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Impact of Corporate Social Responsibility on Corporate Productivity In Nigeria: Case Study Of Mobile Telecommunication Providers In Nigeria

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Abstract

The study examined the relationship between corporate social responsibility and corporate productivity of mobile telecommunication providers in Nigeria. The specific objective of the study was to determine if there was any significant relationship between social responsibility and corporate performance. The study was based on Carroll's pyramid of corporate social responsibility, the triple bottom line and stakeholder theory. Chi Square was used to test the objectives and to determine whether is a significant relationship between corporate social responsibility and corporate performance. Therefore, the study concluded that corporate social responsibility was vital to organizational performance. It is recommended that corporate social responsibility programmes that will include larger proportion of the society should be embark upon; because this will greatly promote the image of the companies among it loyal and potential customers, thereby increasing their productivity.

1.0 Introduction

Corporate social responsibility has become the central focus in examining the relationship between business organizations and the society. Organizations have been confronted with the challenges of satisfying the needs of their stakeholders which has compelled them to engage in social responsibility. Stakeholders are now holding corporate firms accountable for the social and economic effects they are having in every community where they are operating (Akindele, 2011).

Corporate social responsibility as defined by Pearce and Robinson (2011) is the obligation which a firm has to satisfy the financial interest of its stockholders as well as to meet the needs of the society. Social responsibility has been in practice for centuries. It can be traced back to the Quakers in 17th and 18th centuries whose business philosophy was not targeted at profit maximization only but also, to add value to the larger society. In their view, there is interdependence between business and the society meaning that they rely on each other for survival (Moon, 2002). In Nigeria, corporate social responsibility gained importance in the 1990s as a result of the interest shown by the international communities in the conflict between oil and gas companies and their host communities (Oguntade and Mafimisebi, 2011).

Corporate social responsibility (CSR) refers to business practices involving initiatives that benefit society. A business's CSR can encompass a wide variety of tactics, from giving away a portion of a company's proceeds to charity, to implementing "greener" business operations. There are a few broad categories of social responsibility that many of today's businesses in Nigeria are practicing; namely, environmental efforts (i.e. clean energy and effort to save the environment), philanthropy (i.e. donating to national and local charities, Volunteering (i.e. attending volunteer events), and ethical labour practices

In Nigeria, the issue of corporate social responsibility cannot be separated from the social and environmental concern in the country. According to Oguntade and Mafimisebi(2011), organizations operating in Nigeria have not done enough to improve the social welfare of the host communities where they are operating despite the huge amount of profits they are realizing. The expectation of social service from corporate firms has become very high in Nigeria especially in the oil producing areas and the negligence of the expectations by those companies has resulted to a very turbulent environment for them (Onwuchekwa, 2002).

1.1 Statement of the Problem

Poverty in the country, illiteracy, poor infrastructure, bad road network and environmental pollution are possible issues that necessitate the need for organizations to play active role in the society in order to address the problems. Why should managers care about stakeholders and social responsibility? If managers ignore the claims that stakeholders place on their organizations, the stakeholders are likely to withdraw their support which might impede the performance of those organizations. In order words, it is in managers' self-interest to take stakeholders claims into account (Hill and McShane, 2008). There are enormous costs involved in engaging in social responsibility which may affect the performance of organizations. It is in this regard that this study intends to investigate the relationship between corporate social responsibility and corporate productivity in order to determine if it is relevant to the performance of firms in Nigeria.

Nigeria is a victim of high-level corruption and bad governance which have eaten deep into the fabrics of the society. Decades of efforts have yielded largely stagnation, regression or worse. The tragic consequences of these are increasingly clear: a rising tide of poverty, decaying public utilities and infrastructures, social tensions and political turmoil, and now premonition of inevitable drive into conflict and violence in the society. All these social menace need urgent attentions; but on the contrary, the Multinational Corporations (MNEs) operating in Nigeria economy, that ought to be the medium for changing these adversaries are now being influenced by political godfathers which aid their negative actions to forsake their role of Corporate Social Responsibility to the society. You can easily identify the MNEs using cargo trailers as staff buses to convey Nigerian workers while the expatriates use air-conditioned coaster buses and cars.

It has been observed that many firms focus directly on their financial performance indicators and those factor inputs that enhance such performance. This behaviour has led to total negligence of the spill over effect of the firms' activities; and thus reduce their participation or contribution to corporate social responsibility. Interaction with stakeholders become difficult; because the firms major objective is to thrive regardless of what happens to the third party, or environment in which they are producing.

Unlike in many other countries the Nigerian consumer is not as empowered and is just beginning to have the basic safety of products by the National Agency for

Food and Drug Administration and Control (NAFDAC), and the Standards Organisation of Nigeria (SON).Workers are poorly treated in terms of non-payment of entitlements, poor welfare and high exposure to work hazards; due to inadequate provision of industrial safety.

1.2 Objectives of the Study

The general objective of this study is to explore the impact of corporate social responsibility (CSR) on corporate productivity in Nigeria.

In conformity with the above general objective the following specific objectives are set;

i. To examine the impact of consumers perception on the image of mobile telecommunication in Nigeria

ii. To investigate the effect of Corporate Social Responsibility activities on the corporate performance.

iii. To examine the relationship between consumers perception and corporate social responsibility.

2.0 Corporate Social Responsibility from a Nigerian perspective

The debate over Africa´s future has been on the agenda recently with the publications of "Our Common Interest" (http://www.commissionforafrica.org). The report calls for "improved governance and capacity building, the pursuit of peace and security, investment in people, economic growth and poverty reduction, and increased and fairer trade". Businesses obviously have an important role in this transformation process, where a lot of efforts can be embedded within the framework of CSR.

Even if Africa has its battles to fight with poverty and social injustice, Africa has according to many the potential to become a main global player with its natural resources and low-cost labour. Jackson writes (2003) that despite the success of many international companies it does not seem as if the companies have managed to transfer this success to the communities where they are operating due to lack of stakeholder participation and insight in stakeholder interests.

With regard to Nigeria and the development of CSR, Nigeria has been party to several international human rights treaties. The government of Nigeria is one of the governments together with Azerbaijan and Ghana, Kyrgyzstan who have committed to the UK-led Extractive Industries Transparency Initiative, where they have committed to making public all their revenues for oil, gas and mining (http://www.thecommmonwealth.org).

Building on the United Nations declarations, conventions and efforts of constituents especially the International Labour organisation, the ISO has continued a process towards a harmonized approach under the leadership of both the Swedish Standard Institute and the Brazilian Association of Technical Standards. This process has active participation of Nigeria where the National Mirror Committee on Social Responsibility is working to contribute towards the completion of ISO26000 by 2008. The aim is to encourage voluntary commitment to social responsibility and will lead to common guidance on concepts, definition and methods of evaluation.

The Nigerian government has also through its NEEDS strategy (Nigerian National Planning Commission 2004) set the context by defining the private sector role as by stating that "the private sector will be expected to become more proactive in creating productive jobs, enhancing productivity, and improving the quality of life. It is also expected to be socially responsible, by investing in the corporate and social development of Nigeria…"

Further a Global Compact network was officially launched in Nigeria during the 12th Annual Nigerian Economic Summit in Abuja in 2006. Several Nigerian companies have already signed on to the Global Compact. The companies include Coca Cola –West Africa, BHL Holdings Nigeria Ltd, MTN Nigeria Communication Ltd, Okunnade Sijuade Holding Limited (OSHL), Equity Line Insurance Company Ltd, SAP Nigeria, SANTON Nigeria Ltd, Super power Nigeria Ltd, Neimeth Pharmaceuticals Plc and Shell Petroleum Development Company of Nigeria Ltd.

The Nigerian oil sector is dominated by multinational companies. To compensate for the government´s governance failures and to protect their own business interests, the companies often engage in CSR. The history of formalized CSR in Nigeria can be traced back to the CSR practices in the oil and gas multinationals. The CSR activities in this sector are mainly focused on remedying the effects of their extraction activities on the local communities. The companies provide pipe-borne waters, hospitals and schools. Many times these initiatives are ad hoc and not always sustained (Amaeshi, Adi, Ogbechie & Amao, 2006).

Unlike in many other countries the Nigerian consumer is not as empowered and is just beginning to have the basic safety of products by the National Agency for Food and Drug Administration and Control (NAFDAC), and the Standards

Organisation of Nigeria (SON). As to environmental protection, prior to oil, agriculture (before 1970) was the economic mainstay in Nigeria. When financial resources became available from oil and with no development policy, unguided urbanization and industrialization emerged which led to degrading the environment. When the illegal dumping of toxic wastes took place in Koko, in 1987 the Nigerian Government promulgated the Harmful Wastes Decree. This decree provides a legal framework for control of disposal of toxic and hazardous waste in any environment within Nigeria. After the decree, the Federal Environmental Protection Agency (FEPA) was established in the 1988, charged with the responsibility of protecting and developing the Nigerian environment.

The principal legislation with regard to environment is Decree 86 of 1992 which makes Environmental Impact Assessments (EIA) mandatory for both public and private sectors for all development projects. Even though progress is made, Echefu and Akpofure (2003) claim that when examining the various statutes, the framework for the EIA process, and the entire environmental regulatory process, it reveals that many of the statutes are not working according to intentions. The authors stipulate that there is a duplication of the functions in the processes which results in serious bottlenecks and bureaucratic confusion in the environmental process of Nigeria.

Summarizing above, there are positive trends with a number of national initiatives regarding corporate governance and environmental initiatives. At the same time, it still seems to be bureaucratic and institutional hindrances for the effective implementation of many of these initiatives.

2.1 Mode of CSR Delivery in Nigeria

Generally, there are two modes for delivering CSR in Nigeria; Organizations delivering CSR by themselves (internally) and/or paying third parties to do it on their behalf (externally). Internal Delivery Mode: The internal delivery mode requires the corporate entity to take charge of its CSR implementation. There are three internal delivery modes commonly used in Nigeria. These are corporate philanthropy, direct implementation and use of community-based organizations or foundations.

a) **Corporate Philanthropy:** The word philanthropy is derived from the Greek language, meaning "love for mankind". Corporate philanthropy refers to the giving by a business entity directly to charitable organizations or to individuals in need with the intention of improving the quality of life.

b) **Direct Implementation of CSR Activities**: In this instance, the business entity establishes a full-fledged in-house unit for delivering the CSR without third parties' involvement. This mode of delivery requires adequate staffing of the in-house unit for CSR delivery.

c) **Community-Based Organizations (CBOs):** The use of CBOs provides opportunity for business entities to provide some CSR with minimal direct exposure of company employees or representatives to often hostile community members. CBOs are civil society non-profit entities that operate within a single local community or communities in a designated geographical area.

d) **External Mode of Delivery**: An external delivery mode implies outsourcing of CSR implementation to third parties. In both cases, the corporate entities normally have in-house units or divisions whose responsibilities include strategizing, plan programs, monitor implementation and report results. Four main external delivery modes can be identified in Nigeria. These are intermediary organizations, strategic partnerships, foundations and multi-stakeholder schemes.

e) **Intermediary Organizations:** An intermediary organization is a third party that offers intermediation services between two parties. For CSR delivery, an intermediary organization deploys its expertise to deliver services for and on behalf of a business entity to beneficiaries. The Agricultural Credit Guarantee Scheme Fund (ACGSF) is a typical example. Micro-credit is also being delivered through this mode by some oil and gas companies.

f) **Partnering/Strategic Partnerships**: A strategic partnership is a formal alliance between two or more entities, usually formalized by one or more MOUs but falls short of forming a legal partnership, agency or corporate affiliate relationship. Typically organizations form a strategic partnership when each possesses one or more assets that contribute to the achievement of their common objectives.

g) **Foundations**: Some business entities in Nigeria form foundations for delivering their CSR. Typical examples of such foundations are Leventis Foundation, MTN Foundation, Shell Foundation and British-American Tobacco Nigeria (BATN) Foundation. A foundation is a legal categorization of non-profit organizations. Foundations often have charitable purposes. This type of non-profit organizations may either donate funds and support to other organizations, or provide the sole source of funding for their own charitable activities. Private foundations are legal entities set up by an individual, a family or a group of individuals, for a purpose such as philanthropy.

h) **Multi-stakeholder Schemes:** Two types of multi-stakeholder schemes could be identified in Nigeria. There are legislated multi-stakeholder schemes and the industry designed multi-stakeholder schemes. The legislated multi-stakeholder schemes came out of government legislations which stipulate that selected companies contribute specified amounts into a pool of funds that is administered by an established entity. In Nigeria these schemes include the mandatory contribution of business entities to the Education Tax Fund (ETF) and the Niger Delta Development Commission (NDDC). The industry designed multi-stakeholder schemes are partnership initiatives among companies in the same industry. The use of these schemes is being promoted by NGOs and multilateral agencies with a view to setting social and environmental standards, monitoring compliance, promoting social and environmental reporting and auditing, certifying good practice and encouraging stakeholder dialogue and "social learning."

3.0 Literature Review

3.1 Conceptual Review

Brundtland (1987) defined corporate social responsibility as the “Paths of progress which meet the needs and aspirations of the present generation; without compromising the ability of future generations to meet their needs.” Wood (1991) described CSR as “a business organization’s configuration of principles of social responsibility, processes of social responsiveness, and policies, programs, and observable outcomes as they relate to the firm’s societal relationships.” Deetz (2003) stated CSR actions as being reactive to the needs of the community.

The European Commission (2006) affirms, the CSR is a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis Corporate social responsibility understanding is limited due to the vast and absence of consensual definitions of the concept Weber (2008) says a universally accepted definition of

CSR is yet to emerge. Indeed Amaeshi and Adi (2005) argue that there are as many definition of CSR as there are writers on the topic. It has been described as an ambiguous, vague, subjective, unclear, amorphous and fuzzy. CSR refers to the responsibility of the stake holders and the community that influence corporate policies and practices according to Khanifar et al., (2012).

CSR is also considered to be influenced by the institutional environment in which companies operate (Gilbert, 2008). i.e. the surrounding where the firm is situated forces the firm into becoming more responsible by handling issues that are currently affecting the environment. For example in the banking industry they are need to allure and retain customers in order to compete favorably with other banks. Corporate social responsibility has become the buzz word in business literature now-days.

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. 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).

3.2 Theoretical Review

According to the traditional view of the corporation, it exists primarily to make profits. From this money-centered perspective, insofar as business ethics are important, they apply to moral dilemmas arising as the struggle for profit proceeds. These dilemmas include: “What obligations do organizations have to ensure that individuals seeking employment or promotion are treated fairly?” “How should conflicts of interest be handled?” and “What kind of advertising strategy should be pursued?” Most of this textbook has been dedicated to these and similar questions.

While these dilemmas continue to be important throughout the economic world, when businesses are conceived as holding a wide range of economic *and* civic responsibilities as part of their daily operation, the field of business ethics expands correspondingly. Now there are large sets of issues that need to be confronted and managed outside of, and independent of the struggle for money. Broadly, there are three theoretical approaches to these new responsibilities: namely, Corporate social responsibility (CSR), The triple bottom line and Stakeholder theory.

3.2.1 Carroll´s Pyramid of Corporate Social Responsibility (CSR)

The title corporate social responsibility has two meanings. First, it’s a general name for any theory of the corporation that emphasizes both the responsibility to make money and the responsibility to interact ethically with the surrounding community. Second, corporate social responsibility is also a specific conception of that responsibility to profit while playing a role in broader questions of community welfare. As a specific theory of the way corporations interact with the surrounding community and larger world, corporate social responsibility (CSR) is composed of four obligations:

a) The economic responsibility to make money.
b) The legal responsibility to adhere to rules and regulations.
c) The ethical responsibility to do what’s right even when not required by the letter or spirit of the law.
d) The philanthropic responsibility to contribute to society’s projects even when they’re independent of the particular business

3.2.2 The Triple Bottom Line

The triple bottom line is a form of corporate social responsibility dictating that corporate leaders tabulate bottom-line results not only in economic terms (costs versus revenue) but also in terms of company effects in the social realm, and with respect to the environment. There are two keys to this idea. First, the three columns of responsibility must be kept separate, with results reported independently for each. Second, in all three of these areas, the company should obtain sustainable results. The notion of sustainability is very specific. At the intersection of ethics and economics, sustainability means the long-term maintenance of balance. As elaborated by theorists including John Elkington, here’s how the balance is defined and achieved economically, socially, and environmentally.

3.2.3 Stakeholder Theory

Stakeholder theory, which has been described by Edward Freeman and others, is the mirror image of corporate social responsibility. Instead of starting with a business and looking out into the world to see what ethical obligations are there, stakeholder theory starts in the world. It lists and describes those individuals and groups who will be affected by (or affect) the company's actions and asks, "What are their legitimate claims on the business?" "What rights do they have with respect to the company's actions?" and "What kind of responsibilities and obligations can they justifiably impose on a particular business?" In a single sentence, stakeholder theory affirms that *those whose lives are touched by a corporation hold a right and obligation to participate in directing it*.

As a simple example, when a factory produces industrial waste, a CSR perspective attaches a responsibility directly to factory owners to dispose of the waste safely. By contrast, a stakeholder theorist begins with those living in the surrounding community who may find their environment poisoned, and begins to talk about business ethics by insisting that they have a right to clean air and water. Therefore, they're stakeholders in the company and their voices must contribute to corporate decisions. It's true that they may own no stock, but they have a moral claim to participate in the decision-making process. This is a very important point. At least in theoretical form, those affected by a company's actions actually become something like shareholders and owners. Because they're touched by a company's actions, they have a right to participate in managing it.

Who are the stakeholders surrounding companies? The answer depends on the particular business, but the list can be quite extensive. If the enterprise produces chemicals for industrial use and is located in a small town, the stakeholders include: shareholders, workers, customers, suppliers, and community.

3.3 Empirical Review

Khalid et al (2012) conduct the research on CSR and Firm performance and they find the positive relationship between CSR and Firm performance. They also concluded the mediating effect of customer satisfaction on firm performance and CSR services.Sarwar et al (2012) conducted the research on Financial Performance linkage with the CSR in Bangladesh banks and find that the banks that focus on CSR practice have more ROA than those banks who does not focus on this practice. Alison et al (2007) said that the market value of companies increase who shows the responsible behavior toward society which ultimate increase the financial performance of company. Clifrord et al (2011) suggested that there is significant positive relationship between Corporate Governance (as the corporate governance includes the CSR, Business Ethics and Board of Directors) and firm performance.

Margarita (2004) find the sign of relationship between the social responsibilities of corporation and financial performance, he concluded the positive sign of relationship between them. Bolanle (2012) conclude that corporate social responsibility spending in long run provides the better return. Banks in Nigeria should make some investment on corporate social responsibility. It reveals that there is positive relationship between CSR expenditure and banks profitability. So, there is causal relationship between corporate social responsibility and profitability of the banks. It is due to the fact that cost/expenditure on CSR will further reduce tax paid by banks. It makes business environment more friendly .Government should monitor organizations investment in social responsibility to avoid misleading in statements to reduce tax burden.

Azad (2010), evaluate the corporate social responsibility performance in some commercial banks in Bangladesh. They reveal that investment in CSR activities have positive impact on market price of the share(MPS).They also reveal that major factors affecting corporate social responsibility activities is sustainable development. The empirical analysis of study suggest that corporate social responsibility investment as percentage of total investment is low for this study period different sectors like health and education etc. It is also important tool to bring sustainable growth development of the organization. The Bangladesh's bank trying to invest more on corporate social responsibility and strictly supervise the other in selected banks commercial and national banks in Bangladesh for investment in corporate social responsibility.

4.0 Methodology

Evident from the literature review, it has been observed that plethora of review on corporate social responsibility in Nigeria have predominantly used ethical and philanthropic responsibility as the theory explaining the behaviour of firms towards Corporate Social Responsibility (CSR); but this study will link triple bottom line and stakeholders' theory**.** The hybrid of these theories will bridge the literature gap and thus be the study's contribution to the frontier of knowledge.

The triple bottom line is a form of corporate social responsibility dictating that corporate leaders tabulate bottom-line results not only in economic terms (costs versus revenue) but also in terms of company effects in the social realm, and with respect to the environment. The triple bottom line is a form of corporate social responsibility dictating that corporate leaders tabulate bottom-line results not only in economic terms (costs versus revenue) but also in terms of company effects in the social realm, and with respect to the environment.

Perf = f (revenue, social factors, environments) **4.1**

According to triple bottom line theory, Equation 4.1 indicates that performance of firms is a function of its income, social and environmental factors.

Stakeholder theory starts in the world. It lists and describes those individuals and groups who will be affected by (or affect) the company's actions and asks, "What are their legitimate claims on the business?

Perf = f (stakeholders)

The hybrid will result into equation 4.3; where the ethical, philanthropic, triple bottom line and stakeholders' theory will be combined. It is obvious that isolation of any of these theories will amount to substandard conclusion.

Perf =f (revenue, social factors, environments stakeholders)

4.1 The Research Design

The questionnaire will be developed in accordance with the three objectives of the study. The questionnaires will be administered to set of people that are residing closely to the manufacturing firm with a view to accessing the firm based on stakeholders' theory. Similarly, the distribution of questionnaire will not exempt employees from manufacturing these firms; in order to access the ethical responsibility of each firms; the questions will be distributed among the public with a view to evaluating their philanthropist contribution to society. The questionnaire comprises three sections. The first section "A" will be used to get information about the bio-data of the respondent; while section "B" aims at getting information about the Corporate Social Responsibility indicators (ethical, philanthropist, social and environmental). Section "C" will be used to get information on customers'loyalty indicators. Section "D" is being used to get information on factors that can influence the firm in accepting triple bottom (environmental) and stakeholder theory ofCorporate Social Responsibility indicators.

4.2 Sample Size

The population of the study is 200 customers of manufacturing firms in Ibadan. This population also includes the residents that are closer to the production site of these firms.

4.3 Sampling Techniques

The sampling technique is a scientific method of collecting data which can be categorized into two namely; probability sampling and non-probability sampling techniques. The former allows all members of observation to have equal chance of being selected (i.e. random selection), while the latter does not give equal chance of selection to all members of observations. However, the study adopted probability sampling techniques and to be specific stratified sampling techniques will be used.

4.4 The Measuring Techniques

From the view points of the study's literature and objectives; and in describing responses to items in questionnaire as well as addressing the objectives of this study, the study will principally employs the descriptive statistics techniques of simple frequency, percentage, arithmetic mean, various chart, and Logistic regression. The broad objective and the first specific objective will be estimated using Ordinary Least Square; while the remaining specific objectives will be estimated using correlation and logistic regression.

4.4 Model Specification

Chi- Square is being used to analyze the first objective (examine the impact of consumers perception on the image of mobile telecommunication in Nigeria). The chi-square (*X2*) test is used when you have categorical or nominal data that can be changed to frequency. Given its non-parametric nature, the chi – square test needs not be applied to data that conform to any particular shape (i.e. normal distribution), though the observations must be nominal. It is useful in testing hypothesis about the form and shape of frequency distribution. One underlying assumption the chi – square does have, is that observations are randomly selected from some large population. Also, the number of expected observations within a given category should be reasonably large. For the scope of this course, explanation will be made on chi – square test for goodness of fit and chi – square test for independence.

In order to know the effect of Corporate Social Responsibility activities on the corporate performance (i.e. second objective), the study employs Logistic regression as techniques of estimation. The response of this type is dichotomous (i.e. Yes or No response). The study chose Logistic regression because the response of dependent variable is dichotomous. Given the fact that corporate performance can be measured through Return on Asset (ROA) and Return on Equity (ROE); the current study has proxy corporate performance by Goodwill. *The goodwill of a business is the whole advantage of the reputation and connection with customers together with the circumstances whether of habit or otherwise, which tend to make that connection permanent. It represents in connection with any business or business product the value of the attraction to the customers which the name and reputation possesses. According to* International Financial Reporting Standards (IFRS) IAS 38, "Intangible Assets," does not allow recognizing internally generated goodwill (Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance). The only accepted form of goodwill is the one that acquired externally, though business combinations or acquisitions. Thus, if a mobile telecommunication company has a good image; one customer will be willing to refer another one to this firm.

$$Y = Ln\,(P/1\text{-}P) \qquad 4.6$$

Equation one represents the odds ratio in favour of the determinants on the preference of firms choosing triple bottom line and stakeholders' theory. Alternatively, it means the ratio of the probability that the choice of triple bottom line and stakeholders' theory will be determined by these determinants (independent variables) to the probability that they will not be the determinants.

However, Corporate Performance (1=customers can recommend preferred mobile company to others; 0=otherwise) improves when a customer is loyal and can recommend the preferred mobile telecommunication to another person; but there is poor goodwill and low corporate performance if the customer cannot recommend a company.

$$Ln\,(P/I\text{-}P) = \beta o + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 \ldots + \beta_k Xi + u \qquad 4.4$$

$$CP = \alpha_0 + \alpha_1 Ethic + \alpha_2 Phil + \alpha_3 Legal + \alpha_4\, Soc + \alpha_5 Economic + U_i \qquad 4.5$$

Dependent Variable: Corporate Performance(1=customers can recommend preferred mobile company to others; 0=otherwise)		A Priori
Ethical indicators	(i.e. preferred mobile company is fair in payment of salaries and allowances to their workers)	>0
Philanthropist indicator	(i.e. preferred mobile company gives scholarship to students)	>0
Legal indicator a law	(i.e. preferred mobile company an exemplary one,when referring to abiding company)	>0
Social indicator a TV	(i.e. preferred mobile company sponsor reality show like Big-Bothers)	>0
EconomicIndicator making more consumer welfare)	(i.e. preferred mobile company profit at the expense of	>0
Error Term		

The logistic regression model expresses the qualitative dependent variable which in this study is dichotomous, as a function of several independent variables, both qualitative and quantitative (Gujarati, 2007). Since P is the probability of access to credit and 1-P is the probability that inadequate power supply will hinder service delivery, the ratio P/ (1-P), known as the odds ratio, is the odds that agree with probability that inadequate power supply will hinder service delivery. The natural logarithm of the odds ratio is called the logit model which is estimated through the method of maximum likelihood since we have data on individual observations (Gujarati, 1998). For this model, the coefficient of multiple determinations, R-Squared (R^2) is not a reliable measure of goodness of fit and it is not suited for the dichotomous dependent variable, but rather the model gives a chi-squared value in place of R^2

The relationship between customers' loyalty and corporate social responsibility (i.e. third objective)will be estimated using canonical correlation. The canonical correlation is a specific type of correlation that can be used to examine relationship between multivariate variables. Since the factors that determine customers' loyalty and corporate performance are many (multivariate), Pearson correlation cannot be suitable to examine the relationship among these sets of variables; and thus makes Canonical correlation a preferred technique of estimation over Pearson. The canonical correlation for the ith canonical variate pair it is just the correlation between U_i and V_i:However, the following model is specified in order to estimate this.

$$p^* = \frac{Cov(Ui,Vi)}{\sqrt{Var(Ui)Var(Vi)}} \qquad \textbf{4.5}$$

Where "U" and "V" denote the customers' loyalty and corporate performance respectively.

4.5 Sources of Data

Primary data will be collected from 3000 customers at random in Ibadan, Oyo state.

4.6 Validity Test and Reliability of Research Instrument

To ensure that the research instrument actually measured what is supposed to be measured, the questionnaire will be given to a few taxi drivers in my office area in Lagos, with a view to identifying irrelevant question that must have been added to the questionnaire.

5.0 Data Analysis and Discussion of findings

5.1 Introduction

The analysis of the data was made using the information given by the respondents through questionnaire and interview. It was analyzed based on the social characteristics of the study participants. This was just to find out the impact of Corporate Social Responsibility on Corporate performance of Mobile Telecommunication Companies (MTC).

5.2 Social Demographic Characteristics of Respondents

Table 5.1 shows that the respondents within the age bracket of 31-40 years dominate the survey with about 75%; while the remaining 25% account for the respondents whose age range between 10-20 years.

TABLE 5.1 SHOWING AGE DISTRIBUTION OF RESPONDENTS

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	10-20 YEARS	37	24.7	24.7	75.3
	31-40 YEARS	113	75.3	75.3	100
	Total	150	100.0	100.0	

Figure 5..1 shows the gender distribution of respondents'; where male is dominating the survey with 107(71%); while female is 43(29%). This distribution is a very one for this study because men have higher likelihood of knowing the corporate social responsibility of mobile telecommunication than women. Also, men were more prepared to share their gain and loss in dealing with any of these companies.

In table 5.1 respondents were asked some sets of questions on corporate social responsibility; and the summary of the survey responses are presented below.

Table 5.1: Corporate Social Responsibility Image	Yes	No	Total
Do your preferred mobile telecommunication embark on any corporate social responsibility	83 (55.%)	67 (44.7)	150 (100%)
Which of the corporate social responsibility programs are more used by your preferred mobile company	66 (44%)	84 (56)	150 (100)
Does your preferred mobile company give scholarship to students	62 (41.3%)	88 (58.7 %)	150 (100%)
Does your preferred mobile company sponsor a TV reality show like Big-Bothers	105 (70%)	45 (30)	150 (100%)
Does your preferred mobile company donate money to the less privileged	139 (92.7%)	11 (7.3%)	150 (100%)
Did your preferred mobile company have cordial relationship with the stakeholder in the industry	85 9 (56.7%)	65 (43.3 %)	150 (100%)
Do you know whether your preferred mobile company compensates the residents for noise pollution as a result of erecting telecommunication mask in their area	66 (44%)	84 (56%)	150 (100%)
Did your preferred mobile company engaged in sponsoring local sporting activities	57 (38%)	93 (62%)	150 (100%)
Is your preferred mobile company fair in payment of salaries and allowances to their workers	113 (75.3%)	37 (24.7 %)	150 (100%)
Is your preferred mobile company an exemplary one, when referring to a law abiding company	48 (32%)	102 (68%)	150 (100%)
Is your preferred mobile company making more profit at the expense of consumer welfare	91 (60.7%)	59 (39.3 %)	150 (100%)
Will you recommend your family or friends to the telecom service of Nigeria Mobile Company you are currently using	93 (62%)	57 (38%)	150 (100%)

5.3 Discussion on how Public Perception Influences the Image of Mobile Telecommunication Companies

5.3.1 Image of Mobile Telecommunication Organization * Honesty Perception

The public opinion towards the activities of Mobile Telecommunication Companies (MTC) is being examined with a view to knowing the perception of customers in terms of *Honesty, Degree of Openness and Fairness* and how MTC relates with them during the course of transaction. The public relation will contribute greatly to the goodwill of these companies and this is one of the reasons why this study wants to examine the relationship. In order to answer this question, items in **Section C**of the questionnaire was used to present findings.

The table 5.6 shows that 48(32%) of the respondents agree that mobile telecommunication organizations are truthful in their call charges to their customers while 95(63.4%) did not, and 7(4.7%) were indifferent. Similarly, 44(29.3%) of the respondents agree that “mobile telecommunication organizations are sincere in their internet charges.” 102(68%) did not, while 4(2.7%) were indifferent, 89(59.3%) agree that “SMS charges are justifiable.” 61(40.7) did not, 22(14.6%) agree that “Mobile companies are sincere in selecting winners during their promotions.” 80(63.3%) did not, while 45(30%) were indifferent, 67(44.7%) agree that "Advert calls from communication providers are reliable.” 78(52%) did not, while 5(3.3%) were indifferent, 69(46%) agree that “mobile telecommunication organiastions are efficient in dealing with customers.”66(44%) did not while 15(10%) were indifferent, 59(39.3%) agree that “any of their call platform/plans can be trusted” 86(57.4%) did not, while 5(3.3%) were indifferent, 87(58%) agree that “mobile telecommunication organization promotes consumer oriented programs” 58(38.7%) did not, while 5(3.3%) were indifferent, 51(34%) agree that “mobile telecommunication organizations indeed regard customers as a king” 82(54.7%) did not, while 17(11.3%) were indifferent, 45(30%) agree that “one can trust the internet service of mobile telecommunication organization in Nigeria” 102(68%) did not, while 3(2.0%) were indifferent.

Findings from majority of respondents show that mobile telecommunication companies are not honest in dealing with their customers; hence they do not have a positive perception about their activities. This may affect their public image as an organization.

TABLE 5.2 SHOWING CONSUMERS PERCEPTIONS OF HONESTY OF MOBILE TELECOMMMUNICATION COMPANIES

HONESTY PERCEPTION	SA	A	SD	D	N	TOTAL (%)
Mobile telecommunication organizations are truthful in their call charges to their customers.	2 (1.3)	46 (30.7)	46 (30.7)	49 (32.7)	7 (4.7)	150 (100)
Mobile Telecommunication organizations are sincere in their internet charges.	2 (1.3)	42 (28.0)	50 (33.3)	52 (34.7)	4 (2.7)	150 (100)
SMS charges are justifiable.	20 (13.3)	69 (46.0)	9 (6.0)	52 (34.7)		150 (100)
Mobile companies are sincere in selecting winners during their promotions.	5 (3.3)	17 (11.3)	33 (22.0)	50 (33.3)	45 (30.0)	150 (100)
Advert calls from communication providers are reliable.	18 (12.0)	49 (32.7)	54 (36.0)	24 (16.0)	5 (3.3)	150 (100)
Mobile Telecommunication organizations are efficient in dealing with customers.	19 (12.7)	50 (33.3)	50 (33.3)	16 (10.7)	15 (10.0)	150 (100)
Any of their call platform/plans can be trusted.	11 (7.3)	48 (32.0)	46 (30.7)	40 (26.7)	5 (3.3)	150 (100)
Mobile Telecommunication organization promotes consumer oriented programs.	4 (2.7)	83 (55.3)	25 (16.7)	33 (22.0)	5 (3.3)	150 (100)
Mobile Telecommunication organizations indeed regard customers as a king.	2 (1.3)	49 (32.7)	13 (8.7)	69 (46.0)	17 (11.3)	150 (100)
One can trust the internet service of Mobile Telecommunication organization in Nigeria.	23 (15.3)	22 (14.7)	55 (36.7)	47 (31.3)	3 (2.0)	150 (100)

**Percentage in parenthesis

In order to measure the impact of *Honesty Perception on Image of Mobile telecommunication* the Chi Squared was used; and the result (i.e. table 5.7) shows a significant relationship between these variables (i.e. χ^2=109.667, $p<0.05$). This means the level of honesty will influence a positive image of mobile telecommunication companies; but the findings shows a negative image perception of Mobile Telecommunication Companies amongst Customers.

Table 5.3: Image of Mobile Telecommunication Organization * Honesty Perception

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	109.667[a]	16	.000
Likelihood Ratio	101.415	16	.000
Linear-by-Linear Association	.021	1	.884
N of Valid Cases	150		

a. 12 cells (48.0%) have expected count less than 5. The minimum expected count is .53.

TABLE 5.4 SHOWING CONSUMERS PERCEPTIONSOF FAIRNESS OF MOBILE TELECOMMMUNICATION COMPANIES

FAIRNESS PERCEPTION	SA	A	SD	D	N
Mobile Telecommunication organization are fair in giving prices to those who win them	21 (14.0)	50 (33.3)	42 (28.0)	28 (18.7)	9 (6.0)
Mobile Telecommunication organizations are fair in restricting the bonus won to the same network.	15 (10.0)	41 (27.3)	43 (28.7)	44 (29.3)	7 (4.7)
The duration of bonus expiry date is fair to consumer.	24 (16.0)	28 (18.7)	54 (36.0)	39 (26.0)	5 (3.3)
The process of claiming the bonuses is easy.	27 (18.0)	53 (35.3)	39 (26.0)	24 (16.0)	7 (4.7)
The charges on bonuses are equal with normal call charges.	16 (10.7)	23 (15.3)	85 (56.7)	22 (14.7)	4 (2.7)
It is fair to charge for messages whether it is delivered or not	16 (10.7)	37 (24.7)	83 (55.3)	10 (6.7)	4 (2.7)
The act of advertising on the phones and line that I bought, without my prior knowledge is fair.	21 (14.0)	34 (22.7)	59 (39.3)	31 (20.7)	5 (3.3)
It is fair to pay rental fee for any advert on my phones because I pay for all services they rendered to me.	37 (24.7)	31 (20.7)	50 (33.3)	24 (16.0)	4 (2.7)
The act of spending more on social activities than poverty alleviation programs by Mobile Telecommunication organizations in Nigeria is fair.	36 (24.0)	49 (32.7)	36 (24.7)	29 (19.3)	
Varying call charges for the same phone line is fair for call charge monitoring and budgeting.	25 (16.7)	46 (30.7)	50 (33.3)	29 (19.3)	

**Percentage in parenthesis

In order to measure the impact of *Public Relation Perception on Image of Mobile telecommunication* the Chi Squared was used; and the result in table 5.11 shows a significant relationship between these variables (i.e. χ^2=108.176, p<0.05). This shows that mobile telecommunication companies are not fair in dealing with their customers.

The study support the result of Ojenike (2012)that price and other variables seem not to count much to the consumers as long as the availability of a product is maintained and the service is also supported by fairness.

Table 5.5

Logistic regression	Number of obs	=	149
	LR chi2(5)	=	15.60
	Prob > chi2	=	0.0081
Log likelihood = -26.180621	Pseudo R2	=	0.2296

Corp_Perf	Coef.	Std. Err.	z	P>|z|	[95% Conf.	Interval]
Ethical	-.6224436	.3689315	-1.69	0.092	-1.345536	.1006488
Philathrop~t	.9671019	.4893884	1.98	0.048	.0079182	1.926286
Legal	-2.56178	1.242881	-2.06	0.039	-4.997782	-.1257784
Social	.8293353	.4784448	1.73	0.083	-.1083993	1.76707
Economic	.4372589	.8523304	0.51	0.608	-1.233278	2.107796
_cons	.6279325	2.320535	0.27	0.787	-3.920232	5.176097

5.4 Discussion on how Corporate Social Responsibility Influence the Corporate Performance of Mobile Telecommunication Companies in Nigeria.

From table 5.5, it is evident that ethical, philanthropist, legal, and social responsibility of mobile telecommunication companies are the major determinants of corporate performance. Controlling for other explanatory variables, an increase in ethical responsibility (i.e. responsibility of firms to the workers) by one percent, reduces the odds in favour of good corporate performance or goodwill by 62.2%; while an increase in philanthropist responsibility by one percent increases the odds favour of good corporate performance by 96.7%. It is obvious that the way the telecommunication firms are treating their staff, especially, contract staff this day is not good (i.e. hired and fired after six months) and this has gone a long way in reducing the goodwill of the industry before its customers. On the other hand, the philanthropist has been helpful in influencing the corporate image positively. Increase in the legal responsibility has reduce the odds in favour of corporate image of telecommunication firms by 256.1%; this is an indication that vast majority of customers shows antipathies towards the behavior of MTC in violating the advertisement rules laid down by Nigeria Communication Commission (NCC). The social responsibility also increase the odds in favour of corporate image and performance by 82.9% and this is an indication that the sporting activities; the reality shows being sponsored by this firm has been able to increase or promote the good image of the firm to general public. On the other hand, the profit being made by the firm has not in any way added to the image of the firm because the coefficient is insignificant.

The amount of variation that is jointly explained by independent variable is 22.96% and the overall regression result is significant LR Chi-square=15.6, $p<0.05$ is significant at 5%; and thus reject the null hypothesis of no relationship between corporate performance and corporate social responsibility.

5.5 CONCLISION

The study examines the impact of corporate social responsibility of mobile telecommunication company on corporate performance. Using, the assessment of public opinion about public relation of mobile telecommunication companies in Nigeria. The data used for this study were obtained from Primary sources by means of structured questionnaire. The 200customers of telecommunication companies in Nigeria were drawn as sample size through survey; but only 170 questionnaires were returned; while data cleaning removed 20 more questionnaires and therefore make the available questionnaire for analysis to be 150. Data for the first objective were analyzed using Descriptive and inferential statistics (Chi-Square) and the findings from the study shows that majority of respondents indicate that mobile telecommunication companies are not honest, open and fair in dealing with their customers; hence respondent do not have a positive perception about their activities; which indirectly affect the way their public view them. Further findings reveals that mobile telecommunication companies do not relates well in terms of communication with their customers, hence, this has affected their organization image and the way their customers perceive them.

For the second objective, with the aid of Logistic regression, it is evident that ethical, philanthropist, legal, and social responsibility of mobile telecommunication companies are the major determinants of corporate performance. An increase in ethical responsibility (i.e. responsibility of firms to the workers) by one percent, reduces the odds in favour of good corporate performance or goodwill by 62.2%; while an increase in philanthropist responsibility by one percent increases the odds favour of good corporate performance by 96.7%. It is obvious that the way the telecommunication firms are treating their staff, especially, contract staff this day is not good (i.e. hired and fired after six months) and this has gone a long way in reducing the goodwill of the industry before its customers. On the other hand, the philanthropist has been helpful in influencing the corporate image positively. Increase in the legal responsibility has reduce the odds in favour of corporate image of telecommunication firms by 256.1%; this is an indication that vast majority of customers shows antipathies towards the behavior of MTC in violating the advertisement rules laid down by Nigeria Communication Commission (NCC). The social responsibility also increase the odds in favour of corporate image and performance by 82.9% and this is an indication that the sporting activities; the reality shows being sponsored by this firm has been able to increase or promote the good image of the firm to general public. On the other hand, the profit being made by the firm has not in any way added to the image of the firm because the coefficient is insignificant.

The study concluded that customers have negative perception about the image of mobile telecommunication companies in Nigeria and this may eventually create hostile relationship between these organization and their customers. Despite this fact, corporate social responsibility has been able to promote the good image of mobile telecommunication companies in Nigeria.

The study recommends the following to the management. It is advisable that management should research continuously into quality improvement that will make consumers enjoy good value for money paid for any service rendered to them. To develop more effective advertising campaign that attracts consumer's attention and captures their interest. At this stage the company's advertising messages should both be persuasive and reminder-oriented. The messages must be strong and appealing enough to persuade and build brand preferences.

Advertising messages should not be forced into customers phones (i.e. it should be optional). Promotional activities should not be biased (e.g. higher subscriber gets more rewards), because customers perceived they favour the rich than the poor. Although, this may be of good advantage to the firm but some activities also must be considered in favour of the poor.Mobile telecommunication companies should render services with utmost integrity, such that consumers will be able to believe them beyond reasonable doubt.

Corporate social responsibility programmes that will include larger proportion of the society should be embark upon; because this will greatly promote the image of the companies among it loyal and potential customers.

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