CORPORATE SOCIAL RESPONSIBILITY: A PANACEA FOR SUCCESSFUL COMPANY MANAGEMENT IN NIGERIA

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Abstract: This study utilizes a qualitative research methodology. The choice of the qualitative research method is based on the fact that the research method best suits the interpretation and understanding of social realities. The research employs purposive sampling method. To determine the relevance of CSR in Nigerian companies, five communities were selected in five different states in Nigeria. In each of the companies, three managers were purposively selected and three members of each host community were chosen for interviews. The justification for using a purposive sampling technique in selecting the staff of the company and communities is based on the need to interview people who were knowledgeable and informed about CSR. Possible advancements were further identified through triangulation in form of articles from journals. Results shows numerous advantages of implementing corporate social responsibilities in Nigeria companies. The companies investigated all showed positive outcomes from CSR implementation ranging from improved staff motivation to increase in revenue for the companies. The communities had also provided positive review on companies that had acted in the interest of the local communities, which had influenced their patronage among other responses. While the survey sample did not represent a cross-section of managers at every level, there could also be a bias towards those interested in humanitarian services. In addition, most sampled managers were already working in companies that were corporate social responsibility compliant. Identified were advantages of implementing corporate social responsibilities by companies in Nigeria. Detailed are ways to provide better living conditions for host communities and the effects of such gestures on the relationship between the companies, their staff and the local communities. Company managers were interviewed and their views compared with those of the host communities to determine the effects of CSR on the host communities.

Keywords: Companies, corporate social responsibility, host communities, stakeholders, managers.

1. INTRODUCTION

The 1950s saw the concurrent advancement of the anti-globalization drive of stockholder activism and corporate governance reorganization. This development resulted into rebellious activities that wreaked havoc on the profit and reputation of the companies concerned. In reaction to this trend, corporations started embarking on activities that would make them socially responsible. For instance, Maignan and Ferrell (2004) capture the assurances of British Petroleum in maintaining healthy environmental practices in her host communities. In recent times, most company managers have added aspects of human security to their agenda of corporate social responsibility. In this regard, scholars in the field of business have shown how business policies can help in alleviating poverty in their host communities (Prahalad, 2006). From this stand point, corporate social responsibility has become one of the alternatives used in augmenting government efforts, because of its ability to meet the desires of the poor (Renouard and Ezvan, 2018). When corporate social
responsible targets the poor, it avoids instances of workers manipulation, destruction of the ecosystem and by extension the local communities.

Despite this promising outlook of corporate social responsibility, there are opposing views that corporations tend to implement policies based on their interest. These views have shaped the attitudes of companies towards corporate social responsibility. One of the perspective is the conception of a company as a legal personality. By this, it means they possess rights and duties. A second view is that which sees the corporation as a fake legal creation which by law is tasked with profit maximization for the benefit of the owners and obedience to the law. The third perception sees companies as entities that should have smooth relationship with the stakeholders (Aguero and Martinez, 2005). It is on this third view that few corporate organizations have decided to delve into social corporate responsibility. But it is alarming that a good number of businesses are confused as to whether to carry out corporate social responsibility or to concentrate on their mandate of profit making and abeyance of the law.

In our contemporary world, corporate social responsibility has become a dominant concept in recording and reporting of organizational activities. Many corporate organizations use corporate social responsibility as a strategy for achieving their set goals. Since business and or organizations does not operate in a vacuum, there is need for them to relate with their host communities. In attempt to promote the smooth running of businesses all over the world, efforts are now made about encouraging companies to react to environmental and social issues in their host communities. These efforts include but not limited to obeying laws of their host communities. They are also expected to voluntarily take steps towards improving the quality of lives of the members of the host societies. Corporate social responsibility refers to actions taken by organizations that promote social good beyond the interest of the firms as required by the law (Siegel & Mcwilliams, 2001). It can also be viewed as the relationship between international corporations, governments of state and the people in the immediate host society. Moving away from the global context corporate social responsibility could mean the relationship between a corporation and the immediate community in which it functions. Proponents of corporate social responsibility identifies four important reasons why businesses should interact with their host communities. They are moral duty, sustainability, license to perform, and reputation (Arena, 2016).

Engaging in corporate social responsibility is a step in the right path when it comes to the organization's location in the host society, but it is tremendously demanding and intricate in its implementation. There are two central factors that impedes the implementation of CSR, these are corporations' zeal for profit maximization and how to determine what is socially responsible and what is not (Nielsen, 2010). Business managers are usually faced with the conflict of deciding whether to embark on corporate social responsibility or to pursue the corporation's profit goal at the detriment of corporate social responsibility. There is clear means of identifying what is socially responsible, particularly in a multi-group context. In many instances, different social groups have goals and objectives that are contrasting to those of other groups. In such event, the corporation would be in a state of dilemma on how to make a choice that would benefit both groups.

When faced with the previously mentioned problems, the first approach is for business managers to comprehend all the possible problems that are likely to affect the organization, pre-existing indigenous snags should not be taken for granted. Another problem that have affected multinational corporations in foreign countries before the advent of corporate social responsibility, was the conflict between the laws of the country of origin and that of the host state (Nielsen, 2010).The issue of bribery is a typical example of this type of conflict. In most developing states, to ask for bribe is illegal in principle but in practice it is cheered at all levels of government. On the contrary laws in North America forbid corporations to pay bribes, both in North America and in foreign countries. The problem created by this situation in some of the developing countries is that, when the corporations refuse to pay a kickback they may suffer costs that may outweigh the inducement solicited.

Despite these obstacles, corporate social responsibility is a “sine qua non” in present day business environment. CSR indirectly confers stakeholders’ title on the people in the external environment of the organization and having that sense of belonging, they become protectors of the business organization. On this note, it will be right to assert that businesses who do not adopt the principles of corporate social responsibility are insensitive to the survival of the organization and the wellbeing of the host society. For company managers to be successful, adherence to CSR is a panacea. In doing that, they need to address the query on the volume of CSR that should be incorporated in their plan of action. Lord Holmes and
Richard Watts (2010) diagnosed corporate social responsibility as “the persevering with dedication by means of business to act ethically and make contributions to economic improvement even as enhancing the excellent of lifestyles of the workforce as well as the network”. With the competitive nature of contemporary business world CSR is a persistently developing trend. As such corporate managers who are bent on achieving success worry less about their social accountability activities.

Business managers must become knowledgeable about their corporation’s corporate social responsibility policies so that the goals and objectives of their organization conform to these policies, but they must go further than that. They ought to determine how well those policies conform to international law and the municipal laws, standards, and social customs in the country where their subsidiaries are located. They should also investigate all the possible stakeholders in the host country to determine if there are any conflicts with the corporation’s CSR policies or with each other. Corporate social responsibility enables organizations to take obligation for the effect of their activities on consumers, workers, shareholders, societies, and the environment in all areas of operations. This effort goes further than just conforming to local laws, as establishments benevolently take measures to advance the quality of life for their workers and their families, as well as the host community at large (Tharp and Chahdry, 2008). It is for this reason that CSR is at times called “corporate citizenship,” which entails that corporations should be good neighbors to their host communities (Rionda, 2002). The main purpose of this paper is to investigate how the application of corporate social responsibility has impacted on companies and stakeholders in Nigeria.

2. PROBLEM STATEMENT AND RESEARCH NECESSITY

The concept of corporate social responsibility entails that, corporations have certain responsibilities, the first is profit making, this is otherwise known as economic responsibility. Next is respect for local and international laws (legal liability) and to make sure that their operations does not cause havoc to the people living in their external environment (ethical responsibility) (Camargo, Mendonça, Oliveira, and Giraldi, 2018) Before the emergence of corporate social responsibility, a lot of business organizations were faced with numerous problems that hampered the achievement of their first responsibility which is profit maximization. In most cases, it was because of the outright refusal of managers of such organizations to adopt the principles of corporate social responsibility, with the hope that not doing so will increase their profit margin. In most situation, when they get into trouble with the local communities because of their destructive activities, they end up securing greater loses. In Nigerian for example many oil multinational companies have incurred the wrath of their host communities as a result of their damaging environmental practices.

The inability of some organizations to adhere to the practice of corporate social responsibility has created bad image for such corporations. Despite the condemnations made against CSR, in the real sense, the risk of ignoring CSR outweighs the cost of carrying out CSR. This is why it has become imperative for all present-day business organizations to cling to accomplishing their economic responsibilities and to meet their moral and legal responsibilities through the practice of CSR. This will enable them to survive the growing competition of the information age. It is alleged that corporations that are not interested in building their reputation through CSR are prone to danger of survival. The need to encourage corporate social responsibility, as a solution for achieving peaceful coexistence between companies and stakeholders is the gap that this study seeks to fill.

3. LITERATURE REVIEW

In a longitudinal data from 3688 exclusive US businesses between 1997 and 2009, the result of a study by Hoi, Wu and Zhang, (2018) shows how Firms do engage in extra positive corporate social responsibility actions when such undertakings are rampant among other local companies’ headquartered within the same state. They also discovered that, there is lack of logical connection between damaging CSR actions and the local-level business commitment in negative CSR activities. In their findings, helpful corporate social responsibility activities augment a company’s potential economic performance and that the positive effect is conspicuous among organizations headquartered in host states with extreme societal social capital. Their findings further reveal that, destructive CSR activities only diminish a firm’s impending economic performance among firms headquartered in counties with high society collective capital, while the reverse is the case with businesses headquartered in states with lesser public social capital.
In another study carried out by Cheng, Ioannou, and Serafeim, (2014) which examined the impact CSR on financial performance. Surveying a cross-section of businesses, they discovered that businesses with superior CSR routine face lesser wealth limitations.

In another related study undertaken by Kang, Lee, and Huh, (2010), to ascertain the diverse effects of positive and negative corporate social responsibility actions on monetary performance of inn, nightclub, restaurant and airline enterprises. Findings from the study reveals diverse outcomes across different films. To this end, they could not precisely take a particular position, as to whether to advise all companies to embark on corporate social responsibility or not.

Adopting the stakeholder theory as his theoretical framework, Lihong (2008) submits that organizations should institute strategic coalitions with stakeholders and take responsibility for the havoc caused to the communities as a result of their actions. Adding that Public-Private Partnership (PPP) should assist as a central channel through which organizations would accomplish their CSR activities in China, to promote public health services through the collaboration between the public and the private sectors. His research emphasizes the real nature of the collaboration that should exist among stakeholders and recommend new ways to study the shared relationships between communities and corporate sectors which he calls ‘strategic alliance perspective’. The investigation also prove that the unique cultural heritage of China is instrumental to the effective utilization of PPP as a driver of corporate social responsibility for the efficient tackling of healthcare concerns. Beyond the examination of authentic cases, the study surveys the features, control apparatus and impacts of strategic corporation of healthcare in China. This was based on the broad subject called public-private partnership.

Contrary to the submissions of the above studies, Asmussen and Fosfuri, (2019) carried out a research titled “Orchestrating corporate social responsibility in the multinational enterprise”. This study disclosed that Multinational enterprises (MNEs) spend substantial resources in corporate social responsibility; all in attempts to make their brand a global type. However, the execution is usually not well carry out leading to a crash in their strategy. Situating their studies in the context of game theory, they investigated the thorny interaction of diverse incidents that prevents MNE’s full implementation of corporate social responsibility strategies. They identified some of the impediments as brand spillovers, public humiliations instigated by careless behavior, the scope of the MNE system, the roles of non-state actors and philanthropic managers. With this, they view corporate social responsibility as mere insurance against failures of responsible conduct and prefers investment in social brands.

Another study that reveals the importance of corporate social responsibility is the result from Albuquerque, Koskinen, and Zhang (2018) which presents an industry equilibrium model where firms have an option to participate in CSR activities. They replicate CSR as a security strategy that spurs productivity to pave way for higher profit. Their findings discloses that corporate social responsibilities reduces regular risk and increases firm value.

Smith, Kendall, and Knighton (2018) conducted a research to investigate the “meanings and motivations of brand ambassadors in establishing relationships with an organization, and their considerations in representing and distributing content for an organization”. Specifically they explored the issue of corporate social responsibility subject among label ambassadors. The result revealed complicated considerations of allegiances, commitments, and risks in the brand ambassador-corporation relationship. Thus, the corporate responsibility content’s value between ambassadors was doubtful.

Moon and Knudsen (2018) published the result of their investigation titled “corporate social responsibility and government”. The outcome of their investigation proves that government plans for CSR are embedded and agential. More so, the study submits that government is universal to corporate social responsibility. Based on the above argument the study discards the definition that sees CSR as ‘voluntary’ activity, and maintains to a certain extent. CSR carries along different stages of responsibilities, subject to the nature of its connection with host communities and government.

Dias, Rodrigues, Craig and Neves (2018) examined “Corporate social responsibility disclosure in small and medium-sized entities and large companies”. They disclosed that corporations give primacy to CSR activities that are unswervingly linked to preserving the corporation and assisting its achievement of the core mandate of the organization, which in most cases, is profit maximization. They also avers that there is no much difference in the involvement of SMEs in CSR activities compared to larger corporations. They noticed that, larger companies do divulge more data on their CSR
activities as they relate to environment and host societies. Particularly, organizations that are in close contact with the consumers of their products are more likely to disseminate information about their CSR on customers, workers and society.

Platonova, Asutay, Dixon and Mohammad (2018) researched on the connection between CSR and financial operations of Islamic banks in the Gulf Cooperation Council (GCC) region from 2000–2014. Relying heavily on primary data, they made use of CSR-related data published as yearly reports of the selected banks. The results of this inquiry shows substantive encouraging link between CSR publicity and the fiscal functioning of Islamic banks in the GCC states.

In a study titled “Does corporate social responsibility put reputation at risk by inviting activist targeting? An empirical test among European SMEs” Graafland (2018) examined a sample of 1355 Europe based SMEs and discovered that CSR does not risk the reputation of SMEs provided the CSR is supervised by local NGOs. This means that SMEs that conduct CSR haphazardly are likely to tarnish their reputation, because they will be prone to open condemnation more than SMEs that involve themselves in any form of CSR.

Wheeler, Fabig & Boele (2002) wrote on “Paradoxes and Dilemmas for Stakeholder responsive firms in the extractive sector: Lessons from the case of shell and the Ogoni”. The result shows that Shell has advantage in CSR in countries that operate positive CSR, but in Nigeria particularly in Ogoni land, the host communities are yet to feel the impacts of Shell’s CSR. They revealed that Nigeria as state has benefited from Shell oil exploration activities but lack of legislation about the preservation of the culture, customs and the environment of the host communities shows no improvement in the quality of life of the local dwellers.

Ellawule (2018) assessed the effect of CSR on stakeholders of Rubber Research Institute in Gashua-Nigeria. He moored his investigation on the stakeholder theory as advocated by Freeman (1984) and made used of both primary and secondary data. The result of the study exposed the act that, the Institute carried out CSR in the areas that will help the organization to grow in terms of farmers and staff training. The findings shows that the institute did not embark on CSR that will be beneficiary to the host community. The limitation in their corporate social responsibility was based on the availability of funds to carry out corporate social responsibilities that will benefit the generality of the host community.

Recently, (Phiri, Mantzari and Gleadle, 2019) conducted a study on the stakeholder relations and collaborations. They interviewed 43 respondents within the Zambian mining industry. The result of this study shows power irregularities in the association of the government, the civil society and mining enterprises. The factors that gave rise to this unpalatable relationship were exacerbated by a number of factors, including discords among the key stakeholders themselves, unacceptable community and environmental agendas, lack of corruption on the part of the management of stakeholder units. This study shows the consequences of negative corporate social responsibility.

Evidence from the existing related literature proved that despite the dialectics between the stockholder and stakeholder model, which resulted to emphasis on corporate social responsibility in our contemporary world, many organizations have not embraced the idea of positive corporate social responsibility. Some are selective in their CSR activities because they are afraid it might have negative impact on their organization in term of profit margin. Surprisingly, those few that are fully involved in CSR have witness a healthy relationship between the organizations and host communities. This has gone a long way in building reputation for such companies. Since most organizations are not aware of the potential gains they stand to achieve from their engagement in corporate social responsibility, this study is apt because it has join forces with the scanty works that have existed on the subject matter to create more awareness on the need for corporations to be fully involved in corporate social responsibility in order to achieve success in the management of projects.

4. THEORETICAL FRAMEWORK

The neoclassical philosophy and agency theory have influence many strategy and management scholars to adapt shareholder model. In the 1970s, this position became more popular due to the persuasive essay of Milton Friedman. Based on this fact the shareholders model is generally used by business practitioners. At the peak of it, usage another view, stressing the importance of a bigger set of stakeholders emerged (Freeman, 1984). These two perspectives can hardly be divorced from the mission declarations of most businesses. This can be obviously seen in the illustration of Foss and Klein (2018) when they argue thus:
when the Fortune 500 petroleum and natural gas exploration and production company, Texas-based Anadarko, proclaims that its mission is to deliver a competitive and sustainable rate of return to shareholders by developing, acquiring, and exploring for oil and gas resources vital to the world’s health and welfare, it is straight out of the shareholder rule book. Conversely, the world leader in toys, Denmark’s family-owned Lego, announces that its ultimate purpose is to inspire and develop children to think creatively, reason systematically, and release their potential to shape their own future experiencing the endless human possibility. Here the emphasis is on abroad set of stakeholder (Klein 2018: 18).

While the position of the neoclassical approach and agency model are theoretically clear in terms of focus and direction of companies, it is not akin with the stakeholders’ views in connection with their debates on corporate social responsibility. Their discussion on CSR has been crowded by theoretical vagueness and dearth of precision concerning the assertion that the adoption of the stakeholder perspective will yield more positive result than the shareholder views (Hart & Moore, 1990). This notwithstanding, the stakeholders theory with it adherence to the corporate responsibility principle has proven to be useful in the running of contemporary businesses. The evidences are bound in some of the literatures reviewed in this study and the findings from our primary data.

This study is anchored on the stakeholders theory as espoused by Freeman (1984) in his book titled “Strategic Management: A Stakeholder Approach”. Stakeholder theory is an organizational term that was and is stile used to debunk the influential stockholder-centered management standard. Stockholders are describe as holders of business (Ma, Yuan, Ghafurian, and Hanrahan, 2018). The idea of his stakeholder’s theory is that the duties of corporations should be centered on stakeholders rather than shareholders only. Stakeholders refers to ‘any group or individual whose actions can negatively or positively affect the attainment of business goals (Camargo, Mendonça, Oliveira, and Giraldi, 2018). When the term stakeholders was first used in 1963 by the Stanford research institute, it referred to all groups or concerned parties (Freeman and McVea 2001).

The stakeholders theory posits that the success of any business is a subject of how well it relates with strategic groups like workers, customers, contractors, societies, sponsors and any group that can interrupt the attainment of its objectives (Freeman and Philips, 2002; Ditlev-Simonsen and Wenstop, 2013; Kannan, 2018). Matos and Silvestre (2013) asserts that the presences of many stakeholders guides the performance and resolves of corporations. On this note, it is important for companies to equally give attention to secondary stakeholders through CSR management strategy, because the importance of secondary stakeholders like activists, society and the general public serves as public opinions that are as important as the views of the primary stakeholders such as administrators, shareholders, agents, and workers (Jurgens et al.2016). Lihong (2008) affirms that the stakeholder theory has assisted business managers to create strategic coalition with stakeholders. This has also made them to become more accountable to the problems they have caused and natural problems that hampers the development of their host communities.

The inability of most businesses to apply the stakeholder’s theory in their operations strategies and utilize the corporate social responsibility technics to boost their image has tainted their image. Central to the survival of any corporation, irrespective of it size, is to understand the fact that adherent to stakeholder’s perspective would have greater impact on the business interactions. This is because, only those who are directly or indirectly affected by the corporation, will have interest in it. Thus, as O’riordan and Fairbrass (2008) maintain, stakeholder’s views should be of ultimate interest to managers if they really want to achieve resounding success in their undertakings. In respect of the above assertion, companies whether small or big should pay attention to stakeholder in terms of free flow communication that will yield positive feedback and boost the relationship between the company and its host environment. Most stakeholders who are affected by the company’s activities and in turn wish to affect the company would always perceive activities of the company that affects their environment and health as violation of human rights. This is so, because healthy environments and good health are seen as basic human rights, therefore, any abuse without commensurate efforts to rebuild what has been destroyed will be viewed as the company’s reckless action.

From the stakeholders theory it can be deduced that organizations long-term effectiveness and persistence rest on the successful management of stakeholders affairs. To achieve this, it is the responsibility of company managers to vividly study and understand the demands of the various stakeholders associated with the company and use positive CSR as the strategy of satisfying the aspirations of the stakeholders and at the same time achieving success in their project management.
5. METHODOLOGY

This study utilizes a qualitative research method. The choice of the qualitative research method is based on the fact that this approach best suits the interpretation and understanding of social realities. The research employs purposive sampling method to determine the relevance of CSR in Nigerian companies. Five companies were selected in five different states in Nigeria. In each of the companies, three top managers and three members of each host community were purposively selected for oral interviews. The justification for using a purposive sampling technique in selecting the informants was based on the need to interview people who were knowledgeable and informed about CSR. Possible advancements were further identified through triangulation by equating the interviews, company’s annual reports, newspaper articles and journals. The sampled companies include Dangote Sugar Company, Lagos. Omo Wood Industry Ltd, Ogun state, Benue Breweries Ltd (BBL) Makurdi, Ashaka Cement, Gombe state and Arewa textiles, Kaduna. Inductive coding techniques were used to convert the qualitative into analytical themes for interpretation with the use of Nvivo software.

6. RESULTS AND DISCUSSION

Findings shows that, companies have important roles that support societies. More businesses are trying to find ways of simultaneously doing well financially and doing something positive for the societies. The researched companies have showed a positive trend on how they view corporate social responsibilities. They do not look at corporate social responsibilities solely as a way of meeting their company’s social requirements. Instead, they looked at their involvements as vehicles to drive new revenue streams, to retain and grow customer’s loyalty, to seek new market shares and to develop new products and services. There seem to be a shift where corporate social responsibilities were seen as a financial hole to companies. Now, those obligations are seen as financial opportunities to companies. Our survey shows that corporate social responsibilities are important to both the companies and the communities or customers in a number of ways.

Increase in companies’ revenue. This study found that the integration of corporate social responsibilities by companies brings vast advantages such as increase in revenue and productivity. There is also a great reduction in employee’s turnover as well as protection against litigation from the companies’ employees. This adds up to a significant reduction in the company’s financial risk and an increase in the value of the company’s shares. Misunderstandings between the company’s staff and the communities are often settled out of court rather than evoking legal actions. This is also due to the fact the company has earned a reputation which assures the communities of fair judgments.

Building brand image

Results shows that customers have the greatest abilities to change the direction of companies. In addition, the most influential shareholders in organizations seem to care the most about CSR because it has the ability to build up or damage the company’s brand. Companies that were interviewed all agreed that their corporate social responsibility’s efforts were been rewarded by an increase awareness in their brands images. Most of the companies had devoted resources to the local communities’ civil causes, which in turn, has shown how much those companied cared about the communities. Because of those efforts, the companied received so much media coverage for their good deeds, which proved to be good way of advertising the companies. The cost of paying for advertisements would have been more than what the companies spent on the communities in supporting their needs and causes. As it has been proved that customers buying decisions are greatly influenced by how the view the reputation of companies in situations where there are competing products, this has played out in better hands of the companies with the interest of the local communities at heart. The brand of these companies were enhanced by their abilities to choose the right causes of advocacy, and to get everyone involved, both the companies’ staff and the customers as well as the leaders in the local communities. Those efforts were further rewarded owning to the fact that the use of social media is now prevalent than it was a few years ago. That helped in creating massive awareness concerning the efforts of those companies.

Motivation of employees

The motivation of employees of the sampled companies have been greatly enhanced by their personal realization and desire for goal achievement. The employees had shown their appreciation for the opportunities they were given to use their basic skills in execution of projects beside their usual tasks that is attached to their job descriptions. Employee have different skills, which serves as a source of motivation when companies capitalize on those skills. Engaging the employees in task that involves their initiatives which best fits their skills will ultimately serve as motivation for the staff.
A typical example is an initiative that was initiated by Benue Breweries Ltd during one of the several floods that had affected the local community. The staff were involved in the creation of makeshift shelters, provision of food and drinkable water to the displaced residents. There were orientations that targeted awareness again future occurrences such as provision of gutters for free flow of water, erection of water barriers, strong foundations for housing units among others. Staff motivation were not measured by any instruments but informal conversations with most of the staff involved had shown how motivated the staff were as the company had trusted their judgement and monies were made available for the flood projects which had impacted so much on the society.

**Improved relationship between the companies and communities**

Surveyed cases shows that there is an improved relationship between companies and host communities because of the positive corporate social responsibilities that these companies have embarked on, such as the provision of sources of drinking water in form of boreholes, and the provision of electricity through those company’s power generating plants. The establishment of Ashaka Cement Company in Gombe was because of the proximity to the company’s raw materials. However, there was an opportunity to establish the company closer to the town, which already has infrastructures but the company was instead, allocated the particular site with no infrastructure at the time of establishment as a way of expanding the city and improving the development of infrastructures. The presence of the company had provided electricity and water supply for the communities. The company had succeeded in helping the communities by the development that they provided for the locals. Some of the companies have contributed to their host communities through the provision of staff primary and secondary schools, which has benefitted the entire community, some of whom were admitted on scholarships. The construction of these educational institutions could be seen as good corporate social responsibilities by the companies due to the fact that those companies do not make any profits from those institutions.

**Risk mitigation**

Research findings revealed that there are issues that affects companies negatively, some of which can result to law suits. They include economic, environmental, social and ethical issues. The first approach in averting the occurrences of these risk is by early detection. These risks prevention could be centred on issues such as human rights abuses, dangerous operations, compliance with regulations, pollution, employee satisfaction and use of hazardous raw materials, mismanagement of waste during production, health and safety issues. Having good working relationship with employees of a company and the host communities through corporate social responsibilities have most often resulted in early risk identification. For instance, staff of the sampled companies as well as community members have acted as risk detectors and provided feedback on early warning signals of expected risk. However, this is often very effective if there is job satisfaction and trust by the staff of the companies, as well as sense of belonging and understanding on the part of the host communities. These are all benefits the sampled companies have gained through the effectiveness of their corporate social responsibilities.

**Attracting investors**

One of the most critical drivers on the important of CSR is the internet, which has allowed greater visibility to the actions that companies are actually taking so they know more about what companies are doing today than they have had access in the past. The internet also allows consumers to bond together and create advocacy groups much easier than they could have done in the past and to exert influences on the companies once they are bonded together. Companies are therefore, increasing their transparency in the way they operate, leveraging the power and visibilities that the consumers have to their benefits. That is why the companies volunteer to take care of problems when such problems arise. The companies also drive new opportunities by collaborating with the consumers, which enables them to receive feedbacks from the public on the day-to-day basis concerning their products and services as well as the way they conduct business within the different communities. This transparency often attract investors due to the stability. Growth and openness of the operational processes.

**Improved Labor and green environment practices:**

More companies are getting attention in the press because of their green practices and it is important for companies to consider that as part of their CRS efforts. However, customers also care about other issues such as labor practices. A company such as Ashaka Cement Company may have addressed all the green environment and carbon emission issues,
but if they have unhealthy labor practices taking place such as child labor, then chances are that the consumers that are sensitive to green issues are going to be sensitive to those labor issues as well.

**Employment opportunities**

In an attempt to curb the lingering unemployment menace in the host communities, the sampled companies had deliberately provided jobs for the local duelers. In most of the companies, attempts are made to provide more opportunities for the local communities at the companies’ menial job positions. The study also confirmed that, the local populace often provide protection for the companies against intruders due to their positive relationships with those firms. This is due to the fact that the persist existence of the companies serve as source of human security for the neighboring communities.

**Discussion and conclusion**

The motivation of the younger generation entering the workforce is very important, as they are very interested in finding companies that have a good level of social consciousness. The most important constituents of companies are their customers. One of the five companies surveyed did not understand the expectations that their customers had about their CSR activities. Four of the companies surveyed had engaged their customers to find out what the consumers were looking for. Three of the companies that understood the expectations that their customers have on their CSR, saw their corporate social responsibilities as new revenue generation strategies or at least an ability to generate a stronger connection and retention of market shares with their customers.

Companies need to get a better understanding of what the consumer’s expectations of the companies are and they need to build ways in which they will become more transparent and more interactive with the customers. There were recorded advantages of the positive effects of corporate social responsibilities as implemented by most of the companies interviewed.

Companies need to embed corporate social responsibilities into their thinking and actions in ways that they run their core businesses. Companies need to engage not only their managers but also their entire workforce population as engines for driving the company’s CSR opportunities as CRS has a profound effect on businesses and because consumers care about those issues and they are making buying decisions based upon CSR performance of companies.

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