

**TITLE PAGE**

**AN APPRAISAL OF SOCIAL RESPONSIBILITY ON**

**CORPORATE ORGANIZATION IN ENUGU.**

(A CASE STUDY OF ANAMBRA MOTOR MANUFACTURING COMPANY (ANAMMCO)

EMENE, ENUGU).

**BY**

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## CERTIFICATION

This Study on Appraisal of Business Social Responsibility Practice by  
Corporate Organization in Enugu was written by Anagoba Jane  
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Bachelor for Science (B.Sc) Degree in Department of Business  
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## **DEDICATION**

This project work is dedicated to God Almighty, the master of the whole universe and my Mother of Perpetual help who saw me through from the beginning to the successful end of my project.

## ACKNOWLEDGEMENT

One of the most challenging and most pleasant aspects of writing a project is the opportunity to give special thanks to those who have contributed in one way or the other in making the project a reality. Unfortunately, the list of expression of thanks no matter how extensive is always incomplete, and inadequate. This acknowledgement is no exception.

I am extremely grateful to God Almighty and my Mother of Perpetual Help for giving me good health, perseverance and strength throughout the period of this work. To him be the honor and glory forever.

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Finally, I appreciate all your effort. May God reward and bless you all.

## **ABSTRACT**

*The research work took a look at an appraisal of social responsibility practice by Anambra Motor Manufacturing Company (ANAMMCO) Emene, Enugu. In an attempt to get to the root of the matter being investigated, four research questions and four hypotheses were proposed. The chi square statistics was used to test the hypotheses. The researcher adopted the survey approach. The population of the study is five hundred and ninety (590) staff while the sample size is two hundred and thirty eight (238). The researcher used both primary and secondary sources of data. The primary data was generated through the use of questionnaires and oral interview. The secondary data was sourced through the use of textbooks, journals including newspaper prints from library. The study revealed that apart from the usually tradition of profit making, business firms can also carry out a successful Social Responsibility practice. The study also revealed that social responsibility practice should be legalized given the negative impact of business organization to the society. Where to source funds for financing social programmes and when business should engage in social responsibility programmes were equally x-rayed. Recommendations were also made to ensure possible completion of the work. These include; proper implementation of social issues, strict application of legislation to compel business firms to be socially responsibly and finally, social responsibility should be better practice than imagined since it still create favorable public image for the business and it is normal and right thing to do.*

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## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.1 BACKGROUND OF THE STUDY**

Towards the end of 1800's to the early 1990's the mission of business firms was exclusively economic. During this period, the cardinal purpose of business owners is to make as much profit as possible. To underscore the above assertion, Milton Friedman (1972:88) had contended that the only responsibility of the business is to make as much profit as it can for the owners. Today, partly due to the interdependencies of many groups in our society, the values, goals and attitudes of the society changed significantly. This accounts for the complexity in the society in the area of social, economic as well as environmental problems which have been experienced. This situation is in consonance with the view of Ackerman (1973:89), when he opined that the people increased awareness has brought some expectation and demand to bear on companies to be socially responsible to the society in which they operate. Thus we often talk about the social responsibility and social responsiveness of all organizations although the focus of this study shall be on corporate organizations. There is a question as to what the social responsibility of business really means.

The concept of social responsibility is not new, although the idea was already considered in the early part of the twentieth century. The modern discussions of social responsibility got a major impetus with the book “social responsibility of business men” by Howard R. Bowen, who suggested that business actors should consider the social implications of their decisions, society being awakened with respect to the urgency of social problems is asking managers and owners of business what they are doing to discharge their social responsibility to the society in which they operate given negative social impacts of their business on the society such as pollutions of all kinds air, water, solid waste noise to mention but a few.

The concept of social responsibility refers to the firm’s consideration of and responses to the issues beyond narrow economic, technical and legal requirement of the firm. It is the firm’s obligation to evaluate in its decision making process the effects of its decision on the external social system in a manner that should accomplish social benefits along with the traditional economic gains which the firm seeks for. However, Harper D. (1976) a classical economist consistently argued against the need to do anything that negates profit maximization. He sees business social responsibility as an aberration Harper, (1976).

## **1.2 STATEMENT OF THE PROBLEMS**

Oil spillage in some of the oil producing state is alarming and some pollution caused by industries in our country is on the high rate. The problems of the communities where the oil companies operate bring these problems constructively to the attention of the companies with which they have developed regular form for meetings. These companies have created ecological disaster, gas flowing in the communities. Therefore, the problem to be looked into in this research is that a corporate organisation does not bother about their social responsibility to the environment where they operate. Furthermore, poverty, lack of essential facilities and unemployment are increasing is alarming proportion. As a result the needs and expectation of the society are not met by the business organisation.

## **1.3 OBJECTIVES OF THE STUDY**

The corporate organizations naturally have its own mix and different emphasis. The overall objectives of every organisation are survival growth, profit, economic contribution and social obligation. It is known fact that firms in Nigeria usually lay more emphasis on profit maximization. The objective of this research work includes the following:

- i. To examine the general attitude of ANAMMCO towards social responsibility.
- ii. To examine the consequences of the company ignoring its social responsibilities.
- iii. To evaluate the problems which hinder the performance of social responsibility practice by ANAMMCO.
- iv. To recommend possible solutions for the identified problems.

#### **1.4 RESEARCH QUESTIONS**

To ensure an in-depth research work with a view to providing best solutions to problems identified, the study will make use of the following four (4) research questions:

- i. Could business organisation carryout a successful social responsibility practice?
- ii. Should social responsibility be legalized?
- iii. In what form should social responsibility be performed?
- iv. Where should funds for carrying out these social responsibility programmes come from?

## **1.5 RESEARCH HYPOTHESES**

Based on the four research questions already mentioned, the following hypotheses were formulated:

### **HYPOTHESES 1**

Ho: Business organizations can not carryout a successful social responsibility practice.

Hi: Business organizations can significantly carry out a successful social responsibility practice.

### **HYPOTHESES II**

Ho: Business social responsibility should not be legalized.

Hi: Business social responsibility practices should be significantly legalized.

### **HYPOTHESES III**

Ho: Social responsibility practices cannot be achieved in any form.

Hi: Social responsibility practice can reasonably be achieved in different form.

### **HYPOTHESES IV**

Ho: There is no place to source funds for carrying out social responsibility practice.

Hi: There are sources of fund, for financing social responsibility practice.

## **1.6 SIGNIFICANCE OF THE STUDY**

The importance of the study cannot be over-emphasized given the interdependencies of many groups in our society. The study is therefore important because, it will not only examine the attitude of business organisation towards the issue of social responsibility but will go a long way to help these organisation on policy making decision in order to eliminate the negative effects and consequences of these attitudes in the discharge of social responsibility practices. The study will be of immense benefit to researchers and students looking for more information on this topic.

Another significance of this research is that, it will help in finding ways to improve relationship between the company and the town in which it operates. It enables manager of different organizations to know actually what social responsibility is all about and it will also help them to know the difference between social problem and economic performance. The study will equally be beneficial to private and public sector organizations.

## **1.7 SCOPE OF THE STUDY.**

The study, as earlier specified, aims at appraising the social responsibility practice by corporate organizations in Enugu using Anambra Motor Manufacturing Company (ANAMMCO) as case study. The study is

therefore restricted to the study of the ANAMMCO as a corporate organization in Emene, Enugu.

It is, however, expected that the study of ANAMMCO, Emene, Enugu would give enough information on how business social responsibility can successfully be rendered by other categories of business firms

## **1.8 LIMITATION OF THE STUDY**

In the course of carrying out this research work, some difficulties were encountered. The constraints were however managed; among these were time, materials and financial constraints.

### **TIME:**

Time factor was one of the constraints faced by the researcher; however, the researcher took time management seriously, as the study was successful. So many useful times was involved to make the study as the researcher had to combine full time employment with the collection of data for the work.

### **MATERIALS:**

It is not easy for the materials to be collected or obtained due to limited books, journals and other reference materials, particularly obtaining information from the case organization was a tedious exercise, as some



information was termed “vital confidential, or classified” and are out of reach despite the purpose and intentions to which they were requested for, though some management staff and senior supervisors were very helpful as they assisted in providing necessary data that formed the basis for this project write-up, conclusion and recommendations.

#### FINANCE:

Financial problem was also encountered by the researcher in the course of the work. This constraint informed the study of only one corporate organization. Anambra Motor Manufacturing Company (ANAMMCO). Notwithstanding the above constraints, the quality of the research work could not be impaired.

### **1.9 DEFINITION OF TERM**

ANAMMCO: Anambra Motor Manufacturing Company

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## **CHAPTER TWO**

### **REVIEW OF RELATED LITERATURE**

#### **1.1 THEORETICAL FRAMEWORK OF THE STUDY**

The theories of corporate social responsibility according to Professor Domenech Mele in the book “Oxford Handbook of corporate social Responsibility”, can be distinguished into four (4) theories which include the following:

- 1 Corporate Social Performance: Business has power and power requires responsibility. Society allows companies to operate and in return they must serve society not only by creating wealth, but also by contributing to social needs and satisfying social expectations towards business. In a positive sense, corporate reputation is related to the acceptance by the community in which a company is operating.

According to Mele, however, this model has several weaknesses. Most notably the greater attention given to social demands than to corporate social responsibility becomes merely a social control of business, giving a human face to capitalism.

- 2 Shareholder Value: here, a company’s sole responsibility is to generate profit and increase the value of its stock. Social activities are only carried out if stipulated by law or if the activity contributes to

increasing share value. Mele further stressed that compliance with the law is limited, according to him; companies can follow the letter of the law yet still exploit workers, consumers and resources. Thus, to achieve sustainable economic success, executive need to take account of the interests of their employees, customers, distributors, and other stakeholders says Mele.

- 3 Stakeholder Theory: This theory recognizes that a firm has interdependent interest groups-employees, customers, suppliers, the local community apart from shareholders, and it is the satisfaction of all these legitimate interests that leads to long-term success. However, detractor's claim that this can lead to opportunism, since self-serving executives justify any decision or action by arguing that it favours stakeholders. Another objective is that it treats all interest equally, when in fact; each one has different rights and competing claims.
- 4 Corporate citizenship: with corporate citizens the key concept is participation in society, going beyond fulfilling legal duties as occurs with citizenship, to actively contributing to the good of society or the whole, as in the case of "global corporate citizenship", which has been talked about more recently.

This theory recovers the position of the company in society and suggests that the company stands shoulder to shoulder with citizens who together form a community. It expands the functionalist vision that would reduce business to an economic purpose. Moreover, it has a global scope. Critics to this theory however, argued that the concept is too diffuse, and it is difficult to define global standards for corporate citizenship. Nonetheless, a growing number of companies, particular translational firms, are adopting this approach. Mele concluded by saying that “no single theory has all the answers”. He therefore advise companies to release the arguments as that is the only way to justify or reject certain practices and inspire new ones.

## **1.2 HISTORICAL BACKGROUND OF THE STUDY**

ANAMMCO is a major joint venture between government of Nigeria and Daimler Chrysler A. G, Germany. The company manufactures commercial vehicles and leads in the commercial vehicles from five tone payload and above in Nigeria.

The plant which occupies a sprawling 300,000 square meter at Emene, in Enugu State is a shining example of a profitable and viable economic and

technological co-operation between the government and the people of Nigeria and Daimler Chrysler. ANAMMCO was incorporated in 17<sup>th</sup> Jan, 1977 and the plant was commissioned on July 8, 1980 by the first executive president of Nigeria Alhaji Shelu Shagari. It started official production in Jan, 1981 and has up to date made an enviable mark on the nation's industrial growth, adding over 25,000 vehicles to the nation's transport sector backup effectively with a network of over 36 after sales services points and spare parts supply depots.

The company's central part depot Enugu stocks over 35,000 line items.

#### PRODUCT RANGE.

The multi million naira plant was initially planned to produce trucks for Nigerian market, but today the plant has diversified its product range to include the full range of Mercedes Benz commercial vehicle for rapid industrialization of the country.

#### TECHNOLOGY

As a formidable representative of Daimler Chrysler A. G in Nigeria, ANAMMCO brings Mercedes Benz technology and know-how to Nigeria while at the same time creating over 800 employment opportunities for Nigerians. It is a giant step forward in Nigeria's bold ambition to create a

new industrial base through backward integration and encouraging local content manufacturing as well as enhancing the nations transport network. In deed, the establishments of ANAMMCO market the realization of a great dream of developing the country technologically and industrially.

### TRAINING AND MANPOWER DEVELOPMENT

The ANAMMCO training centre which was commissioned in 1982 has lived up to its billing, producing high caliber middle-level technical man-power fro the company and the nation in general ANAMMCO training centre was conceived with the objective of providing training facilities not only for apprentices but also for on – the – Job training for improvement in technical skills, work habits and leadership qualities of factory workers, artisans and first line managers. In early 1992, the industrial management course was introduced to inculcate in managers the ability to do the following:-

- 1 To utilize their knowledge and role of managers to improve the link between management and their work.
- 2 To set goals and relate them to over all goals of the company and thereby take action to enhance and evaluate performance of their subordinates.

- 3 To increase and harness the creativity of their subordinates to the benefit of the organisation.

At this juncture it is pertinent to state that, the concept of business social responsibility arises due to two (2) basic reasons. Firstly, it arises because of the negative social impacts of business organisation on the society such as pollutions of all kinds; air, water, solid waste, noise and such others as deceptive advertising, unsafe product, inferior product etc. Writing on this, Drucker (1974:314) stated that, business are expected to product goods and services of safe, acceptable quality on homes terms without misleading claims and deceptive financing practices. Secondly, there are reasons in the fact that the society itself is faced with many problems which adversely affects it at large and which equally have impact on business operating in such society. In view of the above, it is therefore, reasonable and rational that business should contribute to solving problems relating to erosion disease of all kind, unemployment, educational needs of some poor students, provision of infrastructural facilities to mention but a few and which are prevalent in most societies.



### **2.3 REVIEW CURRENT LITERATURE OF THE STUDY**

The issue of business social responsibility has become a subject of wide discussion and growing concern to many organizations especially to multinational corporations. Consequently, it is not easy to proffer a comprehensive definition of the concept. So many definitions have been put forward by many scholars but none has gained universal accepted. Infact, many writers shy away from attempting a definition, because in today's business world the concept connotes different things to different people especially in the developing world. The stage and extent of social responsibility varies as much as the various definitions. Each writer's perception of what social responsibility covers can be seen to reflect the society in which the writer is at the time of writing as well as the period of time. This can be seen from analysis of the various definitions of the concept put forward by different authors.

According to Renon (1986:495) "the concept of social responsibility s the obligation of businessman to pursue those policies, to make those decisions or to follow those line of actions which are desirable in terms of the objectives and value of society. But analysis of the definition shows that it has some short falls. The major problem with

the definition show that operationally, it is found wanting for one thing, it failed to state the lines of actions, which are desirable in terms of the objectives and values of a society. The definitions therefore assumed that manager know their obligation in the area of social responsibility practices and should perform them.

Nwachukwu. (1988:272) defined social responsibility as “the intelligent and objectives concern for the welfare of the society which restrains individual and corporate bodies from ultimate destructive activities no matter how immediately profitable and which leads in the direction of positive contributions to human betterment”. This definition stressed the relevance of being socially responsible both by individual and corporate organization. Thus, social responsibility is not limited to business organisation but extends to individuals. To underscore the above point, Nwachukwu further stated that an organisation is made up of people and a typical executive is a member of the society. In his capacity, as the owner of the organisation and a member of the society, the individual should realize that whatever type of society he helps to create, he will participate in.

In his one perception Ejiofor, (1989:452) defined the concept as “those investment and contributions to the wider community designed

to help create the healthy environment that company requires to survive and operate efficiently.

Davis and Blomstrom (1975:6) assert that the concept of business social responsibility is “the organisation, of decision makers or organizations to take action, which protect and improve the welfare of society as a whole along with their own interests.

Onuoha (1991:295) viewed that the concept of social responsibility can be taken to involve all the activities of the organisation, in which their limited resources are expanded, appear less economically attractive and viable, but are socially desirable, by members of the society.

In the broadest sense therefore, the net effect of social responsibility practice is to improve the quality of life. It also harmonizes business actions aimed at achieving the traditional economic objective of business such as – profit and growth with society’s wants such as – good product and good environment.

### **2.3.1 THE PUBLICS THAT CORPORATE ORGANIZATION EXIST TO SERVE**

A corporation exists to serve some segments of the society in order to survive. Over and again, several authors have attempted to list the groups

which a given business must serve but none is exhaustive. In his own attempt, Drucker (1963:54) outlined them to include the stockholders, the employees and the customers. Also writing on the groups a business must serve, Osagemi (1985:85) listed true group to include the owners, employee, consumers, customers, government and the general public

i. **Responsibility to the stockholders:**

Every business has a duty to achieve the objectives of its owners – the stockholders. An organisation must maintain high degree of efficient performance to achieve this purpose.

ii. **Responsibility to the employees:-**

This group comprises all the individuals who in one way or the other, contribute to the realization of the objectives of the business. They render services and produce the goods which the organization sells. Some other categories of employees do the selling and the management of the company's affairs. The employees are rewarded in the form of the salaries and wages which they collect regulating from the company and the gratuity and pension to which they become entitled to after long service (Nwabuzor, 1989:1)

iii. **Responsibility to the general public:-**

The general public represents another vital group that business must serve. A good number of social problems such as erosion diseases of all kinds, employment educational needs of some poor students, lack of infrastructural facilities and what have you, effects the society to which business should respond. For instance, Acquired immune Deficiency syndrome (AIDS) and family planning are some of the most prominent issues that have continued to linger its ugly heads on the lives of greater number of the populace. It is therefore, the society responsibility of businesses to involve themselves in educating the general public about these issues and in helping to sponsor research that could help to eradicate such social problems.

iv. **Responsibility to customers:-**

Every business enterprise has the obligation reserve its customers which comprises the consumers and the suppliers. According to Drucker (1974:312-314) the drugs when business could operate successfully on the percepts of caveat emptor, “let the buyer beware” are long gone”. Drucker further stressed that, firms are expected to product goods and services of safe acceptable quality on honest terms

without misleading claims and deceptive, financing practices. This boil down to the supremacy of the customers.

v. **Responsibility to the Government:-**

The relationship between business and government can better be described as that of give and take. While government controls and aids businesses, business entities reciprocate by payment of taxes, license fees, excise duties, tariffs duties among others.

### **2.3.2 CONTROVERSY OVER THE CONCEPT OF BUSINESS SOCIAL RESPONSIBILITY.**

Some organisation s, businessman and women see the concept of business social responsibility as an obstacle to their profit making objectives. Actually, these concepts dates to the late 1980's and early 1900's when the major view of corporate social responsibility was business should provide the consumer with a product of service at least possible price.

Renon (1956:495) commenting on this had observed that most business acted society as profit maximization. The above position received the support of Uzoaga, (1975:2) when he stated that one side of the argument about proper place of social responsibility is the view that the business of every business in business". Looking, Uzoaga's view form its

face value, it sounds vague. But a critical evaluation of the statement indicates that it has a lot of meaning and goes at length to elicit the perception of the concept by Nigerian businessman. Simply, this means that the society should not expect any contribution from business firms outside profit maximization since there are other institutions that can take charge of social welfare.

David (1987:164) stated that what is especially unfortunate is that business people have mis-interpreted and mis understand the concept of social responsibility. Many of them have viewed it as a focus, which detracts form or is counter to their profit minded pursuit. According to him, even though there may be some clearly distinct economic versus social concerns, there is rather broad area in which economic and social concerns are consistent with each other. He believed hat when a firm engages in social activities, it must do so in a way that receives and ensures economic advantages. Thus, the aim should be that the firm achieves both social and economic objectives.

Drucker (1974:314) a management expert stated that management of all institution are responsible for their by product that is, the impacts of their legitimate activities on people and on the physical and social environment. They are therefore, increasingly expected to anticipate and to solve social

problems. The issue of whether business organisation should be socially responsible or not has generated a lot arguments. These arguments have produced two schools of thought one supporting the view that business should be socially responsible to the society where it operates and the other opposing it.

### **2.3.3 THE CASE FOR SOCIAL RESPONSIBILITY**

Keith Davis is the chief priest of the school of thought that supports the view that business should be socially responsible. He and his associates maintain that in addition to business carrying out its normal and legitimate operations of providing goods and services effectively and efficiently, it must also engage in some other activities which make it socially responsible.

Onuoha (1991:296) and Steiner (1975:163-165) also noted that business organizations are creatures of society and should respond to societal demands and that the long run self-interest of business are best served when business assumes social responsibility stressing that it is the normal and right thing to do. The major argument for social responsibility has been the improvement of sociality. Each institution as the argument goes is responsible for helping to achieve all societal objectives. In protecting their views that a healthy business cannot exist in an unhealthy society, practice of management. Business therefore, has self-interest in a



healthy society even though the cause of society's illness is not the business organisation.

Business has the necessary resource at its disposal, and thus the ability to solving social issues and problems. Business has the necessary talents to solve problems, because business comes in contact with them more any other social group in the society. Firms should channel some of their surpluses towards solving community problems. Some oil companies award scholarships to students. Donations to charity are other issues of social responsibility. Business organizations should donate to the less privilege in the society so as to reduce the burden of government on those less privilege to protect the pluralist society. Business organizations have also to be socially responsible because of their side effect of their operation upon the society and environment.

There are other ways business can contribute to the well being of the society. These miscellaneous contributions include donations to worthy national caves, campaign against pollution, providing housing loans to workers and inflation campaign conservation, and judicious use of resources, education to combat drug abuse and road accidents, discriminations, recycling waste paper and eliminating undesirable social impact. This is done either through cause activity or converting sawdust into practice board.

Being socially responsible implies playing more than just an economic role in society. Increasing firms are being expected by society to play a direct role in meeting community head in the arts and education, in health and environmental matters, and in social welfare, in addition to their roles as employees and producers. In response to the pursuits loped their own social or community programmes. These are aimed at demonstrating that corporate organizations are capable to handle societal problems.

1. Public heads have charged, leading to changed expectation society and consequently have to respond to needs of the society.
2. Society responsible actions are the ethical thing to do. This argument holder that corporate organizations should commit themselves to social activities because they have a moral obligation to do so. This is because some of the social problems are created by corporate bodies.
3. Business has a great deal of power, it is reasoned, should be accompanied by an equal amount of responsibility.
4. Social involvement creates a favourable public image, thus a firm many attract customers employees and investors.
5. Business has the resources specifically; Business should use its talented managers and their resource to solve some of her societal problems.

6. Since laws cannot be formulated for all circumstances, business has a responsibility to maintain an orderly, legal society. This argument emphasized the relationship between the legal and ethical aspects of the social involvement.
7. It is better to prevent social problems through business involvement than to cure them. It may be easier to help the hard cure unemployment than to cope with social unrest.

#### **2.3.4 THE CASE AGAINST SOCIAL RESPONSIBILITY**

Some people believe that business should not render any social responsibility to the society. In responding to this view, Milton Friedman, a world renowned economist has become the leading proponent of the idea that business should not be socially responsible. Friedman and his group maintain that the main objective of business is to produce goods and services effectively and to make as much as possible for its owners, Onuoha (19991:296). In their view, business is an economic institution whose legal function is economic performance and not social activities. They stated that socially orientated activities weaken The firm's profit maximization objective. For instance, each time the business money is spent for such social activities such as community renewal, employing the minority, granting scholarship etc money spent on such issues could be better spent on

more aggressive advertising or improving production efficiency which will definitely increase profit potentials. They concluded that since goods and services provided by business are in the best interest of the society, business are socially responsible as long as they go about their operations orderly, morally and legally. They therefore contend that corporate businesses are not in the position to determine the relative urgency of social problems or the amount of organizational resources that should be committed to a given problem, adding that business should concentrate in the production of goods and services efficiently and have the solution of social problems to concerned individuals and government agencies.

### **ARGUMENT AGAINST SOCIAL INVOLVEMENT OF BUSINESS**

1. The primary taste of business is to maximize profits by focusing strictly on economic activities. Social involvement could reduce economic efficiency.
2. There is a lack of accountability of business to society. Unless accountability can be established business should not get involved.
3. Addressing social problems should be the responsibility of government. Subscribers to this argument maintained that business discharge all their social obligation by earning profits and paying corporate taxes which provide money for government to initiate and

- prosecute social programmes. According to this argument, social programmes initiated by business, goes to undermine the profit motive.
4. There is no complete support for involvement in social actions. Consequently, disagreement among groups with different view points will cause friction.
  5. Social responsibility programmes will dilute the primary purpose of business which is profit maximization. Thus, business should not indulge in solving societal problems.

### **2.3.5 NEGLECT OF SOCIAL RESPONSIBILITY PRACTICE BY CORPORATE ORGANIZATIONS IN ENUGU.**

However, in talking about the need for social responsibility in developing country like Nigeria, one finds that the effect of the practice of social responsibility by organisation in Enugu is still very small due to the fact that Nigeria is still developing economically and technologically and therefore need all the technological know how it can obtain. There is also the problem of increase for demand for social amenities for which government alone cannot cope adequately. All these are areas business can help. In recommending that a business should be society responsible, one must not forget Nigeria geographical diversity.

Several factors account for the apparent neglect of social responsibility practice in Enugu. These factors includes:\_

1. The Laws of business social responsibility are not seriously being enforced.
2. The relative small size of the Nigerian business enterprises is another factor. This reduces their financial strength.
3. Many large firms are owned by foreigners whose main preoccupation is profit maximization. These firms see social responsibility as a patriotic gesture best undertaken by indigenes business to help their country.
4. Most of Nigerians business firms are dishonest. They deceive the government and the general public about the true worth of their business so that nobody will expect any contribution towards social issues from the,

There are two (2) ways of encouraging commercial enterprises to develop a sense of social responsibility:-

- a. They can be forced by law.
- b. They can be persuaded voluntarily.

In Britain, as in most other countries, the law plays an important role in regulating the relationship between firms and stakeholders. These are

laws designed to protect the community from noxious effects of commercial activities, such as industrial pollution, noise and hazardous products. Whenever social responsibility practice is being discussed what usually come to mind is that, it is generally referring to voluntary measures undertaken by firms as part of their wider role in society.

### **2.3.6 BUSINESS SOCIAL RESPONSIBILITY PRACTICE AS A FUNCTION OF FEDERAL GOVERNMENT LAWS.**

In spite of all the argument and controversies about the concept of business social responsibility, many businesses in Nigeria do not show concern about the negative impact of their business activities. As a result, the Federal Government of Nigeria has enacted several pieces of legislation aimed at compelling businesses in different sector of the economy to be socially responsible. These includes:-

- a. The price control legislation of 1970 which was aimed at eliminating hoarding and arbitrary price increases by manufactures and sellers in general.
- b. The National Agency for food and Drug Administration and control (NAFDAAC) Decree, 1993 which gave the agency the mandate to control and regulate food, Drugs, cosmetics, medical devices, chemicals, detergents and packaged water.
- c. The weights and measures Act of 1962 was put in place to provide for standardization of measurement in Nigeria so that consumers will not be exploited.
- d. The standard organisation of Nigeria (SON) Decree 1971 was promulgated to ensure that manufacturers produce and sell goods of



acceptable international national standard. This will stop the product of substandard goods.

- e. The company and Allied matter Decree 1990 made provision for the incorporation, regulation and winding up of companies. The CAMD, 1990 also made provision for the protection of the society and general public. The Decree provided for the disclosure of as much information as is reasonably required to the shareholders, the creditors of the company and the general public.

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## **CHAPTER THREE**

### **RESEARCH DESIGN AND METHODOLOGY**

#### **3.1 RESEARCH DESIGN**

The research method employed in any research is determined by the nature of the research problem and by the objectives of the study. Since this research is aimed at appraising social responsibility practice by corporate organisation with Anambra Motor Manufacturing Company located in Emene, Enugu as the case study, the research method that was appropriate is the survey approach.

Survey research, according to Onah and Ovute (1998:8), is the one in which a group of people or thing is studied by collecting and analyzing data from people or items (samples) considered being representation of the entire population. Since the survey method aims at studying the entire population using the sample, it does appear that the survey approach is appropriate for the research work.

#### **3.2. SOURCES OF DATA**

Primary and secondary data sources were used in conducting the research work. However, primary sources of data accounted for the lion's share of the data used for the research work.

### **3.2.1 PRIMARY DATA**

According to John Orijh (2009:45) primary data includes direct accounts of events or phenomena which are obtainable from observation, direct participations, questionnaires, interviews etc. it is called raw or original data. The data collected from this source are usually fresh, not stable or outdated and satisfy the requirements of this research work. Different sources of primary data were used.

#### **I. ORAL INTERVIEW**

The research applied the oral interview method of data collection where the researcher met some of the respondents and asked them necessary questions. The responses from these respondents were recorded instantly.

The researcher considered the oral interview necessary as respondents who did not quite understand the objectives of the study tried to avoid answering some of the questions in the questionnaire.

#### **ii. Questionnaire Administration**

A well-structured questionnaire was designed by the researcher for service or an intermediate staff in ANAMMCO. The questionnaire was personally presented to the respondents by the researcher. The questionnaire

consisted of printed questions in which the respondents have to fill in the answers. The researcher made use of multiple choices in the questionnaire.

### **3.2.2 SECONDARY SOURCE OF DATA**

The researcher also generated data from literature review from text books, and journals including newspaper prints from library.

### **3.3 POPULATION OF THE STUDY**

According to Uzoagulu (1998:63) “the population is the target of the study”. The population of the study is the number of subjects that are concerned with the matter under discussion. It defines the limit within which the research study findings are applicable. The researcher found out that the populations of ANAMMCO work force were graded as follows.

Senior staff	91
Intermediate staff	174
Junior staff	325
Total	590

The senior staff, which includes all the managers, deputy managers and expatriates numbered ninety one (91). The intermediate staff comprised of all supervisors, accountants and engineers etc. which numbered one

hundred and seventy four (174). The junior staff called the direct workers of the company numbered three hundred and twenty-five (325) trained artisans. The population of these respondents who were identified in the accessible population of this study is five hundred and ninety (590).

### **3.4.1 SAMPLE SIZE DETERMINATION.**

In order to ensure a more purposeful and methodical research work, statistical approach was employed in determining the sample size. According to Churchill (1979:302), a typical formula requires knowledge of the level of significance, the amount of variation to be permitted in the estimate of population standard deviation.

The sample size was determined from the total staff strength using the Yaro Yamane formula for selection of a sample from a finite population.

The Yaro Yamane formula is stated thus:

$$n = \frac{N}{1+N(e)^2}$$

Where: n: is the sample size

N: is the finite population.

e: is the level of significance) or limit of tolerable error).

1: is unity (a constant).

Five percent (5%) error margin was considered suitable for the study.

Through substitution of values from the above formula we have that:

$$\begin{aligned}n &= \frac{590}{1 + 590 (0.05)^2} \\&= \frac{590}{1 + 590 \times 0.0025} \\&= \frac{590}{2.475} \\&= 238 \text{ approximately}\end{aligned}$$

Therefore, the sample size used for the study was two hundred and thirty eight (238) respondents. The proportion of the questionnaire given to each category of staff was determined using the Bowler's Proportion allocation formula.

The Bowler's Proportion formula is stated thus:

$$n_1 = \frac{n_1 (n)}{N}$$

Where  $n_1$  = the population of each element.

$n$  = the sample size of the study.

$N$  = the population for the study

Through substitution of values from the above formula we have that

$$\begin{aligned}\text{Senior } (n_1) &= \frac{91(238)}{590} \\&= \frac{21658}{590}\end{aligned}$$

$$= 36.70$$

$$= 37 \text{ approximately}$$

$$\text{Intermediate staff (n2)} = \frac{974 (238)}{590}$$

$$= \frac{41412}{590}$$

$$= 70.18$$

$$= 70 \text{ approximately.}$$

$$\text{Junior staff (n3)} = \frac{325 (238)}{590}$$

$$= \frac{77350}{590}$$

$$= 131.10$$

$$= 131 \text{ approximately.}$$

### 3.4.2 SAMPLING TECHNIQUE:

There are so many sampling techniques such as cluster method, systematic method, stratified method, judgmental method, simple random method etc.

The researcher adopted the simple random method which gives every member of the population equal chance of being selected.



### **3.5 METHODS OF DATA COLLECTION**

The questionnaire technique of data collection was solely used. Therefore, a total of two hundred a thirty eight (238) structured questionnaire of ten (10) questions were administered among some randomly selected staff among the senior, intermediate and junior members of staff of ANAMMCO. The questionnaires were personally distributed to the employees by the researcher. The respondents were allowed two (2) days to respond to the questions, after which the (questionnaire) were collected from the respondents. However, some respondents returned their questionnaire the same day. The information obtained through oral interview by the researcher was guided by interview guide where the questions to be asked were listed so that the researcher won't forget anyone.

Also, a pilot study was conducted using the same questionnaire among some respondents. Some respondents declared two questions ambiguous and they were amended.

### **3.6 METHODS OF DATA PRESENTATION AND ANALYSIS**

In analyzing the data, the researcher used a tabular form that is systematically arranged for easy interpretation of Responses of the

respondents. Frequency, tables and percentage ratio were employed to analyze the data and to elicit answers to the research questions.

Also, the chi-square ( $\chi^2$ ) test statistics was used to test and evaluate the hypotheses. The decision to either accept or reject the formulated hypotheses was hinged on the result of the calculated ( $\chi^2$ ). The formula for computing ( $\chi^2$ ) is expressed thus.

$$\chi^2 = \frac{\sum(O-E)^2}{E}$$

Where  $\chi^2$ : is the computed chi-square value

$\sum$ : is the summation sign

O: is the observed frequency

E: is the expected frequency

The observed frequency (O) is derived from the responses from the questionnaires while the expected frequency (E) is obtained thus:

$$E = \frac{CT \times RT}{GT}$$

Where E: is expected frequency

CT: is column total

RT: is row total response

GT: is the grand total response

Five percent (5%) level of significance or 95 percent (95%) confidence level was adjudged adequate for the study by the researcher.

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## **CHAPTER FOUR**

### **DATA PRESENTATION AND ANALYSIS**

#### **4.1 QUESTIONNAIRE DISTRIBUTION AND COLLECTION**

In this chapter, efforts will be directed towards the presentation, analysis and interpretation of data, which were collected from the field survey. In doing this, tables and percentages were used at appropriate places to make the analysis very simple and understandable.

A careful and articulate presentation of data so collected and its successful analysis will go a long way towards facilitating the writing of the next chapter, which deals with the findings of the study and possible recommendations. This will also ensure a successful completion of the study.

A total number of five hundred and ninety (590) staff of ANAMMCO comprising senior, intermediate and junior staff represents the population size, but, because of time constrains and financial hindrances, a total number of two hundred and thirty eight (238) staff were selected as the sample size using the Yaro Yamane formula.

Based on this sample size, a total number of two hundred and thirty eight (238) questionnaires were printed and distributed the respondents;

thirty seven (37) for senior staff of the company, seventy (70) for Intermediate staff and one hundred and thirty one (131) for junior staff.

Out of this number, thirty four (34) senior staff questionnaires were returned, representing 92% rate of return. Also sixty five (65) Intermediate staff questionnaires were returned representing 93% rate of return, while one hundred and twenty one (121) junior staff questionnaires were returned representing 92% rate of return.

In view of the aforesaid, two hundred and twenty (220) respondent representing 92.44% of the two hundred and thirty eight (238) samples size returned their questionnaires while eighteen (18) respondents representing 7.56% did not return theirs.

This can be represented in percentages ad shown below:

a. Returned Questionnaires

$$= \frac{220 \times 100}{238}$$

$$= 92.44\%$$

b. Unreturned Questionnaire

$$= \frac{18 \times 100}{238} \quad 1$$

$$= 7.56\%$$

TABLE 4.1.1

**DISTRIBUTION OF RETURNED AND UNRETURNED QUESTIONNAIRES AMONG STAFF LEVELS.**

Staff level	No. distributed	Returned	%	Unreturned	%
Senior	37	34	15.5	3	16.7
Intermediate	70	65	29.5	5	27.8
Junior	131	121	55	10	55.6
Total	238	220	100	18	100

Source: Field survey, 2013

From the above data, thirty seven (37) Questionnaires were administered among the senior staff. Out of this number, thirty four (34) questionnaire representing (15.5%) was returned while three (3) representing (16.7%) were not returned. On the part of intermediate staff, seventy (70) questionnaires were distributed but sixty five (65) or (29.5%) were returned while five (5) or (27.8%) were not returned. The junior staff made the highest number of returned and unreturned questionnaires of one hundred and twenty one (121) or (55%) and ten (10) or (55.6%), respectively from the one hundred and thirty one (131) questionnaires distributed amongst them.

It is therefore, viewed by the researcher that the total response rate of two hundred and twenty (220) respondents out of the two hundred and thirty eight (238) questionnaires is adequate to achieve a balance analysis of the problem at hand.

## **DEMOGRAPHIC CHARACTERISTICS**

Table 4.1.2 Age distribution of respondents

Response Option	No. of Response	Percentage (%)
Below 18-25 years	40	18.2
Below 25-35 years	120	54.5
Below 35- above 50 years	60	27.3
Total	220	100

**SOURCE:** Field Survey 2013

The table above reveals that the age below 18-25 years has 18.2% and below 25-35 years has 54.5% while below 35-above 50 years have 27.3% of the total respondents.



Table 4.1.3 Gender Distribution

Response Option	No. of Response	Percentage (%)
Male	140	63.6
Female	80	36.4
Total	220	100

**SOURCE:** Field Survey 2013

From the table above majority of the respondents 140 representing 63.6% are male while 80 respondents representing 36.4% are female

Table 4.1.4 Marital Status Distribution

Response Option	No. of Response	Percentage (%)
Yes	120	54.5
No	100	45.5
Total	220	100

**SOURCE:** Field Survey 2013

From the table above majority of the respondents 120 representing 54.5% are married while 100 respondents representing 45.5% are single

## 4.2 PRESENTATION ACCORDING TO KEY RESEARCH QUESTIONS

The researcher felt the need to use research questions to analyze the views of the respondents. The use of percentage was intended to carry along everybody especially those who have computational difficulty in the understanding of the analysis and interpretation of the responses of respondents. To this effect, the following research questions were raised.

### 4.1(i) Research question one

Does your organization execute any form of social responsibility program?

TABLE 4.2

DISTRIBUTION OF EXECUTION OF ANY FORM OF SOCIAL RESPONSIBILITY PROGRAMME.

RESPONSES	SENIOR STAFF	INTERMEDIATE STAFF	JUNIOR STAFF	TOTAL RESPONSE	PERCENTAGE
Yes	24	50	112	186	84.5
No	7	10	6	23	10.0
No idea	3	5	3	11	5.0
Total	34	65	121	220	100

Source: field survey, 2013

The table above shows that 186 respondents representing (84.5%) had it that the organization carry's out social responsibility programme. 23 respondents representing (10.5%) said that the organization does not engage in any form of social responsibility practice while 11 respondents representing (5%) declared no idea.

**4.1. (ii) Research question Two:**

If yes, please list some social responsibility programmes embarked upon by your organization.

TABLE 4.3

**DISTRIBUTION ON SOCIAL RESPONSIBILITY BY THE ORGANIZATION.**

RESPONSES	SENIOR STAFF	INTERMEDIATE STAFF	JUNIOR STAFF	TOTAL RESPONSE	PERCENTAGE
Reduction of unemployment	21	30	70	121	55
ANAMMCO Club	5	18	25	48	21.8
Electricity action on Emene bus Stop	4	10	17	31	14.1
Welcoming	4	7	9	20	9.1

excursion					
Total	34	65	121	220	100

**SOURCE:** Field survey, 2013

From the data above, 121 respondents representing (55%) said that the most effective social responsibility, which their organization renders, is the solving of unemployment problem by creating employment opportunities for people. 48 respondents representing (21.8%) were of the view that their organization provides recreational activities for the staff. Also 31 respondents representing (14.1%) said that the organization provided electricity within emend bus stop, while 20 respondents representing (9.1%) prefer welcoming people to excursions.

**4.1(iii) Research Question three.**

Do you think that social responsibility practice should be legalized?

TABLE 4.4

**DISTRIBUTION TABLE ON WHETHER SOCIAL RESPONSIBILITY SHOULD BE LEGALIZED**

Options	Senior staff	Intermediate staff	Junior Staff	Total Response	Percentage
Yes	27	56	79	162	73.5
No	4	6	36	46	20.9

No idea	3	3	6	12	5.5
Total	34	65	121	220	100

Source: field survey, 2013

To elicit answers to the above question, respondents were first asked whether they were aware that there existed some federal government legislations aimed at compelling businesses in different sectors of the economy to be socially responsible. Majority of them stated that they were aware and went ahead to mention the standard Organisation of Nigeria Decree (SON) 1971, the companies and Allied Matters Decree 1990 (CAMA), the National Agency for Food and Drugs Administration and control (NAFDAC) among others. Data collected depicts that one hundred and sixty two 162 respondents representing (73.6%) subscribed to the idea that social responsibility practice be legalized. Forty-six 46 respondents representing (20.9%) said No that social responsibility practice should not be legalized, while twelve 12 respondents representing (5.5%) said no idea concerning the issue.

#### **4.1(iv) Research Question four**

In which areas should business organisation showcase its social responsibility?

TABLE 4.5

**DISTRIBUTION AREAS WHERE BUSINESS ORGANIZATIONS  
HAVE BEEN ASKED TO PAY SPECIAL ATTENTION.**

Options	Senior staff	Intermediate staff	Junior Staff	Total Response	Percentage
Profit making	4	10	15	29	13.2
Provision of cheap and quality goods	17	38	91	146	66.4
Given scholarship	6	9	3	18	8.2
Donation to Charity	2	3	1	6	2.7
Pollution control	5	5	10	20	9.0
Provision of funds for research	0	0	1	1	0.5
Total	34	65	121	220	100

**SOURCE:** Field Survey, 2013

To answer the research question above, the respondents were asked to choose among six (6) areas in the questionnaire, which they felt, business organisation should best be socially responsible to. Looking at the data above, twenty nine (29) respondents representing (13.2%) said they want business organisation to focus its activities on profit making. One hundred and forty-six (146) respondents representing (66.4%) preferred provision of cheap and quality goods and services. Eighteen (18) or (8.2%) of the respondents want business organization to engage in given scholarship to member of the public. Six (6) or (2.7%) respondents prefer business organisation to donate to charity. On pollution control, twenty (20)

respondents representing (9.0%) want business organisation or pay attention to pollution control, while provision of funds for research purposes attracted the lowest responses rate of just one (1%) or (0.5%) respondent particularly from the junior staff members.

**4.1 (v) Research Question Five**

If firms should be socially responsible, where should the funds for financing such activities come from?

TABLE 4.6

**DISTRIBUTION ON WHERE SHOULD FUND BE SOURCED FOR FINANCING SOCIAL RESPONSIBILITY PROGRAMME**

Responses	Senior staff	Intermediate staff	Junior Staff	Total Response	Percentage
From operating cost	0	0	2	2	0.9
Profit before tax.	9	15	10	34	15.5
Retained earning after tax.	21	43	101	165	75
Dividend allowance	4	7	8	19	8.6
Total	34	65	121	220	100

Source: field survey, 2013

From the above data, retained earning after tax attracted the highest number of respondents with one hundred and sixty five (65) or (75%) rate of

responses following, is profit before tax, which got thirty five (35) or (15.5%) respondents. Nineteen (19) respondents representing (8.6%) said they want business organisation to source funds from dividend allowance, while only two (2) or (0.9%) respondents particularly from the junior staff prefer business organisation to source its funds from operating cost.

4.1 (VI) Research Question six

When should business organisation be socially responsibility?

TABLE 4.7

**DISTRIBUTION ON WHEN CORPORATE ORGANISATION SHOULD BE SOCIALLY RESPONSIBLE**

Responses	Senior staff	Intermediate staff	Junior Staff	Total Response	Percentage
At all times	24	52	109	185	84.1
Only when business is making profit.	10	12	9	31	14.1
Only during period of economic boom	0	1	3	4	1.8
Total	34	65	121	220	100

Source: field survey, 2013

From the above data, one hundred and eighty five (185) or (84.1%) respondent subscribed to the fact that business organisation should be



socially responsible at all times. Thirty one (31) respondents representing (14.1%) were of the view that business organisation should be socially responsible only when business makes profit, while four (4) respondents or (1.8%) preferred social responsibility practices only during the period of economic boom.

4.1 (vii) Research Question Seven

Do you believe that profit making is the only area of business social responsibility?

TABLE 4.8

**DISTRIBUTION ON WHETHER PROFIT MAKING IS THE MAJOR AREA OF BUSINESS SOCIAL RESPONSIBILITY**

Responses	Senior staff	Intermediate staff	Junior Staff	Total Response	Percentage
Strongly agree	5	11	14	30	13.6
Agree	7	13	14	34	15.5
No idea	0	2	8	10	4.5
Disagree	14	29	37	80	36.4
Strongly disagree	7	20	39	66	30.0
Total	34	65	121	220	100

**SOURCE:** Field Survey, 2013

The table above shows that 30 respondents (13.6%) said that the social responsibility of a business is to make as much profit as possible. (34)

Or (15.5%) respondents only agree that profit making is the only social programme of a business. (10) Or (4.5%) respondents have no idea of profit making as the only social programme of business. (80) Or (36.4%) of the respondents disagreed to the motion that profit making should be the only social programme of business organization while (66) respondents representing (30%) respondents strongly disagreed to the idea.

#### **4.3 ANALYSIS BASED ON SPECIFIC RESEARCH HYPOTHESES**

In analyzing the hypotheses, stated earlier in the chapter three (3) made use of the chi-square. The formula is re-stated as follows:

$$X^2 = \frac{\sum(O - E)^2}{E}$$

Where  $X^2$  = chi-square value

O = Observed frequency

E = Expected frequency

The observed frequency (O) is derived from the responses from the questionnaires, while the expected frequency (E) is obtained thus:

$$E = \frac{CT \times RT}{GT}$$

Where E = Expected frequency.

CT = Column total responses

RT = Row total responses

GT = Grand total responses

Assumptions: Level of significance = 0.05

The degree of freedom (df) is calculated as follows:

$$Df = (R - 1)(C - 1)$$

Where R = Number of rows

C = Number of columns

### **Decision Rule:**

- i. Reject  $H_0$ : (null hypothesis) if the calculated value  $x^2$  is greater than the critical value of  $x^2$ .
- ii. Accept  $H_0$ : (null hypothesis) if the calculated value of  $x^2$  is less than the critical value of  $x^2$ .

Put differently, Reject  $H_0$  if  $x^2_C \geq x^2_t$

Accept  $H_0$  if  $x^2_C \leq x^2_t$

### **Testing the Hypothesis**

#### **HYPOTHESIS ONE**

$H_0$ : Business organisation cannot carry out a successful social responsibility practice.

Solution

TABLE 4.9

Determination of calculated value of  $\chi^2$  using table 4.2

Cells	O	E	(O-E)	(o - e) <sup>2</sup>	(O - E) <sup>2</sup> /E
1	24	28.75	-4.75	22.56	0.78
2	50	54.95	-4.95	24.50	0.45
3	112	102.3	9.7	94.09	0.92
4	7	3.55	3.45	11.90	0.35
5	10	6.80	3.2	10.24	1.51
6	6	12.65	-6.65	44.22	3.50
7	3	1.7	1.3	1.69	0.99
8	5	3.25	1.75	3.06	0.94
9	3	6.05	-3.05	9.30	1.54
	220	220			13.99

**SOURCE:** Field Survey, 2013

The calculated value for  $\chi^2$  is 13.99. To complete the expected frequencies above, the formula

$$E = \frac{CT \times RT}{GT} \quad \text{Was used}$$

Where E = Expected frequency

CT = Column total

RT = Row total

GT = Grand total

Using the formula above, we complete that

$$\text{Cell 1} = \frac{34 \times 186}{220} = 28.75$$

$$\text{Cell 2} = \frac{65 \times 186}{220} = 54.95$$

$$\text{Cell 3} = \frac{121 \times 186}{220} = 102.3$$

$$\text{Cell 4} = \frac{34 \times 23}{200} = 3.55$$

$$\text{Cell 5} = \frac{65 \times 23}{220} = 6.80$$

$$\text{Cell 6} = \frac{121 \times 23}{200} = 12.65$$

$$\text{Cell 7} = \frac{34 \times 11}{220} = 1.7$$

$$\text{Cell 8} = \frac{65 \times 11}{220} = 3.25$$

$$\text{Cell 9} = \frac{121 \times 11}{220} = 6.05$$

Determination of the critical value of  $X^2$  using table 4.2

Looking at the table, it has (3) columns and three (3) rows. Therefore, the degree of freedom (d.f) is four (4) given that

$$\text{d.f} = (r-1) (c-1)$$

$$(3-1) (3 - 1)$$

$$2 \times 2 = 4$$

∴ at 0.05% level of significance is 9.49. Therefore, critical value of  $\chi^2 = 9.49$ .

**Decision Rule:** The null hypothesis is accepted if the calculated value of chi-square ( $\chi^2$ ) is less than the critical value otherwise, we reject the null hypothesis and accept the alternative.

In this case however, the calculated  $\chi^2$  value is greater than the critical values. Therefore, we reject the null hypothesis and adopt the alternative hypothesis which states that: business organization can significantly carry out a successful social responsibility practice.

## HYPOTHESIS TWO

Ho: Business social responsibility should not be legalized.

Solution:

Determination of calculated value of  $\chi^2$  using table 4.4

Cells	O	E	(O-E)	(o - e) <sup>2</sup>	(O - E) <sup>2</sup> /E
1	27	25.04	1.96	3.84	0.15
2	56	47.86	8.14	66.26	1.38

3	79	89.1	-10.1	102.01	1.14
4	4	7.11	-3.11	9.67	1.36
5	6	13.59	-7.59	57.60	4.24
6	36	25.3	10.7	114.49	4.53
7	3	1.85	1.15	1.32	0.71
8	3	3.55	-0.55	0.30	0.08
9	6	6.6	-0.6	0.36	0.10
	220	220			13.69

Sources: Field survey, 2013.

The calculated value for  $\chi^2$  is 13.69. To compute the expected frequencies above, using table 4.4, the formula

$$E = \frac{CT \times RT}{GT} \quad \text{was used}$$

Where E = Expected frequency.

CT = Column total

RT = Row total

GT = Grand total

Using the aforesaid formula, we compute that:

$$\text{Cell 1} = 34 \times 162 = 25.04$$

$$\text{Cell 2} = \frac{65 \times 186}{220} = 47.86$$

$$\text{Cell 3} = \frac{121 \times 186}{220} = 89.1$$

$$\text{Cell 4} = \frac{34 \times 23}{200} = 7.11$$

$$\text{Cell 5} = \frac{65 \times 46}{220} = 13.59$$

$$\text{Cell 6} = \frac{121 \times 46}{200} = 25.3$$

$$\text{Cell 7} = \frac{34 \times 12}{220} = 1.85$$

$$\text{Cell 8} = \frac{65 \times 12}{220} = 3.85$$

$$\text{Cell 9} = \frac{121 \times 12}{220} = 6.6$$

Determination of the critical value of  $x^2$  using the same table 4.4

Looking at the table, it has three (3) columns and three (3) rows.

Therefore, the degree of freedom (d.f) = four (4) given that

$$d.F = (r - 1) (c-1)$$

$$(3-1) (3-1)$$

$$2 \times 2 = 4$$

Thus, at 0.05%. confidence level, the critical value of  $x^2$  give that degree of freedom (d.f) is 4 will be 9.49.



Decision Rule: The null hypothesis is accepted if the calculated value of chi-square ( $\chi^2$ ) is less than the critical value otherwise, we reject the null hypothesis and accept the alternative.

In this case, also the calculated value is greater than the critical value. Therefore, we reject the null hypothesis and accept the alternative hypothesis which states that!

Business social responsibility practice should be legalized.

### **HYPOTHESIS THREE**

Ho: social responsibility practice cannot be achieved in any form.

Solution:

TABLE 4.11

Determination of calculated value of  $\chi^2$  using table 4.5

Cells	O	E	(O-E)	(o - e) <sup>2</sup>	(O - E) <sup>2</sup> /E
1	4	4.48	-0.48	0.23	0.05
2	10	8.57	1.43	2.04	0.24
3	15	15.95	-0.95	0.90	0.06
4	19	22.56	-5.56	30.91	1.37
5	38	43.14	-5.14	26.42	0.61
6	91	80.3	10.7	114.49	1.43

7	6	2.78	3.22	10.37	3.73
8	9	5.32	3.68	13.54	2.55
9	3	9.9	-6.9	47.61	4.81
10	2	0.93	1.07	1.14	1.23
11	3	1.77	1.23	1.15	0.85
12	1	3.3	-2.3	5.29	1.60
13	5	3.09	1.91	3.65	1.18
14	5	5.91	-0.91	0.83	0.14
15	10	11	-1	1	0.09
16	0	0.15	-0.15	0.02	0.15
17	0	0.29	-0.29	0.08	0.29
18	1	0.55	0.45	0.20	0.37
	220	220			20.75

Source: Field Survey, 2013.

Therefore, the calculated value for  $\chi^2 = 20.75$ . To compute the expected frequencies above, using table 4.5 the formula,

$$E = \frac{CT \times RT}{GT} \quad \text{was used}$$

Where E = Expected frequency

CT = column total

RT = Row total

GT = Grand total

$$\text{Cell 1} = \frac{34 \times 29}{220} = 4.48$$

$$\text{Cell 2} = \frac{65 \times 29}{220} = 8.57$$

$$\text{Cell 3} = \frac{121 \times 29}{220} = 15.95$$

$$\text{Cell 4} = \frac{34 \times 146}{200} = 22.56$$

$$\text{Cell 5} = \frac{65 \times 146}{220} = 43.14$$

$$\text{Cell 6} = \frac{121 \times 146}{200} = 80.3$$

$$\text{Cell 7} = \frac{34 \times 18}{220} = 2.78$$

$$\text{Cell 8} = \frac{65 \times 18}{220} = 5.32$$

$$\text{Cell 9} = \frac{121 \times 18}{220} = 9.9$$

$$\text{Cell 10} = \frac{34 \times 6}{220} = 0.93$$

$$\text{Cell 11} = \frac{65 \times 6}{200} = 1.77$$

$$\text{Cell 12} = \frac{121 \times 6}{220} = 3.3$$

$$\text{Cell 13} = \frac{34 \times 20}{220} = 3.09$$

$$\text{Cell 14} = \frac{65 \times 20}{220} = 5.91$$

$$\text{Cell 15} = \frac{121 \times 20}{200} = .11$$

$$\text{Cell 16} = \frac{34 \times 1}{220} = 0.15$$

$$\text{Cell 17} = \frac{65 \times 1}{220} = 0.29$$

$$\text{Cell 18} = \frac{121 \times 1}{220} = 0.55$$

Determination of critical value of  $X^2$  using the same table 4.5.

Looking at the table, it has six (6) row and three (3) columns.

Therefore the degree of freedom (d.f) is ten (10) given that:

$$\begin{aligned} \text{d.f} &= (r - 1)(c - 1) \\ &= (6 - 1)(3 - 1) \\ &= 5 \times 2 = 10 \end{aligned}$$

Thus, at 0.05% confidence level, the critical value of  $x^2$  given that degree of freedom (d.f) is 10 will be 18.31.

**Decision Rule:** Reject the  $H_0$  (null hypothesis) sin the calculated value of  $x^2$  is greater than the critical value.

**Inference:** Since the calculated value is greater than the critical value, the alternative.  $H_1$  is accepted which says that: social responsibility practice can reasonable be achieved in different

## HYPOTHESIS FOUR

$H_0$ : There is no place to source fund for carrying out social responsibility practice.

Solution:

Table 4.12

Determination of calculated value of  $\chi^2$  using table 4.6

Cells	O	E	(O-E)	$(o - e)^2$	$(O - E)^2/E$
1	0	0.31	-0.31	0.09	0.31
2	0	0.59	-0.59	0.35	0.59
3	2	1.1	0.9	0.81	0.74
4	9	5.25	3.75	14.06	2.68
5	15	10.25	4.95	24.50	2.44
6	10	18.7	-8.7	75.69	4.05
7	21	25.5	-4.5	20.25	0.79
8	43	48.75	-5.75	33.06	0.68
9	101	90.75	10.25	105.06	1.16
10	4	2.94	1.06	1.12	0.38

11	7	5.61	1.39	1.93	0.34
12	8	10.45	-2.45	6.00	0.57
	220	220			14.73

Source: field survey, 2013

Therefore, the calculated value for  $\chi^2 = 14.73$ . To compute the expected frequencies above, the same formula used earlier was applied, using the same table 4.6, the formula

$$E = \frac{CT \times RT}{GT}$$

Where E = Expected frequency

CT = Column total

RT = Row total

GT = Grand total

Using the formula, we compute that

$$\text{Cell 1} = \frac{34 \times 2}{220} = 0.31$$

$$\text{Cell 2} = \frac{65 \times 2}{220} = 0.59$$

$$\text{Cell 3} = \frac{121 \times 29}{220} = 15.95$$

$$\text{Cell 4} = \frac{34 \times 2}{200} = 1.1$$

$$\text{Cell 5} = \frac{65 \times 34}{220} = 10$$

$$\text{Cell 6} = \frac{121 \times 34}{200} = 18.7$$

$$\text{Cell 7} = \frac{34 \times 165}{220} = 25.5$$

$$\text{Cell 8} = \frac{65 \times 165}{220} = 48.75$$

$$\text{Cell 9} = \frac{121 \times 165}{220} = 90.75$$

$$\text{Cell 10} = \frac{34 \times 19}{220} = 2.94$$

$$\text{Cell 11} = \frac{65 \times 19}{200} = 5.61$$

$$\text{Cell 12} = \frac{121 \times 19}{220} = 10.45$$

Determination of critical value of  $\chi^2$  using same table 4.6

The table 4.6 has four (4) rows and three (3) columns. Therefore, the degree of freedom (d.f) is five (5) given that

$$\text{d.f} = (r - 1) (c - 1)$$

$$(4 - 1) (3 - 1)$$

$$3 \times 2 = 5$$

Thus, at 0.05% confidence level, the critical values of  $\chi^2$  given degree of freedom (d.f) is five (5) will be 11.07.

Decision Rule: Reject the  $H_0$  (null hypothesis) since the calculated value of  $\chi^2$  is greater than the critical value.

Inference: since the calculated value is greater than the critical value,  
the alternative hypothesis

H<sub>i</sub>: is taken which say that: These are sources of funds for financing  
social responsibility practice.



## **CHAPTER FIVE**

### **SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS.**

After statistically analyzing the appraisal of social responsibility practice by Anambra Motor Manufacturing Company Emene, Enugu, the following comprise the major findings of the study.

#### **5.1 SUMMARY OF FINDINGS**

First of all, the study showed that business organisation can significantly carry out a successful social responsibility practice. This is shown by the 84.59, response rate, among the three (3) categories of staff as clearly indicated in table 4.2.

Secondly, the study revealed that social responsibility programmes should be significantly legalized so as to compel corporate organisation into rendering social services to the environment in which they operate. This is shown by the 73.6% of the respondents supporting the idea in table 4.4.

Also, the study further revealed in table 4.5 that social responsibility practice by organisation can reasonably be achieved in different firms, particularly in provision of cheap and quality goods and services which attracted the highest response rate of 66.4% of the respondents. Other areas where business social responsibility can be charity and pollution control

which gained the support of 8.2%, 2.7% and 9% of the respondents respectively. Profit making is not equally left out as 13.2% of the respondents, are of the view that profit making also counts among social responsibility practice.

As for where should funds be sourced for financing social responsibility programmes should be obtained, 75% of the respondents opined that funds for carrying out social responsibility can be researching be obtained from retained earning after tax as shown in table 4.6.

On when should business organisation be society responsible, 84.1% of the respondents in table 4.7 stated that business organisation should be socially responsible at all times.

Finally, the study further revealed that all incorporated firms no matter their size should execute social responsibility programme. In table 4.8, 36.4% of the respondents supported this assertions when they disagreed that business should not only focus its attention on only profit making but should extent its activities to solving social problems.

## 5.2 CONCLUSION

Nigeria Corporate Organisation have to a large extent been involved in execution of social responsibility programme is a bid to be socially responsible.

In this regard, corporate organizations have generally satisfied social expectations. Programmes undertaken consist mainly of providing cheap goods and services and profit meaning. Very few organizations have involved themselves in activities as moral issues anti corruption and anticrime crusades. Instead they concentrated on the provision of cheap quality goods and services and profit making.

This however, is not sufficient corporate organisation should as a matter of importance began to engage more in pollution control emanating from industrial toxic wastes of all kinds. Carrying out research studies especially into economic matters is not left out. This is important because it is a means of exposing business opportunities. It is necessary also because of the increasing awareness and sophistication of the Nigerian population. Business organization must be ready to more than ever to be able to gauge society expectations. Corporate organisation should not, however, get carried away by the virtue of being socially responsible. It is a truism that business can play an important role in the non-economic sphere but, this can

be better achieved if business organisation do not forget the primes and original aim of business performance should equally extend it's tentacles to solving social problems.

### **5.3 RECOMMENDATIONS**

In view of the findings of the study, the following recommendations are made.

1. Nigeria firms especially the smaller one should change their present attitude and become are involved in social issues, because times are changing and opinions are equally changing especially as more people get educated, demand for them to get involve will also increase.
2. In getting involved in social issues, the firms should not forget the original and major aim of the business by ensuring its growth and prosperity. In making decision on social responsibility, economic efficiency should be the watch word.
3. Business has to develop a code of ethics. This becomes essential when one considers what respondents say in the affirmative about the decision of business pertaining the issues of social responsibility.

4. Business organizations are creatures of society; therefore, they should reciprocate by being socially responsible to the society because, it is normal and right thing to do.

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## APPENDIX I

Dept. of Business Administration,  
Caritas University,  
Amorji-Nike.  
Emene.  
Enugu.

Dear Respondent,

I am an under graduate of the above named institution carrying out a research work on the topic entitle “An appraisal of Social Responsibility Practice by Corporate Organization in Enugu state”. The objective of this questionnaire is to collect data relevant to the study.

Your assistance is therefore, being solicited for by answering the attached questions as unbiased as possible. Your idealities and response will be treated with utmost confidence as it is merely for academic purpose only.

Thanks for your anticipated co-operation.

Yours sincerely,

**Anagoba Jane .A.**



## APPENDIX II

### INSTRUCTION:

Please tick ( ✓ ) in the box that which is in line with the answer of your choice. Although, a high degree of fairness is required in your response, no response is either absolutely wrong or correct.

### PART 1: PERSONAL DATA

#### 1. Age:

(a) Sex: Male

Female

#### 2. Educational qualification

(a) Primary six

(b) W.A.E.C

(c) N.C.E, OND

(a) Graduate/ HND

#### 3. Length of Service

(a) Below 5 yrs.

(b) 6-10 yrs.

(c) 11- 15 yrs.

(d) Above 15 yrs.

### PART II: QUESTIONNAIR

1. Do you think that corporate organization should engage in non-economic activities?

(a) Yes  (b) No  (c) None of the above

2. If yes, please list some social responsibility program executed by your organization.

(a) .....

(b) .....

(c) .....

(d) .....

3. Are you aware that their exit some federal Government legislation aimed at compelling business, sectors to be socially responsible?

Yes  No

4. If yes, mention at least three (3)

(a) .....

(b) .....

(c) .....

5. If social responsibility practice is necessary, do you think that it should be legalized?

(a) Yes

(b) No

(c) No idea

6. The following are some of the areas which business firms have been asked to pay special attention, please think all does you consider within that sphere of business.

(a) Making profit

(b) Providing cheap and quality goods and services

(c) Giving scholarship

(d) Donation of charity

(e) Pollution control

(f) Providing funds for research

7. Please, list three of the areas above you consider the most important (in order of important)

(a) .....

(b) .....

(c) .....

8. If firm should be “socially responsibly”, where should funds be sourced to finance it.

- (a) From operating cost
- (b) Profit before tax
- (c) Retain earning after tax
- (d) Dividend allowance

9. When should business be “ Socially responsibly”

- (a) At all times
- (b) Only when business is making profit
- (c) Only during period of economic boom

10. The only special responsibility of business is to make as much profit as possible.

- (a) Strongly agree
- (b) Agree
- (c) No idea
- (d) Disagree
- (e) Strongly disagree