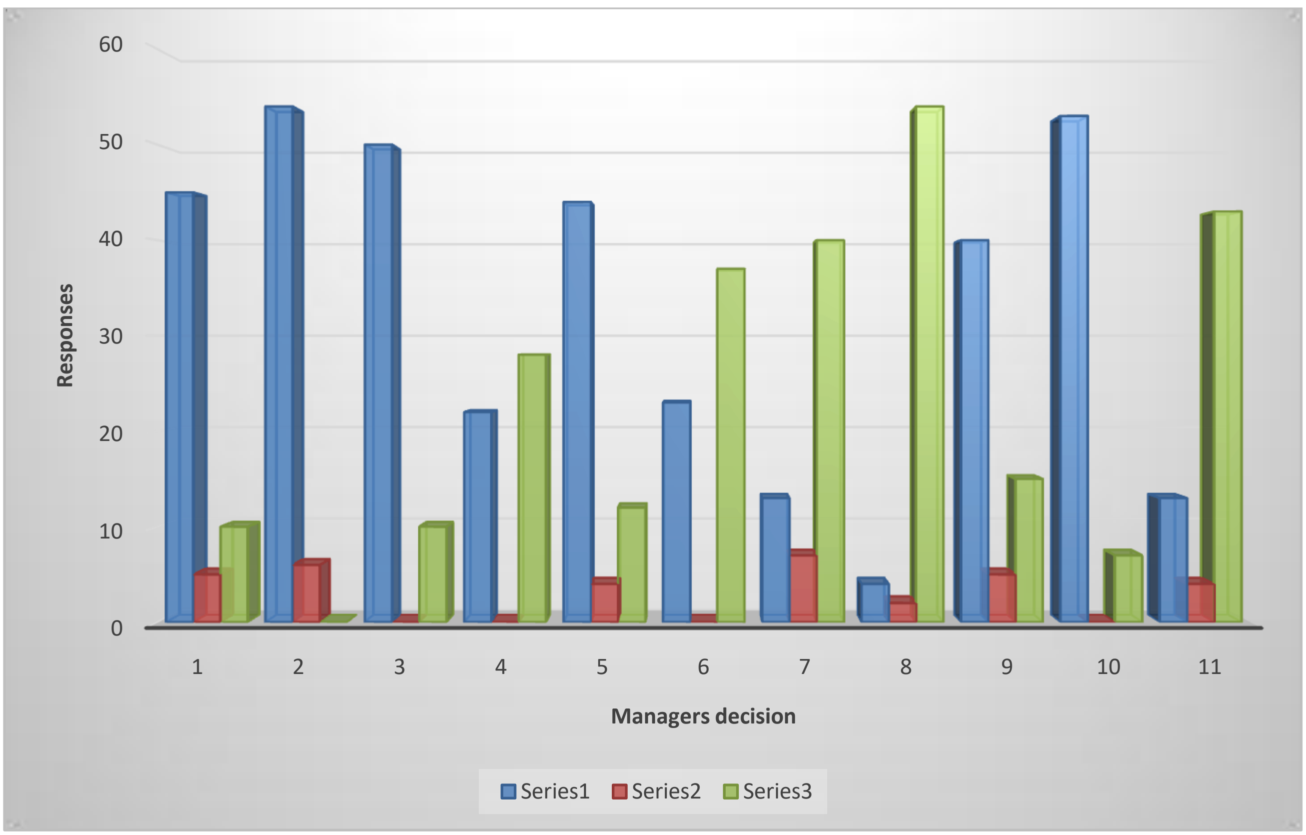


**Fig.2.Decision of top management staff on justification for Corporate Social Responsibility in Business**

The results in table 2 and Fig. 2, revealed that majority of the respondents that is (75%, SA = 66.7%, A = 8.33%) agreed that corporate social responsibility enhance business patronage which is in line with the basic objective of establishing a business make profit ensuregood performance. It also showed that majority (90% i.e. SA = 85%, A = 5%) agreed that CSR contribute to profit generation while (82.7%) i.e. SA = 76.6%, A = 6.66%) agreed aids that corporate social responsibility business loyalty; (66.7% i.e. SA = 55%, A = 41.66%) agreed that CSR ensures of corporate Growth and (88% i.e SA = 83.33%, A = 5%) agreed that CSR increases support from the host community.

However, majority of the respondents (94% i.e. SD = 78%, D = 16%) disagreed that there is now need of the corporate social responsibility while only 6% agreed that there is no need for CSR. All the respondents saw corporate social responsibility as a philanthropic activity which should be voluntary. While71.66% (SD = 5.00%, D = 66.66 %) of the respondents disagreed with the view that organization can run successfully without corporate social responsibility. More than half of the respondents i.e. 55.6%disagreed that corporate social responsibility prevent enforcement of law by government. All the respondents agreed that most firms engage on corporate social responsibility (CSR) as a philanthropic activity to support the local communities.The finding of this result support the position of Ezelo (2009), Okafor, Hassan and Hasssan that most business organization have positive perception of CSR.

**Hypothesis Testing**

**Hypothesis I**

**Table 3: Corporate Social Responsibility will significantly contribute to profit generation**

| S/N | Response | O | E | (O-E) | $(O-E)^2$ | $X^2 = \frac{(O-E)^2}{E}$ |
|---|---|---|---|---|---|---|
| **1** | SA | 51 | 18 | 33 | 1089 | 60.5 |
| **2** | A | 03 | 18 | -15 | 225 | 12.5 |
| **3** | U | 6 | 18 | -12 | 144 | 8.0 |
| **4** | D | 02 | 18 | -14 | 196 | 10.89 |
| **5** | SD | 0 | 18 | -18 | 324 | 18.00 |
| | | | | | | Total = 109.89 |

Where E = Expected frequency in the corresponding category

O = Observed frequency in each category

$X^2$ Cal = 109.89

Level of significance 5% = 0.05

df= degree of freedom (n – l) = (5-1) = 4

$X^2$ tab = n (0.05)

$X^2$ tab = 4 (0.05) = 9.488

**Decision:** The hypothesis 1 is hereby accepted as the calculated $X^2$ (109.89) is less than $X^2$ tab (919.448). The implication of this result is that corporate social responsibility contributes to profit generation so it can be inferred that corporate social responsibility will significantly influence profit generation. This results of the finding support the position of Olowokudeyo and Aduloju (2011) that CSR have positive relationship with organization effectiveness.

**Research Hypothesis II**

**Table 4: Corporate Social Responsibility will not significantly enhance business patronage**

| S/N | Response | O | E | (O-E) | $(O-E)^2$ | $X^2=\frac{(O-E)^2}{E}$ |
|---|---|---|---|---|---|---|
| **1** | SA | 40 | 18 | 22 | 484 | 26.89 |
| **2** | A | 05 | 18 | -13 | 169 | 9.39 |
| **3** | U | 5 | 18 | -13 | 169 | 9.39 |
| **4** | D | 8 | 18 | -10 | 100 | 5.56 |
| **5** | SD | 2 | 18 | -16 | 256 | 14.22 |
| | | | | | | Total = 65.45 |

$X^2$ Cal = 65.45

Level of significance 5% = 0.05

Degree of freedom (n – l) = (5-1) = 4

$X^2$ tab = 4 (0.05) = 9.488

**Decision:** The hypothesis 2 is hereby rejected as the calculated $X^2$ (65.45) is less than $X^2$ tab (919.448). The implication of this result is that corporate social responsibility will significantly contributes to profit generation and hence lead to good business performance.

## Recommendations

The following recommendations were made based on the findings of this study;

1. Business organization should continue to incorporate CSR in their business policy for it is beneficial to both parties (business and other state holders) on the long run.
2. There should be consensus of opinion on what actually should constitute corporate social responsibly
3. The government should find a way of monitoring CSR so that it cost might not be passed back to consumers
4. Since business cannot operate in isolation, business manager should not see CSR as a favour to the community but a duty.

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