UNITED CEMENT COMPANY'S CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABLE COMMUNITY DEVELOPMENT.

1. Joseph Otukpa Ph.D josephotukpa@yahoo.com Department of Sociology, Faculty of Social Sciences University of Calabar, Cross River State, Nigeria.

2. Beauty Usoroh beautyusorohken@gmail.com Department of Sociology, Faculty of Social Sciences University of Calabar, Cross River State, Nigeria

ABSTRACT

This study seeks to examine Corporate Social Responsibility (CSR) and Community Development (CD) - A case study of the United Cement Company (UNICEM) in Akamkpa Local Government Area of Cross River State-Nigeria. To achieve the objectives of this study, three (3) Null hypotheses were formulated on the bases of the three identified independent variables namely- provision of Educational facilities, provision of Health Services and provision of Water. The Dependent variable was Community Development. Some related literature was reviewed. The survey research design was adopted for the study. To generate data for the study, a 15- item questionnaire was structured, validated and administered to 150 respondents randomly selected from communities in the study area using simple random sampling technique. The generated data were analysed using the contingency Chi-square(X^2) statistical technique. The analyses revealed that, the provision of Educational facilities, Health services and water by the company significantly influences the development of the host community. Based on the result, it was recommended that, the company should endeavour to provide Educational facilities, Health care services and portable water to the community to enhance the socio-economic wellbeing of the people. The host community should enjoy these resources from the company operating in their environment.

Keywords: Corporate Social Responsibility, Sustainability, Community Development, Stakeholders, Corporations.

1.1 Background to the study:

Every community is by providence endowed with one type of natural resources or the other. These resources which attract individuals, companies and organizations to where they are domiciled are often exploited for optimal benefits of the community. In the course of exploitation, the community suffers some deprivations in terms of loss of means of livelihood, decline in health status and weak educational structure. To compensate for the losses occasioned by the exploitation, the company endeavours to meet the expectations of the community by providing some of its basic needs. These needs cover a wider spectrum and include education, health care, water supply and infrastructure supply. This constitutes the corporate social responsibility (CSR) of the company. (Ita, 2013).

Corporate social responsibility is an obligation on the part of a company to provide some services to the host community in return for the resources used. It is an aspect of accountability by a company as a result of its activities in the community. The Encarta online dictionary (2009) defines it as the belief that a company should take into account the social, ethical and environmental effects of its activities on its staff and the community around it. Development is the direct impact of CSR on community. Corporate social responsibility practice especially in community development has received landmark attention among stakeholders including government, non-governmental organisations (NGO) in

both developed and developing nations of the world including Nigeria. The widespread acceptance and growth of this concept in the business and society has long been acknowledged. The increasing concern in corporate social responsibility is partly due to the observable cases involving corporations' wrong doings and negligence in the work place and low quality products or services provided to the stakeholders. Organisations sometimes engaged in corporate social responsibility despite being unconnected to the needs of the community.(Ndebbio, 2002)

Most corporate entities conduct their businesses in the community and reap all the associated benefits but ignore the downsides of their operations in the community ecosystem. This sometimes breeds conflicts between the corporations and the host communities. To stem the tide of such conflicts, companies often attempt to provide some social services (considered essential) for the development of the community. These services may however not strategically align with the needs of the community. (Okoyi, 2003).

Corporate social responsibility has gained acceptance, even among large corporations, because it allows for a level of self- regulation, a trend that has been increasingly institutionalised in a global business environment and a potentially more efficient means of damage control than more heavy-handed government intervention. The social responsibility of companies is to maximise profit. Following this vein, much of the literature until recently had devoted itself to examining the relationship between corporate social responsibility and profitability. As expected, welfarist scholars have criticized this orientation, identifying Corporate Social Responsibility incompatibility with profit maximization and free market capitalizing, disparaging it as needless and inefficient corporate mismanagement which is seen as misallocation of precious resources. The driving force behind the emergence of this theoretical orientation is the quest for social equity and justice as well as environmental sustainability. (Ndebbio, 2002).

This perception is more attractive to social scientists that have the welfare of communities, hosting gigantic business or industrial forms in mind, irrespective of whether or not their activities degraded the environment or impoverished the communities they operate in. Corporate social responsibility stipulates that any company deriving a utility from a community should respond positively to the problems of that community (Ndebbio, 2002). Communities are bedevilled with dearth of functional facilities in health, education, commerce, power and water resources. Prompt intervention by companies under their CSR policy may reverse the situation and guarantee sustainable community development at that level.

Most discussions on CSR are often directed at establishing a possible link with policy framework and profitability level of corporations. No known studies attempt to consider a link between CSR and community development in relation to education, health and water resources. It's on this purpose that the study seeks to assess the effect of corporate social responsibility functions of a company and community development using the United Cement Company (UNICEM) in Akamkpa Local Government Area.

1.2 Statement of the problem

The felt needs of the people in the host community have always been a starting point of any community development programme. The community is more interested in sustaining projects which they identified and took part in their implementation process. Therefore the issue of rural development has been at the epicentre of all development discourse. Thus the socio-economic lives of the rural dwellers are affected due to human and industrial activities in the host community. Sustainable community development may not be unconnected with corporate social responsibility in Akamkpa Local Government Area. There is widely accepted view that, in discharging corporate social responsibility functions, companies must have a desired positive relationship with the felt needs of the people and a careful and detail assessment is essential. Regrettably, in spite of the need for the discharge of these functions by organisations, there have been doubts expressed by people as to whether the functions performed by corporate organisations in host communities usually match the development needs of the people or alternatively, companies only do that which they feel is good for the community as their social engineering process, even when the people themselves have greater needs. It is assumed that, the responsibilities of the companies vary from the provision of educational facilities, health care services and potable water to the host community. But their efforts have not affected the host communities positively, as the people in the affected communities are still living in abject poverty and their socio economic wellbeing is not improved. These trends of events have motivated the researcher to investigate whether corporate social responsibility has any effect on community development in Akamkpa Local Government Area of Cross River State.

1.3 Objectives of the study

The purpose of this study is to examine the extent to which corporate social responsibility affect community development. Specifically, the study intends to:

- 1. Examine how educational facilities influence the development of the host community in Akamkpa L.G.A.
- 2. Assess how the provision of health care influences community development in Akamkpa L.G.A.

3. Analyze the influence of water supply on the development of the host community in Akamkpa L.G.A.

1.4 Statement of hypotheses

The following hypotheses were tested in this study:

- 1) The provisions of educational facilities have no significant influence on the development of the host community.
- 2) Provision of health services do not have any significant influence on the development of the host community.
- 3) The provision of water does not significantly influence the development of the host community.

2.1 LITERATURE REVIEW AND THEORETICAL FRAMEWORK

2.1.1 Corporate social responsibility (CSR):

The ideas of corporate social responsibilities are increasingly gaining importance due to various misconducts and negligence by business corporations towards host communities such as, issues related to employment of local workers and expatriates, pollution and low quality products or services provided to the community. Business corporations are part of social entities living together in the community as a whole and being expected to be more responsible to community well-being rather than primarily focusing on wealth creation. This concept represents the role of business corporations in accomplishing the obligation it owes the community, while running their business profitably.

Hick, (2000) asserts that, corporate social responsibility (CRS) is a relationship between business and society and how such businesses behave towards their key stakeholders such as employees, customers, investors, suppliers, communities and special interest groups.

Social Economic Council (SEC) of the Netherlands in 2001 identified two major areas that constitute the basic elements of corporate social responsibility; (1) sufficient focus by the enterprise on its contribution to the welfare of society in the longer term; (2) The relationship with its stakeholders and society at large.

Marrewik, et al (2003) noted CSR as voluntary activities conducted by companies or organisations. Therefore this concept is closely related to the obligations of business corporations that go beyond stakeholders' satisfaction, by voluntarily getting involved in activities beneficial to the development of the community.

2.1.2 Sustainable Community development

Community development (CD) could be viewed as voluntary cooperation and mutual aid efforts among residents of a particular locality, with the aim of improving the physical, social and economic conditions of the community. Various governments therefore encourage business corporations to be more actively involved in community development efforts, to help reduce the under prevalence of less privileged individuals especially in the rural areas for eventual development benefits.

Frank, et al (1999) opined that, community development is a collective action taken by members of the community to resolve common social problems affecting them. They consented that, in addition to the public, a community consists of institutions including business corporations. These enterprises live within the community and their actions are affected by the community culture, beliefs, tradition, and education; so therefore, the responsibility of helping the community in their developmental programmes, should be their sole concern.

According to Sneddon (2000), the main objective of CD program is to accomplish the community needs to get equal opportunity to raise their living standard and also to have equal opportunity for better healthcare services as well as quality education. Hence business corporations are encouraged towards contributing and supporting CD activities that can promote community living standard, as well as health and educational status parallel with national development goals.

2.1.3 Stakeholders/external environment and business management

According to Freeman, (1984), a stakeholder is any individual, group or groups that affects, or is affected by, the achievement of a company's aims. He emphasized on the importance of the stakeholders approach in any business management.

Burns, et al (1961), in a research focused on the relationships between corporations and their external environments, evaluated 20 companies in the United Kingdom (UK) with a clear prove that, external environments affect internal organisation. Their findings were that, if a company's external environment is stable, with few unpredictable or uncontrolled factors by the company in question, its management system tends to be highly regulated with a clear

hierarchical system of procedures, authority and responsibility (Mechanistic management system); but in the alternative, its management system tends to be ill-defined, diffused authority and a high degree of freedom in decision making (Organic Management system).

Lawrence, et al (1967) surveyed 10 R & D manufacturing and sales Departments to establish an understanding on how organisations operate. From the survey, He demonstrated that, differences in the external environments directly surrounding each department has an effect on the leadership, organisational structure and aspirations within those departments.

All these research approaches carried out by scholars concerning the relationship between corporate organisations and their external environment or stakeholders, are termed, contingency theories as they present an open- system perspective on corporate organisation, with increase emphasis on the effects on organisations and the stakeholders/external environment.

2.1.4 Corporate social responsibility on educational facilities and community development

One of the noticeable components of corporate social responsibilities of a company is its intervention in the education sector. This can be done alone or in collaboration with educational institutions to propagate knowledge, both at the grass root level and to the ageing illiterate population of the surrounding villages, through its non-formal education programme. Besides, it can regularly undertake major repair work in various primary schools in its immediate surroundings. It can also construct class rooms and provide regular financial assistance for furniture and libraries of schools, besides contributing educational supplies, such as science apparatus, computer and sports kit. (Ita, 2013)

The provision of books, uniforms and other facilities done to reduce the dropout rate in the area. Ita (2013) reported that the corporate social responsibility of a company, like UNICEM is directed at addressing the challenge of education by adopting a multi-pronged approach in the areas of formal education, adult education and technical apprenticeships. He noted that under CSR, companies support educational services to their host communities through the provision of school buildings, libraries, educational facilities (books, desks, uniforms, equipment, etc.) scholarships, adult literacy and other forms of financial assistance.

In 2012, UNICEM assisted 300 students from the host community to procure admission forms for the Unified Tertiary Matriculation Examination (UTME) organized by the Joint Admission and Matriculation Board (JAMB). The company, in the same year, awarded scholarships to 15 students out of 91 students who eventually secured admissions into tertiary institutions in Cross River State. In line with its CSR policy, the company equally directed its focus to the development of adult literacy in the community to an extent that it enrolled a total of 1,609 adults in a joint UNICEM-Development in Nigeria (DIN) adult literacy program from 2008 - 2010.

Cairn (2011) conducted a study in a textile industry in the southern province of India to assess the effect of educational support programme of the company under its CSR initiative within a 5-year period (2004-2009) on the educational status of the communities. He sampled (using the stratified and simple random techniques) 210 members of the affected communities for the study. Based on the data generated from the self-structured research instrument, the researcher analyzed the responses of the study subjects using the simple percentages and chi-square techniques. He concluded, at the end of the analysis (t = 17.64; df =2; $\alpha = 0.05$) that the educational status of the communities had varied as a result of the intervention of the company via its CSR drive. The study however, did not explain the extent of the variation and possible impact on the communities.

2.1.5 Corporate social responsibility on health services and sustainable community development

Interventions of companies in the health sector have aided accessibility and affordability of health services by host communities. The provision of health facilities, drugs, equipment and skill transfer in health-related issues have lent credence to CSR initiatives of companies. The Dangote company in 2010, for instance, donated Haemodialysis machine valued at N21 million to General Hospital, Lagos in line with its CSR contributions to the development of the State. No known studies on CSR and community development in terms of health services appears to be available at the moment. However, the comments and observations of Bassey (2012) have provided guidance on the understanding of the relationship between CSR and the provision of health services in the environment.

2.1.6 Corporate social responsibility on water supply and sustainable community development

Water supply is an indispensable activity that can be performed by companies in the CSR space. In 2009, for instance, the Dangote Group donated boreholes at an estimated total cost of N24, 951, 750 to 39 communities in Kaduna State in line with the company's policy on CSR. Unicem Company, on its part also contributed to the water supply need of the host communities in Akamkpa LGA. The effect of such intervention in the community is unprecedented. Water-related diseases are drastically reduced through the provision of potable water by the company.

2.2 THEORETICAL FRAMEWORK

2.2.1 System theory

The system theory was advanced by David Easton and Chester Bernard (1965). According to them, a system is a set of interconnected elements that function together in tandem to make up the whole being. This system approach is described as comprising sub-systems structures, people, action, and interaction that enable it (administration or organisation) to perform certain functions. System theory posits that, both the business corporation and the community (stakeholders) are partnership who should work cooperatively to ensure that there is a win-win situation. Such an atmosphere will foster peace and stability.

The tenets of this theory are that, organisation and environment work together and have frequent exchanges in order to adjust and in the end, there is homeostasis (stable state of equilibrium); every system influences its subsystems and is also influenced by its subsystems. They support the idea of equitionality - that is, the organisation and environment it functions in are interdependent and should be analysed together and how they influence each other.

This system approach maintains that, inputs are given by the society/environment to the (business) policy makers as to what is needed to be done and that goes in the 'black box'' (as Easton calls it) where decision making process takes place and then evolves the output in the form of administrative decisions and policies to be implemented. The implementation process is then analysed by the society/environment (stakeholders) and then goes back as feedback (input) to the business policy makers which is taken into account and once again to the 'black box'' where decisions are taken as to how to improve or discard it as per the situation demands and then again, there is an output in form of action.

The relevance of this theory to the present study is that it provides the basis by which an understanding could be achieved through a collaborative effort of the company and the host community. The development of host communities by Unicem company in Akamkpa local government area of Cross River State is dependent on collaboration, partnership and synergies between the business entity and the community (stakeholders). The interdependence between a corporation or a company and the community (stakeholders) is necessary for corporate sustainability

3.1 RESEARCH METHODOLOGY

3.2 Research design and Sampling procedure

The study adopted the survey research design. The design allowed for the administration of same research instrument on the same respondents.

This study adopted the simple random sampling procedure. The choice of this method was informed by the need to ensure that every member of the target population had equal chance of being selected. To select the required number of respondents, the researcher employed the lottery method suggested by Denga and Ali (2008). This method involved the numbering of all the qualified respondents on pieces of papers (of same size and colour) and folding them before putting into a container. An independent person was thereafter requested to draw from the container, one after the other, without replacement until 150 respondents were selected. Only those who qualified in the population were listed for sampling.

3.4 Population, Sample and Data collection procedure

The population of this study consisted of all youths, men and women of the host communities who are either resident or citizens. It is estimated to be 1,500 (728 youths, 436 women, 336 men). The sample for the study was 150 respondents drawn from the population. It consisted of 72 youths, 44 women and 34 men. The sample size was purely judgemental based on the suggestions of Sudman (1976). He recommended that 10 percent of a population of study ranging from 1-5000 be sampled.

The data used in the study was collected personally by the researcher with support of research assistants. The instrument of data collection was administered directly to the respondents. About 155 copies of the questionnaire were administered out of which 153 were retrieved. However, 150 of the retrieved copies had usable data.

3.5.1 Sources of data

Two sources of data were explored for the study. These were: primary sources and secondary sources.

- 1) Primary sources consisted of the first-hand information obtained from respondents in the process of field work. In this study, the questionnaire, personal interview and focus group discussion with the host communities made up the primary sources.
- 2) The secondary sources involved research journals and existing literature of the works of other scholars related to the concept under study.

3.5.2 Data generation

The data were generated from a 15-item instrument designed by the researcher. The instrument was divided into two sections. In section A, the researcher highlighted the purpose of the study and solicited for understanding of the respondents. The researcher, in section B requested the respondents to respond, in an honest manner, to all the items by placing a tick ($\sqrt{}$) on any column of their choice particularly the ones that best satisfied them.

4.1 DATA PRESENTATION, ANALYSIS AND DISCUSSION OF FINDINGS

General description of data/ major variables

The study was on corporate social responsibility and community development using the United Cement Company (UNICEM) in Akamkpa Local Government Area, Cross River State as a case study. The dependent variable was community development while the independent variable was corporate social responsibility. Data collected for analysis were based on the weight assigned to the responses of subjects in the research instrument. The maximum and minimum scores were 4 and 1 respectively. The total scores were then used for analysis. The sub-variables of the independent variable are educational facilities, health care and water supply. The mean and standard deviation scores of these sub-variables are 15.82 and 3.78 respectively for educational facilities; 15.54 and 4.20 for health care and 15.81 and 5.03 for water supply.

4.1.1 Testing of research hypotheses

In this section, each of the earlier stated hypotheses was tested at .05 level of significance and interpreted after data analysis.

Hypothesis one

The provision of educational facilities has no significant influence on the development of the host community.

This hypothesis was tested after scoring the responses of the research subjects. The researcher considered educational facilities in terms of availability and adequacy. For availability, the facilities must be provided for all the intended beneficiaries. In terms of adequacy, the quantity of the available facilities must be enough for all the users (learners from the community). The responses of the subjects were then grouped into two: 'Agree' and 'Disagree'. Thus, all responses on 'Strongly Agree' (SA) and 'Agree' (A) options were grouped under 'Agree' while those on 'Disagree' and 'Strongly Disagree' options were grouped under Disagree. The result of the data analysis based on these two considerations, is presented on table 1.

TABLE I

SUMMARY OF CHI-SQUARE ANALYSIS ON THE INFLUENCE OF PROVISION OF EDUCATIONAL FACILITIES ON DEVELOPMENT OF HOST COMMUNITY

Category	Opinion of respondents		Ν	Cal X ²	df	Critical X ²
	Agree	Disagree				
Available	60	30	90	13.17*	1	3.84
Adequacy	25	35	60			
Total	85	65	150			

*Significant at .05 level, df = 1

The calculated value of 13.17, from the table, is greater than the critical value of 3.84. This means that the null hypothesis is rejected. By implication, the provision of educational facilities significantly influence the development of the host community

Hypothesis Two

Provision of health services does not have any significant influence on the development of the host community.

In this hypothesis, the researcher reasoned that for the development of the host community to occur then health services must be available and accessible. The data for the testing of this hypothesis were obtained from the responses of the subjects as in hypothesis one. The result of the analysis is presented below

TABLE 2

SUMMARY OF CHI-SQUARE ANALYSIS ON THE INFLUENCE OF PROVISION OF HEALTHSERVICES ON DEVELOPMENT OF HOST COMMUNITY

Category	Opinion of respondents		Ν	Cal X ²	df	Critical X ²
	Agree	Disagree	1			
Available	75	45	120	9.673*	1	3.84
Accessible	15	15	30			
Total	90	60	150			

*Significant at .05 level, df = 1

From the table, the calculated and critical values are 9.673 and 3.84 respectively. Since the calculated value is greater than the critical value, it means that X^2 is statistically significant at 0.05 probability level. Therefore, health services significantly influences the development of the host community. The null hypothesis is thus rejected.

Hypothesis three

The provision of water does not significantly influence the development of the host community.

This hypothesis was tested by considering the variable as being 'available' or 'not available'. The analysis of data performed produced the following result'

TABLE 3

SUMMARY OF CHI-SQUARE ANALYSIS ON THE INFLUENCE OF PROVISION OF WATER ON DEVELOPMENT OF HOST COMMUNITY

Category	Opinion of respondents		Ν	Cal X ²	df	Critical X ²
l	Agree	Disagree				
Available	90	30	120	11.245*	1	3.84
Not available	5	25	30			
Total	95	55	150			

*Significant at .05 level, df = 1

Clearly, the calculated value is greater than the critical value. This indicates a statistical significance at 0.05 level of probability. In other words, the provision of water by the company significantly influences the development of the host community. The null hypothesis is therefore rejected.

5.1 Discussion of findings

We established in hypothesis one, that the provision of educational facilities in the community significantly influence development in terms of educational attainment of the host community. This further confirms the importance of education as an instrument of development. The provision of such facilities as school buildings, desks, books, sport and science equipment amongst others by the company gives credence to its commitment to the overall development of the human capital in its area of operations. The findings made here is in line with the comments of Ita (2013) who acknowledged the contribution of the UNICEM company in uplifting the educational status of the host community. It is also in line with the findings made by Cairn (2011) in a similar study in India.

In hypothesis two, it was discovered that the provision of health services in a community significantly alters the community's health status in a positive direction. In other words, the community's health challenges, particularly the most prevalent can be sufficiently addressed through the availability and accessibility of health services.

Hypothesis three was also rejected. It was statistically confirmed that water supply under CSR significantly influence the level of development of the community. Potable water reduces the incidence of water-borne diseases and by extension saves cost that would have been incurred in medical bills. It facilitates the setting up of small businesses that are dependent on water.

5.1.1 RECOMENDATIONS AND CONCLUSION

Recommendations

Based on the research findings, the following recommendations are made:

- 1) Since educational facilities relate significantly to the development of host community, corporations should endeavour to provide relevant facilities to enhance the community's educational status.
- 2) The company or corporation should provide health services to the host community to reduce the incidence of mortalities among the dwellers.
- 3) Water is an indispensable requirement for human life. It should therefore be prioritized by the company in its CSR policy framework. The host community should enjoy this resource from the company operating in its environment.

5.1.2 Conclusion

Clearly, CSR is an inevitable activity of any company. It is therefore concluded that educational facilities, health services and water provided by a company, under CSR, are essential elements in the development of the host community.

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