# Chapter 8
# Corporate Leaders' Perceptions About Corporate Social Responsibility: An Exploratory Analysis

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**Abstract** This paper examines the perceptions about corporate social responsibility (CSR) among a sample of corporate leaders in Africa. A survey and personal interviews were the primary methods of data collection. Our findings show that respondents were able to identify a range of parameters and stakeholders pertaining to CSR; actual practice tended to revolve around the philanthropic dimension. Corporate leaders were motivated by different factors to practice CSR, which we saw as being driven by either a proactive, accommodative, or reactive approach. We also found that the lack of commitment among some leaders in evaluating CSR practices might have been because they do not have clear definition of CSR goals. Based on our findings, we offer suggestions on how to evaluate CSR activities and how different stakeholders can help promote CSR.

## 8.1 Introduction

The idea of corporate social responsibility began during the 1960s, at a time when businesses were growing in size and power (Lantos, 2001; Sriramesh, Ng, Soh, & Luo, 2009). Since then, increases in unethical conduct of companies worldwide have heightened public awareness of the perils involved in the pursuit of economic profitability and power (Sriramesh et al., 2009). More recently, we have witnessed some of the most highly visible corporate scandals such as Enron, WorldCom, Nike, and Shell suffering the loss of public confidence after widespread publicity of

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their disreputable conduct. The collapse of leading companies such as Enron and WorldCom, which affected tens of thousands of people, has also raised many questions regarding corporate practices and credibility and has shaken public confidence in corporations. There has been a growing interest in investigating the perceptions of top management concerning CSR and the actions they may be likely to take regarding socially responsible issues. Keith Davis (1973), for example, has laid the groundwork for researchers to assess attitudes of managers toward CSR, stressing a number of arguments for and against the idea of businesses conducting social responsibility. Other researchers have also argued that studies of managerial attitudes towards CSR should be conducted (Davis, 1973; Quazi & O'Brien, 2000; Rashid & Ibrahim, 2002; Wood, 1991). An examination of managers' perceptions of CSR may provide an indication of the managers' inclination to respond in a particular way to CSR programs.

Research on CSR practices has been primarily conducted on the Western developed economies of North America and Europe. Regrettably, very little research has been devoted to CSR practices in Africa. Nigeria as a non-Western economy with a distinctive culture and growing economy provides a unique opportunity to examine CRS practices. The purpose of this study, therefore, is to investigate the perceptions about corporate social responsibility (CSR) among a sample of corporate leaders in Nigeria. Findings of this exploratory study could assist in bridging the gap on this important topic and provide an awareness of how CSR activities are viewed in a non-Western environment.

## 8.2 Defining CSR

Although CSR is not a new concept, it remains an emerging concept for scholars and practitioners, and has been a disputed issue for corporate leaders and stakeholders. Because of different definitions, and often complicated by varying use of terminologies used to describe CSR, the concept has led to the development of a variety of definitions and practices (Crane & Matten, 2004; Fairbrass et al., 2005; Freeman, 1984; Habisch & Jonker, 2005; Welford, 2004). A major challenge in this emerging field is that there is no universally accepted definition of the concept. Here are some definitions of CSR:

> *CSR is the obligation of businessmen to pursue those policies, make those decisions, or follow those lines of action that are desirable in terms of the objectives and values of our society (Bowen, 1953).*
>
> *The World Business Council for Sustainable Development (WBCSD) defines CSR as the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workers and their families as well as of the local community and society at large (WBCSD, 2012).*
>
> *Carroll defines social responsibility of business as encompassing the economic, legal, ethical, and discretionary expectations that society has of organizations at a given point in time (Carroll, 1979).*

*The Commission of the European Communities (2001, 2002) defines CSR as corporations being held accountable by explicit or inferred social contract with internal and external stakeholders, obeying the laws and regulations of government and operating in an ethical manner.*

## 8.3 Corporate Social Responsibility Perspectives

### *8.3.1 Economic Perspectives*

Contrary to the proponents of the business and society approach, classical economists separated social functions from economic functions, asserting that businesses have the basic responsibility of maximizing profits for their owners or shareholders. For example, Adam Smith (1863, as cited in Lantos, 2001), perhaps the first to espouse the market value maximization perspective, argues that by pursuing profits, corporations produce the greatest social good because the invisible hand of the capitalist market ultimately will help to solve society's problems. Lantos (2001) used the term Economic CSR to refer to profit-oriented CSR activities, which absolves corporations from social contribution because they pay taxes and wages to employees rather than enslaving them (Marcoux, 2000). Some economists have gone so far as to argue that the only social responsibility corporations have is to obey the law (Carr, 1996). Similarly, Friedman (1970) offers the dominant and well-known view representing the economic approach separating social functions from business functions when he argues that the business of business is business (Klonoski, 2001). On the other hand, there are scholars who argue that there is no more powerful institution in society than business and that the business of business should not be solely about money, but should be about responsibility; it should be about public good, not private greed (Roddick, 2000). However, Friedman (1970) recognizes a spectrum of moral and ethical responsibility, positing that the social responsibility of corporations is to make as much money as possible while conforming to the basic rules of society, both those embodied in law and those embodied in ethical custom.

### *8.3.2 Ethical Perspectives*

Ethical responsibility includes standards, norms, or expectations that reflect a concern for what consumers, employees, shareholders, and the community regard as fair, just, or in keeping with the respect or protection of stakeholders' moral rights (Carroll, 1991). It also includes dealing honestly with partners, providing products and services as promised, and fully disclosing all necessary information (Victor, 2012). In the planning process, corporations must think about setting rules to govern their business practices and to protect the corporation, employees, and shareholders. This is usually done by establishing ethical codes of conduct. The Caux ethics is a system of principles designed to help organizations establish ground rules for ethical practice. The first principle is to the responsibility of businesses beyond shareholders toward stakeholders and states that businesses have a role to play in improving the lives of all their customers, employees, and shareholders by sharing with them the wealth they have created (Bateman & Snell, 2007). Employees, customers, the community, and shareholders are generally responsible for the success or failure of a business. Ethical companies need to balance their responsibilities to these groups, especially when they conflict. Of these four groups, the shareholders are generally the least important, especially for public companies, even though the responsibility to the shareholders is often cited as a company's reason for taking a particular action as opposed to another.

### *8.3.3 Legal Perspectives*

The legal responsibility of business refers to the obligations put on businesses by the laws and regulations of the society in which it operates (Carroll & Shabana, 2010). With respect to the scope of legal responsibility, some advocate its expansion to encompass more regulation. They assert that regulation is necessary for the fulfillment of CSR. For example, De Schutter (2008) argues that the business case for CSR rests on certain presuppositions about markets and the business environment that cannot be simply assumed, but should be positively created by a regulatory framework for CSR. Others oppose such claims and state that engagement in CSR activities and management of stakeholder relations should continue to remain voluntary. For example, Phillips, Freeman, and Wicks (2003) reject the claim that stakeholder theory, which contends that firm performance is influenced by the firm's management of its relationships with its stakeholders, promotes expanding or changing laws and regulations. They argue that stakeholder theory does not require a change in the law to remain viable (Phillips et al., 2003). The two opposing camps continue to present their arguments to justify the need for the expansion or contraction of the legal requirements imposed on business. Supporters of regulation question the ability of the free market mechanism to support CSR activities (Valor, 2008; Williamson, Lynch-Wood, & Ramsay, 2006). They claim that market failure and the business environment are not rewarding firms engaging in CSR activities. In contrast, opponents of regulation argue that the free market mechanism promotes the interest of individuals and, in turn, society by rewarding CSR activities that are actually favored by individuals.

### 8.3.4 Philanthropic Perspectives

Charitable responsibility includes those corporate activities that are in response to a community's expectation that businesses should be good corporate citizens; this involves actively engaging in programs to promote human welfare (Carroll, 1991). The major difference between philanthropy and ethical responsibility is that the former is not expected in an ethical or moral sense. For instance, communities want corporations to contribute their money, facilities, and employee time to humanitarian programs, but they do not regard the firms as unethical if they do not provide the desired level. Hence, philanthropy is more charitable on the part of businesses; however, there is always the societal expectation that businesses provide it (Carroll, 1991).

## 8.4 Research Questions

Based on our review of the relevant literature, the following research questions were created to guide our study:

*RQ 1: What are the current perceptions of CSR among corporate leaders in Nigeria?*
*RQ2: What activities do corporations conduct in the name of CSR?*
*RQ3: What motivates corporations to practice CSR?*
*RQ4: Which stakeholders do these corporations perceive to be important?*
*RQ5: What resources are allocated for their CSR programs?*
*RQ6: What benefits have these corporations achieved in their CSR initiatives?*
*RQ7: How do corporations communicate their CSR-related messages to their stakeholders?*

### 8.4.1 Methodology

This study used quantitative and qualitative methods in an effort to increase its validity by comparing multiple forms of data and seeking convergence in the findings (Lindlof & Taylor, 2002). Using a questionnaire survey and in-depth interview methods have been described by researchers as methodological pluralism, and have been used in conducting research related to developing countries (Ibeh & Young, 2001). This method helps to prevent some of these challenges such as the inadequate postal and internet systems and provides rich data and neutralizes the biases inherent in an individual method, thereby enhancing the study's reliability (Okpara & Wynn, 2008; Miles & Huberman, 1994).

## *8.4.2 Research Survey*

### 8.4.2.1 Sample

The data were collected in the winter of 2012. The sample was composed of firms listed in the Business Directory of Nigeria. The firms identified from the list were personally visited or contacted by telephone for permission to participate in the study. The firms that agreed to take part in the study formed the research sample. To avoid losses and delays due to the unreliable internet and postal system in Nigeria, a drop-off and pick-up method was used (Ibeh, 2004; Yavas, 1987). This method ensured reliable distribution and collection procedures, which were systematic and controlled by the researchers. A total of 300 questionnaires were distributed and 198 were returned, representing a 66 % response rate. The sample comprised an almost equal number of large corporations (51 %) and SMEs (49 %). We labeled corporations with more than 200 employees as "large." Of the 35 corporations that participated in the study, 39 % were domestic and 60 % multinational. These corporations represented various industries, although the majority was from the service (20 %), manufacturing (18 %), and banking and finance (16 %) sectors, in keeping with the economic landscape of Nigeria.

### 8.4.2.2 Survey Instrument

The survey instrument used in this study was based on measures used previously in the CSR literature (Carroll, 1991; Freeman, 1984) as well as industry insights from the UN Global Compact. The survey instrument asked questions about their perceptions regarding CSR. Most questions were asked using the five-point Likert scale. Factor and reliability analyses were employed to assure construct validity of the measures for industries selected. All measures were also examined and verified for face validity by six industry executives who are experienced in CSR practices, and six university professors who are published authors and have experience teaching and consulting in CSR. Sample questions asked include: Is it important to be committed to being as profitable as possible?; Is it important to be a law-abiding corporate citizen?; Is it important that a successful corporation be defined as one that fulfills its legal obligations?; Is it important to perform in a manner consistent with expectations of societal morals and ethical norms?

### 8.4.2.3 Interview Method

In the second stage of data collection, we conducted in-depth telephone interviews with 15 corporate executives to seek insights on their CSR practices. According to Dexter (1970), this type of interview with those who are influential, prominent, and well informed in their fields is known as an elite interview. In these elite interviews, interviewees are not subject to standardized questioning but are allowed to introduce "their notions of what they regard as relevant, instead of relying upon the investigator's notions of relevance." We found this approach useful because these elites were able to elaborate on the position of CSR in their companies.

## 8.5 Findings

Table 8.1 shows the means and standard deviations of perceived factors of CSR. For example, complying with laws and regulations (M = 4.55, SD = 0.65), business ethics (M = 4.50, SD = 0.61), profitability (3.02, SD = 0.73), accountability and disclosure (M = 4.32, SD = 0.66), quality of products and services (M = 4.60, SD = 0.65), the environment (M = 3.36, SD = 0.75), health and safety (M = 4.01, SD = 0.56), labor practices (M = 3.56, SD = 0.62) human rights (M = 4.38, SD = 0.67), charitable contributions (M = 3.31, SD = 0.69) community involvement (M = 4.61, SD = 0.49), and sustainability (M = 3.28, SD = 0.50) were listed as the most significant factors.

The interviewees expressed mixed sentiments towards profitability. A few interviewees did not think that being profitable is a part of a corporation's social responsibility. One interviewee commented that "being profitable is the basic requirement of any company that exists in the economy." According to this interviewee, it would be too "narrow-minded" to consider profitability as being part of CSR. Some other interviewees, however, felt that profitability is an essential part of CSR. One interviewee felt that his corporation has to be profitable "to run the company efficiently... improve the system... be responsible to his shareholders... employees... contribute to the community." More than half (57 %) of the corporate leaders felt that CSR should be recognized as a core business function while almost three-quarters (74 %) agreed that social responsibility should be a consideration when formulating corporate strategies.

Our findings also suggest that managers acknowledged that CSR should be an integral part of business. Yet nearly half (49 %) agreed that CSR is largely a publicity issue. We asked about the appropriateness of using CSR to gain publicity. While some respondents felt corporations should not leverage CSR activities for publicity purposes, others stated that the benefits derived from these activities are more important than the intended motives. One interviewee explained: "We don't mind companies doing CSR for publicity. That's okay as long as they are doing something good. Who knows? Maybe after coming out to do something and having felt good, they might continue to do it." As for the need to regulate CSR, 46 % of the respondents agreed that CSR should be completely voluntary and not governed by any law or regulation.

A few interviewees felt that CSR should "come from the heart" rather than merely complying with government regulations or legislations. A manager from an MNC commented that CSR is not about what the government sees as right or wrong, saying, "It's not what the government should do but what companies should

**Table 8.1** Means and standard deviations of variables of CSR (n = 198)

| CSR dimensions | Mean | SD |
|---|---|---|
| Compliance with all laws and regulations | 4.55 | 0.65 |
| Business ethics | 4.50 | 0.61 |
| Profitability | 3.02 | 0.73 |
| Corporate governance | 4.21 | 0.58 |
| Accountability and disclosure | 4.32 | 0.66 |
| Anti-corruption | 4.58 | 0.54 |
| Quality of products and services | 4.60 | 0.65 |
| Environment | 3.36 | 0.75 |
| Health and safety | 4.01 | 0.56 |
| Labor practices | 3.56 | 0.62 |
| Non-discrimination/equal opportunity | 4.59 | 0.53 |
| Human rights | 4.38 | 0.67 |
| Charitable contributions | 3.31 | 0.69 |
| Community involvement | 4.61 | 0.49 |
| Sustainability | 3.28 | 0.50 |

do... It is not about just operating within the rules." An interesting issue that emerged during the interviews was the balance between profitability and CSR, and whether corporations need to be profitable before engaging in CSR actions. A majority of interviewees perceived profitability as a pre-condition before their corporations could commit resources to CSR. The owner of an SME felt that it is understandable for corporations to put profitability as the top priority, as "every business wants their company to be as profitable as possible." Another common sentiment echoed by the respondents was that CSR should be placed at the higher end of the "hierarchy of needs," which would be considered only if a corporation is profitable. On the other hand, a few interviewees felt that CSR does not necessarily have to come only after profitability, as indicated by one interviewee: "It is acceptable to aim to be profitable, but you don't have to wait to do CSR. It has to be in the corporation's roots and culture and thus CSR has to start from the first day. Your main objective can be to increase profits and sub-objective to be a socially responsible corporation. This is regardless of your size or industry or development stage."

Table 8.2 shows activities conducted by corporations in the name of CSR. Of the 35 corporations surveyed, 32 (91 %) engaged in CSR-related activities, as defined by their own notions of CSR. The most commonly performed activities were charitable donations (87 %), employee welfare and training programs (96 %), and community projects (98 %). These findings were confirmed by many interviewees who discussed philanthropic activities as CSR efforts before any prompting by the interviewer. Some interviewees felt that CSR is simply a new way to label some of the philanthropic functions that have been traditionally practiced by corporations. One interviewee perceived CSR as basically involving altruistic actions: "When I see this term, CSR, what comes to my mind are mainly donations, or some charitable work for the society, doing something other than directly involved in the profitability of the company." Interestingly, some interviewees disagreed that philanthropy should be a major aspect of CSR, even though they acknowledged it as a commonly practiced activity in Nigeria. One interviewee commented that "companies tend to see CSR as donating money to charities and putting out a statement so that people know they have done it, and that is a very short-term view...that is not CSR; that is just philanthropic, that is just contributions." Our interviews also revealed that the type of CSR activities conducted was closely linked with the nature of the corporation. Size and industry of the corporations, too, were considered to be important determinants of the type of CSR activities those corporations practiced. One SME interviewee expressed concern over the applicability of the various CSR parameters to smaller corporations, which are generally less concerned with community relations and global outreach. An interviewee from an engineering corporation commented that "Business-to-Business corporations have fewer incentives to practice CSR because their clients are unlikely to appreciate their investment in CSR efforts."

With regard to motives, our findings show that the top three motivators were: enhance reputation ($M = 4.80$, $SD = 0.90$), attract investors ($M = 4.53$, $SD = 0.70$), and enhance community trust and support ($M = 4.80$, $SD = 0.90$). The results suggest that our sample of corporations consider CSR to be vital for a corporation's survival. In addition, the focus on enhancing reputation and community support indicates that the corporations in the sample were receptive to the business and society approach reviewed earlier in this paper. Interestingly, our interviewees were more inclined to value external and disciplinary motivators such as "consumer pressure," "government guidelines," and "crisis prevention." Interviewees also generally agreed that corporations should not be considered separate from the community, regardless of whether a corporation is local or multinational. One interviewee summed up these sentiments: "We realize that we are part of the world; an organization doesn't exist in isolation... For any company to go on as a perpetual entity, whoever is holding the fort needs to ensure that the economy and the world it operates in continue to be a safe environment."

Economic motivators align a corporation's CSR efforts with potential financial returns. The relatively low average mean of the three motivators ($M = 3.68$) implies that most corporations in the sample did not practice CSR for bottom-line reasons. Although most corporations considered all the motivators listed as essential, motivators aligned with corporate agenda ranked among the lowest in importance. External pressures ($M = 3.20$, $SD = 0.811$) was considered a less important motivator. Only 35 % of respondents agreed that external pressures coming from NGOs, government, media, consumers, and community are important in motivating CSR practices. This finding is consistent with the relatively low level of civil activism prevalent in Nigeria. The executives of the corporations in the sample were divided on whether government regulation should be considered as a CSR motivator. Almost half of them (49 %) indicated a neutral stand toward government intervention. It is important to note that the mean ($M = 2.87$) indicated that the other half of the sample corporations did not consider government regulation as a motivational factor (Table 8.3).

**Table 8.2** Means and standard deviations of CSR activities

| CSR dimensions | M | SD | % |
|---|---|---|---|
| *Economic components (responsibilities)* | | | |
| It is important to perform in a manner consistent with maximizing profit | 3.40 | 0.55 | 98 |
| It is important to be committed to being as profitable as possible | 3.49 | 0.54 | 96 |
| It is important that a successful corporation be defined as one that is profitable | 3.20 | 0.38 | 86 |
| *Legal components (responsibilities)* | | | |
| It is important to comply with various government regulations and laws | 3.91 | 0.33 | 99 |
| It is important to be a law-abiding corporate citizen | 3.93 | 0.30 | 99 |
| It is important to provide goods and services that meet minimal legal requirements | 3.88 | 0.35 | 98 |
| *Ethical components (responsibilities)* | | | |
| It is important to perform in a manner consistent with expectations of societal ethical norms | 4.43 | 0.30 | 98 |
| It is important to prevent ethical norms from being compromised in order to achieve corporate goals | 4.40 | 0.29 | 98 |
| It is important that good corporate citizenship be defined as doing what is expected ethically | 3.31 | 0.38 | 93 |
| It is important to recognize that corporate integrity and ethical behavior go beyond mere compliance with laws and regulations | 3.87 | 0.40 | 97 |
| *Philanthropic components* | | | |
| It is important to perform in a manner consistent with the philanthropic expectations of society | 3.52 | 0.45 | 88 |
| It is important that managers and employees participate in voluntary and charitable activities within their local communities | 3.52 | 0.45 | 87 |
| It is important to assist voluntarily those projects that enhance a community's "quality of life" | 4.32 | 0.43 | 98 |

**Table 8.3** Motivations for practicing CSR (n = 198)

| Variable | M | SD | % |
|---|---|---|---|
| Increase profits | 3.68 | 0.78 | 90 |
| Long-term sustainability | 4.35 | 0.86 | 96 |
| Company tradition | 3.80 | 0.83 | 92 |
| Recruit/retain employees | 4.02 | 0.77 | 94 |
| Attract investors | 4.53 | 0.70 | 95 |
| Promote transactions/partnerships | 3.87 | 0.91 | 89 |
| Enhance community trust and support | 4.80 | 0.90 | 97 |
| Avoid regulation | 2.90 | 0.92 | 88 |
| Favorable media coverage | 3.6 0 | 0.88 | 86 |
| Improve public welfare | 4.40 | 0.89 | 98 |
| Altruism | 3.88 | 0.78 | 90 |
| External pressures (NGOs, government, media, consumers, community, etc.) | 3.87 | 0.80 | 91 |

As shown in Table 8.4, the top three stakeholders were customers (M = 4.65, SD = 0.71), employees (M = 4.43, SD = 0.86), and business partners (M = 4.20, SD = 0.90). This perception of the high importance of employees is consistent with our earlier finding that employee welfare programs constitute a major portion of the

CSR activities in the sample corporations. These findings were mirrored by our interviewees who saw employees and customers as significant stakeholder groups with the power to impact CSR. Some interviewees cited examples in the US where consumer advocacy groups pressured corporations to be more CSR conscious by boycotting products. Within the primary stakeholder group, suppliers ($M = 3.59$, $SD = 1.13$) were considered by the sample of corporations to be the least important. Some interviewees stressed that there is a growing need for corporations to pay attention to their suppliers' practices. One interviewee believed that the onus is on individual corporations to monitor and investigate the ethical behavior of their suppliers. Interestingly, the least important stakeholders appeared to be NGOs ($M = 3.28$, $SD = 1.06$). The representative of one NGO interviewed by us was not surprised with this finding. He explained that NGOs in Nigeria play a "facilitator" role rather than that of "community activist." He elaborated that this is due partly to the limited power of NGOs and the relatively low level of activism in most developing countries including Nigeria.

Many interviewees reported that the allocated budget tends to fluctuate based on situational factors such as profit margins and scale of activities. As far as the breakdown of the personnel distribution for CSR activities is concerned, almost half of the sample corporations (49.50 %) had designated personnel to plan CSR activities of which about 20 % allocated more than eight members. However, a significant proportion of respondents (30 %) were unable to cite specific numbers, suggesting the low level of commitment to tracking personnel allocation. We asked the respondents to indicate how their corporations evaluated CSR practices. A majority of the corporations (67 %) surveyed indicated that they did not evaluate their CSR practices at all. Likewise, many of the corporate executives interviewed also reported that they did not conduct any evaluation. We found that the standards and methods for evaluation differed widely among survey respondents. This was confirmed in our interviews where evaluation techniques ranged from casual and informal methods such as tracking media coverage or simply talking to customers for feedback to more formal methods such as focus groups and surveys. Nevertheless, several interviewees viewed evaluation as an essential step that should be adopted. Problems associated with evaluation, according to interviewees, include the lack of appropriate evaluation instruments, the intangible nature of the results of CSR practices, and the perceived lack of importance given to CSR reporting.

Our results show that verbal feedback was the most common method used to evaluate CSR efforts. Out of the 22 corporations in the sample that conducted CSR evaluation, only five used profit figures to measure the success of their CSR efforts. This result appears to contradict our earlier finding that profitability is a perceived benefit of CSR. This deviation between the two findings might be due to the difficulty in measuring the relationship between CSR and profitability. While the sample of corporate executives might believe that CSR has a positive impact on financial performance, it might be difficult for corporations to actually measure the impact and link the two variables conclusively. Other evaluation methods used were the number of corporate volunteers, feedback from beneficiaries, and the number of days of leave claimed to serve as volunteers were also used. A quarter

**Table 8.4** Means and standard deviations of what corporate leaders perceived to be important

| Variable | M | SD |
|---|---|---|
| Employees | 4.43 | 0.86 |
| Shareholders | 4.20 | 0.90 |
| Business partners | 4.17 | 0.89 |
| Suppliers | 3.88 | 0.99 |
| Customers | 4.65 | 0.71 |
| Community | 3.90 | 0.82 |
| Media | 3.55 | 0.91 |
| Government | 3.88 | 1.10 |
| NGO/special groups | 3.18 | 1.21 |
| Competitors | 3.75 | 0.94 |

of the corporations surveyed were not sure of how data for evaluation were collected. Half of the corporations reported their CSR initiatives either in their annual reports or on their websites. The most often cited benefits were improved customer loyalty (57 %), improved organizational culture (53 %), and attracting and retaining employees (35 %). The top benefits cited by the corporations in our sample were related to customers and employees, who were also the most important stakeholders identified. The interviewees also cited similar benefits. In addition, they reported that their corporations enjoyed a more cohesive workforce, enhanced image, and reduced business costs as a result of CSR practices. It was paradoxical that improved image and reputation (11 %) was the least frequently cited benefit of CSR, considering an earlier finding that enhancing reputation is the most significant motivation for corporations to engage in CSR activities. The sample of corporations might have difficulty assessing the impact of CSR on reputation because corporate reputation is hard to measure.

With regard to CSR communication, an overwhelming majority (90 %) of the corporations communicated with their stakeholders about their CSR practices. The stakeholders with whom organizations communicated most frequently were customers and employees (see Table 8.5) and these corresponded with the stakeholders who were perceived by the sample of corporations to be the most important. The main communication tools employed were company leaflets and posters, websites, and annual reports. Interestingly, the sample of corporations did not communicate as frequently with the mass media. Only 37 % of the sample corporations issued press releases and 32 % communicated to the mass media about their CSR activities. It is reasonable to presume that the mass media are not a common tool used by the sample of corporations to disseminate information about CSR. Clarkson (1995) distinguishes between primary and secondary stakeholders in the following way: primary stakeholders are those groups or individuals that have direct transactions with the corporation and include owners, suppliers, employees, and customers; secondary stakeholders have a more "distant" even if no less important relationship and include environmental groups, society-at-large, media, local community groups, and social interest groups.

**Table 8.5** Means, standard deviations, and percentages of CSR activities

| Variable | M | SD | % |
|---|---|---|---|
| *Resource allocation* | | | |
| We have annual budgets allocated to CSR programs | 3.39 | 0.92 | 49.50 |
| We do not have annual budgets for CSR programs | 4.02 | 0.87 | 50.50 |
| We have a department responsible for CSR activities | 3.42 | 0.79 | 36.00 |
| We do not have a department responsible for CSR activities | 4.23 | 0.88 | 64.00 |
| *Evaluating CSR activities* | | | |
| We have a process in place for evaluating our CSR activities | 3.15 | 0.91 | 33.00 |
| We do not have a process in place for evaluating our CSR activities | 3.78 | 0.77 | 67.00 |
| We often solicit feedback for our CSR activities | 3.34 | 0.98 | 41.00 |
| We seldom solicit feedback for our CSR activities | 3.56 | 0.82 | 59.00 |
| *Benefits of CSR programs* | | | |
| Improved organizational culture | 3.45 | 0.86 | 90.00 |
| Improved corporate image and reputation | 4.12 | 0.69 | 96.00 |
| Attract investors/shareholders | 3.23 | 0.81 | 89.00 |
| Attract, motivate, and retain employees | 2.97 | 0.99 | 85.00 |
| Maintain customer loyalty | 4.08 | 0.95 | 95.00 |
| *Communication of CSR activities* | | | |
| We often communicate our CSR activities to our stakeholders | 3.00 | 0.84 | 79.00 |
| We seldom communicate our CSR activities to our stakeholders | 4.22 | 0.73 | 89.00 |
| We often communicate to the mass media about our CSR activities | 2.89 | 0.67 | 68.00 |
| We seldom communicate to the mass media about our CSR activities | 4.19 | 0.72 | 93.00 |

## 8.6 Discussion

In Nigeria, CSR activities appear to revolve around philanthropic activities such as employee volunteerism, corporate donations, and other charitable activities. This could be attributed to the limitation that it is easier for the interviewees to discuss such activities as opposed to legal and ethical activities. We also acknowledge that such community-oriented activities may be preferred by corporations because of their ability to generate better publicity and garner public goodwill. While actual practice appears to lag behind perceptions (which is more comprehensive), this is understandable as the modern concept of CSR was introduced to Nigeria less than half a decade ago (Roche, 2000) and it is only in the last couple of years that it has really begun to be in vogue.

Leaders' CSR practices varied among corporations. For decision making, most of the interviewees commented that a top-down approach is ideal. Likewise, the survey results reveal that almost three quarters of the leaders from the sample made decisions on CSR, thus centralizing decisions on CSR.

With respect to motivation, corporations adopted three major approaches: proactive, accommodative, and reactive. Proactive leaders are motivated by their corporate values and agenda to implement initiatives on CSR, which are aligned with their corporate strategies. Accommodative corporations tend to follow existing guidelines and regulations to fulfill minimum CSR conditions. Reactive corporations tend to react to events and conduct CSR activities on an ad-hoc basis. In terms of evaluation, one of the obstacles hindering corporations from evaluating their CSR efforts may be the difficulty in measuring CSR activities.

## 8.7 Conclusion, Limitations, and Directions for Future Research

We recognize that our research is a descriptive one in which we relied on participants' input about their perceptions. Respondents may have felt apprehensive about revealing information about their corporations due to the sensitivity of the issues discussed. Problems associated with the survey methodology were compensated for with the in-depth interviews with corporate executives, which added considerable substance to our study. With regard to the external validity of this study, there is inevitably some degree of self-selection of the respondents as the sample is dependent on the corporate executives and corporations' willingness to participate. Thus, those who volunteered to respond are likely to have more interest in CSR. Future studies may be able to replicate our study to confirm our findings. CEOs and top managers were found to be the key decision-makers of CSR activities. Future research can conduct a deeper study of their attitudes towards CSR. Another possible research avenue is to explore the distinct CSR issues associated with the different industries so that specific guidelines and recommendations can be formulated. A longitudinal study to uncover any significant trend in executives' perceptions about CSR and corporations' CSR activities over time may also be an interesting area for future research.

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