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Corporate Social Responsibility and Performance in an Organization: Exploration of Issues.

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ABSTRACT

This study sought to empirically explore the Issues associated with Corporate Social Responsibility and performance in organizations; citing Nigerian Agip Oil Company in Uzere Community, Warri, Delta State, Nigeria. Corporate Social Responsibility (CSR), which is also known as “Corporate Citizenship” (CC) is a globally practiced phenomenon, its main purpose is to ensure that the divergent needs of the host communities are reasonably met to foster smooth, harmonious co-existence and seamless operations within the area. The specific objectives are to: examine how engaging in Corporate Citizenship (CC) affects firms’ performance, assess the consequences of not being socially responsive. The research questions and hypothesis are in-line with the objectives of the study. Various literatures were reviewed on the subject. Structured questionnaire were used for data generation, Chi-square statistical tool was used to test the hypotheses. The result revealed that engaging in Corporate Citizenship has no significant effects on firms’ Performance ($\chi^2 = 1.16$) < ($\chi^t = 7.815$), there are significant consequences of not being socially responsive ($\chi^2 = 101.89$) > ($\chi^t = 7.815$). The study concluded that Corporate Social Responsibility ought to be an essential part of company’s annual plan because of the resultants effects if not executed. Corporate bodies need to be socially responsible in order to sustain their existence in the environment. The study therefore recommends that there should be a form of consensus between the youths and elders/representatives of host community to bring about appropriate representation of both parties to avoid the feeling of marginalization which might further erupt into youth restiveness and sabotage of the company’s activities.

Keywords: CSR, Productivity, Sustainability, Organizational Performance, Sabotage and Double Standard.

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1. BACKGROUND TO THE STUDY

As the global business environment revolves into volatile competitions aided by sophisticated technology and liberal trade among Nations, only the proactive firms that are dynamic will continue to soar high and maintain competitive edge. Corporate Social Responsibility (CSR), which is also known as “Corporate Citizenship” (CC) is a globally practiced phenomenon with the aim of ensuring that the divergent needs of the host communities are reasonably met to foster smooth, harmonious co-existence and seamless operations within their host communities (Amit, Gayatri, Vipul, and Shraddha, 2012).

In this millennium, Corporate Social Responsibility issues relating to environment and Sustainability are more pronounced and imperative, especially in the business sector. Organizational mission and visions are complementary with their operating environments; they ought to interact in ways that demonstrate respect for ethical values of the people, communities and the environment at large. Although short-term economic gain can be pursued but failure to appropriately plan for longer-term social and environmental impacts could make those business practices unsustainable.

Corporate Social Responsibility (CSR) could be perceived as a management concept and process whereby companies integrate social and environmental concerns in their business operations and interactions with stakeholders on a voluntary basis (European Commission, 2001). Organizations consider the interest of society by taking responsibility for the impacts of their activities on customers, suppliers, employees, shareholders, communities and other stakeholders as well as the environment (Bhattacharya, Korschun, and Sen., 2009); It is a commitment to improve the well being of host communities by discretionary business practices through the contribution of corporate resources to sustain the environment and also show some form of appreciation to the indigenes (Charkraborty, 2010).

Despite the promising prospects of Corporate Citizenships (CC), it encompasses variety of issues revolving around companies’ interactions with society/host communities and the attitudes of representatives of both parties. Contemporary business managers have understood the necessities of building mutually beneficial relationship between the business and its environment as a means of mitigating the embedded reprisal that might result from the abuse and unsustainable activities of the company on the environment (Bhattacharya, et al, 2009).

1.1 Statement of the Problem

Most flexible organizations focus more on developing cordial relationships with customers, suppliers, host communities and other stakeholders to ensure long-term business sustainability because of the obvious consequences that aligns with the negligence of their operating environment. Some organizations have understood and embraced the concept of Corporate Social Responsibility (CSR) as a means of improving their performance; while others are yet to realize and embrace the underlying benefits of being socially responsible, they are of the myopic view that such activities mounts pressures on their finances which negatively impact on organizational performance; therefore they ignore their responsibility towards society or simply refuse to be socially responsible. Contemporary organizations that understood the strategic value of CSR encounters some constraints in the process of executing this essential civic responsibility. Some of the controversial issues/challenges that militate against the successful execution of CSR are not limited to the following: conflict of interest between community leaders and company’s representatives, misrepresentation of issues and facts, greed, frustration, sabotage, and double standard etc.

It is against this backdrop that the researcher sought to explore the issues associated with CSR and performance in an organization.

1.2 Objectives of the Study

The specific objectives of this study are to:

- i. Examine how engaging in Corporate Citizenship (CC) affects firms' performance.
- ii. Assess the consequences of not being socially responsive.

1.3 Research Questions

- i. To what extent does engagement of Corporate Citizenship affect firms' performance?
- ii. What are the consequences of not being socially responsive?

1.4 Research Hypotheses

- i. **H₀:** Engaging in Corporate Citizenship has no significant effects on firms' Performance.
- ii. **H₀:** There are no significant consequences of not being socially responsive.

1.5 Conceptual Framework

Corporate Social Responsibility (CSR) is a process whereby companies integrate social and environmental concerns into their business operations and interactions with their stakeholders on a voluntary basis due to increased awareness that responsible corporate behavior leads to sustainable business success (EU, 2002). Managers are also saddled with the responsibilities of making decisions that nurture, protect, enhance and promote the welfare of stakeholders and the society as a whole (Orji, 2006). CSR is a charitable responsible behavior that companies must portray concerning its operating environment; they ought to execute projects at will that can enhance the standard of living within its operating environment without being coerced (Omofe, 2002). Corporate Citizenship can also help to improve staff perception of their company, particularly when the staff becomes involved through enlisting indigenes in their payroll, fund raising activities or community volunteering (Bhattacharya, Sankar and Korshum, 2008). CSR has been found to encourage customer orientation among frontline employees (Korschun, Bhattacharya and Suain, 2011).

1.6 Merits associated with being Socially Responsible

Risk Management: Managing risk is a central part of many corporate strategies. Reputation that was built in decades could be ruined in hours through incidents of corruption, scandals or environmental accidents. These can also draw unwanted attention from regulators, courts, government and medial agencies. Building a genuine culture of doing the right thing within a corporation can offset these risks (Kytte, Beth and Singh, 2005).

Brand Differentiation: In highly competitive market, companies strive for a unique selling proposition that can separate them from other competitors in the mind of consumers. CSR plays a vital role in building customer loyalty based on distinctive ethical values and it is empirical that business organizations benefits from building a reputation of integrity and best practice (Paluszek, 2008).

License to Operate: Companies are keen to avoid the loss or revocation of operating license by indigenous government. By engaging in substantive voluntary activities, they can persuade government and the wider public that issues such as health and safety, infrastructural and community development and others relating to environmental sustainability is being adhered to as good corporate citizens with respect to labour standard and global best practice (Ngige, 2013).

1.7 Mitigating Factors of that influence Corporations' Non-CSR Compliant

The following are some of the reasons why some corporations avoid being socially responsible:

- i. Multinational companies in Nigeria sign agreement with indigenous government without reference to the immediate host communities thus, they claim not to be responsible to the host communities but only to Government.
- ii. The corporate bodies in Nigeria have simply capitalized on the weak legal framework and regulatory watch agencies in the country who fails to regulate the activities of such multinationals in the corporate sphere.
- iii. The current ethical dispute on resource control between host communities and the federal government aided multinationals and other corporate bodies to continue to get away with abuse of the environment through gas flaring, oil spillage and deforestation of the environment (Nigeria Observer News Paper, May 29, 968; as cited by Aderemi, 2012 and Addah, 2014).

Basically, there are four (4) main challenges which companies are likely to encounter when undertaking CSR. They are categorized into community concern, governmental concern, infrastructure and internal concern (Enimil, 2012).

Community concerns: The challenges associated with community issues are the inability of organizations' to reach out to all the indigenes because of insufficient funds budgeted for CSR. Another issue pose to organizations is illiteracy, greediness of community representatives and resistance to change. Some unenlightened indigenes tend to put up an antagonistic behavior due to their ignorance on CSR.

Governmental concerns: Some governmental agencies that are meant to monitor and regulate the activities of these corporations tend to employ weak policies that are very easy to evade. As a result of this, companies capitalize on the loop hole and shy away from their social obligations. Due to this reason, many organizations engage in ridiculous CSR activities.

Infrastructure concern: One of the primary duties of government is the provision of infrastructural facilities to aid economic growth and National development. In an instance where these facilities are not in place, it tends to frustrate the plans of business organizations because they will have some difficulties in conducting their business activities while experiencing low productivity and low profit turnover.

Internal issues: Inadequate resources due to low profit turnover serves as one of the most important challenges subduing management quest for philanthropic act, which balls back to the above inadequate infrastructural facilities. The Problems companies face in carrying out their social responsibility is almost insurmountable. However through commitment and their willingness to give a helping hand to the society, they are able to overcome some of those challenges.

1.8 Examples of CSR Projects

- Construction of Class room blocks
- Building of health care centres
- Granting of scholarships
- Sustenance of the environment, e.t.c

Performance is a continuous and flexible process that involves managers and employees' whom they manage to act as partners within a framework that sets out how they can best work together to achieve the desired results (Armstrong, 2006). The concept of organizational performance is based on the idea that an organization is a voluntary association of productive assets, including human, physical and capital resources, for the purpose of achieving a shared purpose (Barney and Wright, 1998). Performance is the end result of activities; it includes the actual outcomes of the strategic management process. The practice of strategic management is justified in terms of its ability to improve the organization's performance (Wheelen and I-lunger, 2010 in Agha, Alrubaiee and Jamhour, 2012 as cited in Usman, 2015).

1.9 The Relationship between CSR and Business Performance

The question as to whether CSR enhances business performance has been the center of many debates over the past years and there has not been any real consensus on the topic. Although many companies in developed countries claimed that CSR has taken their businesses to a high new level and therefore swear by it, others (especially in the emerging countries) on the other hand view it as a way of wasting organizational resources. But the contending issue is identifying the challenges that frustrate companies from being socially responsible. Performance could be measured in terms of firms' financials, employee's commitment, corporate reputation, market share/coverage and brand differentiation; which can be used to measure the success or otherwise of CSR activities.

1.10 CSR and Organizational Performance

Organizational performance is an analysis of a company's outputs as compared with stipulated objectives and goals (Business Dictionary, 2014). Within corporate organizations, there are three primary outcomes that are used to measure performance, they are: financial status, market share/coverage and shareholder value. Significant efforts have been made to understand the impact of CSR activities on organizational performance. Husted and Salazar, (2006); Marom, (2006); Moneva et al., (2007); Orlitzky et al., (2003). Pava and Krausz's (1995) comprehensively review some empirical studies on the relationship between CSR and organizational performance. They found out that firms perceived as having met their social responsibility criteria perform better than other companies that are not socially responsible. Such positive relationship has also been supported by a recent meta-analysis of the relationship between CSR and organizational performance (Orlitzky et al., 2003).

2. RELATIONSHIP BETWEEN CORPORATE SOCIAL RESPONSIBILITY AND PERFORMANCE

The model in Fig. 1 examines the relationship between Corporate Social Responsibility (CSR) and performance in an organization. Performance in an Organization was measured with two variables: performance and social responsiveness. It proposes that when a firm performs CSR, it impact on its performance and sustainability.

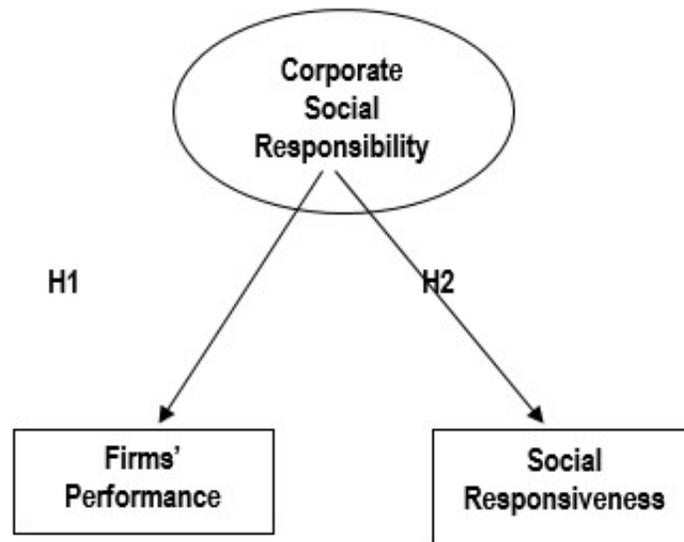


Figure 1: Research Conceptual Model

2.1 Theoretical Framework

There have been a lot of arguments about the exact nature of CSR. Two major schools of thought are at opposing extremes of a continuum; they are: “the restrictive (Shareholders theory) and expansionist view (Stakeholders theory)”. The restrictive view is made up of proponents of profit maximization while expansionist view consists of writers who believe that business organizations have to be socially responsible. Depending on one’s perspective, CSR can be interpreted with either of the theories discussed below:

2.1.1 Shareholders Theory (Levitt, 1985)

This theory is also known as the Classical economic view. The author debates about the social responsibility of business in his Harvard Business review article, titled “The Danger of Social Responsibility”; he cautioned that “government job is not business, and business job is not government”. Based on his perspective, companies are not meant to waste their resources in maintaining the operating environment because that is the duty of the government and not of the company whose main aim is profit maximization. The only responsibility of business organization is to use its resources to engage in activities designed to maximize profit through open and free competition, without deception and fraud. This position is based on the argument that business organizations are economic institutions whose legitimate functions are economic performance and not social activity (Friedman, 1970).

In contrast to this view, Carroll (1979) proposes that the managers of business organizations have four (4) responsibilities: Economic, Legal, Ethical, and discretionary responsibilities. These four categories are listed in order of priority; business firms must first make profit to satisfy its economic responsibilities. To continue in existence, the firm must follow the law, thus fulfilling its legal obligations. To this point Carroll and Friedman are in agreement. Carroll however, went further by arguing that business managers have responsibilities beyond economic and legal. Having satisfied the above two responsibilities, business organizations should strive to achieve its social responsibilities, which include both ethical and discretionary responsibilities.

2.1.2 Stakeholder theory (Freeman, 1984)

This theory is of the opinion that business organizations must play an active social role in the society in which it operates. Freeman asserts that managers must satisfy a variety of constituents (e.g Shareholders', Employees', Customers', Suppliers', Government and Local Community) who can influence firm outcomes. Stakeholder theory implies that it can be beneficial to the firm to engage in certain CSR activities that non-financial stakeholders perceive to be important, otherwise, these groups might withdraw their supports (Freeman, 1984).

2.2 Empirical Framework

The study conducted by Ukpabi, Ikaba, Enyindah, Orji, and Idatoru, (2014) empirically investigated the role of CSR in the attainment of organizational goals in the oil and gas industry of Niger Delta region of Nigeria. The result was intended to educate Managers and players in the oil and gas industry of the enhanced form of carrying out CSR and its impact on the attainment of organizational effectiveness. SPSS V.21 was used. The statistical tools employed in the analysis were descriptive statistics, Pearson's Correlation and regression were used to test the hypotheses. A survey of 126 oil and gas firms revealed that 81.7% are engaged in CSR while 18.3% are not.

The study revealed as follows: there is a significant correlation between CSR and organizational effectiveness, also that a firm's active involvement in CSR has a significant contribution to its productivity and stability. The study concluded that oil and gas firms should upscale their involvement in CSR by making a paradigm shift from the traditional donation of foodstuff and Christmas gifts to creating capacity that will engender independent entrepreneurial abilities, economic vision, passion and drive for self-accomplishment.

The study of Nana, and Doris (2016) sought to assess the impact of Corporate Social Responsibility on organizational performance. The research employed descriptive survey research design. Target population of the study was made up of Management Staff of Vodafone Ghana Ltd. Primary data were captured through the use of questionnaire administered to Management and Staff of Vodafone Ghana Ltd. (20) respondents were randomly selected among Management and Staff through simple random sampling technique. The study revealed that the company engages in CSR program because it wants to create an image of a good corporate citizenship.

It was concluded that CSR has a substantial and positive impact on all performance, indicators used in the literature review are: finance, organizational performance overtime, reputation, employee commitment and brand differentiation. It was therefore recommended that companies should identify their stakeholders' needs before taking CSR initiatives; also top management must understand the strategic financial benefits of CSR activities and include CSR initiatives in their strategic plans.

3. METHODOLOGY

Descriptive survey design was used for this study, the population comprises of 67 employees' of Nigeria Agip Oil Company Ltd and 280 Indigenes of Uzere Community (Host Communities). Convenience sampling method was used to determine the sample size of 50 for Nigerian Agip Oil Ltd and 100 indigenes of Uzere community in Delta state. Structured questionnaire was used for data collection and the collected data were analyzed with simple percentages, while the hypotheses were tested with Chi-square statistical tool.
$$X^2 = \sum \frac{(fo - fe)^2}{fe}$$

Where:

- X^2 = Chi-square
- fo** = Frequency Observed
- fe** = Frequency Expected
- Σ = Summation

4. DATA PRESENTATION AND ANALYSIS

The Researchers distributed 50 copies of questionnaire to Nigerian Agip Oil Company and 100 copies of questionnaire to Indigenes of Uzere Community, out of which 40 copies were completed and returned by the Company's Staff while 10 copies were not returned and 80 copies were completed and returned by the indigenes of Uzere community.

4.1 Data Analysis

The data generated from respondents were presented as follows:

Table 1: Distribution and Return of Questionnaire (QTN)

| (QTN) | Company | | Community | |
|------------------|-----------|-----------------|-----------|-----------------|
| | Frequency | Percentages (%) | Frequency | Percentages (%) |
| Distributed QTN | 50 | | 100 | |
| Returned QTN | 43 | 86 | 89 | 89 |
| QTN not Returned | 7 | 14 | 11 | 11 |
| | | 100 | | 100 |

Source: field survey, 2021.

Table 1 above revealed that out of the distributed questionnaire (QTN) to both the employees' of Nigerian Agip Oil Company (NAOC) and Indigenes of Uzere Community (IUC); 43 copies representing (86%) of QTN administered to NAOC were dully completed and returned, while 7 copies representing (14%) were not returned; 89 copies representing (89%) of QTN administered to IUC were dully completed and returned, while 11 copies representing (11%) were not returned.

4.2 Bio Data

Table 2: Gender Distribution

| Gender | Company | | Community | |
|--------------|-----------|-----------------|-----------|-----------------|
| | Frequency | Percentages (%) | Frequency | Percentages (%) |
| Male | 33 | 76.74 | 52 | 58.4 |
| Female | 10 | 23.3 | 37 | 41.6 |
| Total | 43 | 100 | 89 | 100 |

Source: field survey, 2021.

Table two above shows that out of the population of NAOC, 33 respondents representing (76.74%) are Male while 10 respondents representing (23.3%) are female; the above table also revealed that out of the population of IUC, 52 respondents representing (58.4%) are Male while 37 respondents representing (41.6%) are Female. Based on these data, it could be concluded that there are more of Male respondents than Female in the population of the study.

Table 3: Age Distribution

| Years (yrs) | Company | | Community | |
|------------------|-----------|-----------------|-----------|-----------------|
| | Frequency | Percentages (%) | Frequency | Percentages (%) |
| Less than 45 yrs | 18 | 41.8 | 37 | 41.6 |
| 45 yrs and above | 25 | 58.1 | 52 | 58.4 |
| | 43 | 100 | 89 | 100 |

Source: field survey, 2021.

The above table revealed that out of the population of NAOC, 18 respondents representing (41.8%) are less than 45 yrs while 25 respondents representing (58.1%) are 45yrs and above; the table also shows that out of IUC, 37 respondents representing (41.6%) are less than 45 yrs while 52 respondents representing (58.4%) are 45 yrs and above. With the above data, it could be concluded that there are more advanced respondents than younger ones within the population.

Table 4: Education Background (EB)

| Education Background | Company | | Community | |
|----------------------|-----------|-----------------|-----------|-----------------|
| | Frequency | Percentages (%) | Frequency | Percentages (%) |
| SSCE | 0 | 0 | 3 | 3.37 |
| OND | 1 | 2.3 | 11 | 12.4 |
| B.Sc/HND | 9 | 20.9 | 30 | 33.7 |
| M.Sc/above | 33 | 76.7 | 45 | 50.6 |
| Total | 43 | 100 | 89 | 100 |

Source: field survey, 2021.

Table 4 shows that out of the NAOC respondents, 1 respondent representing (2.3%) is an OND holder, 9 respondents representing (20.9%) are B.Sc/HND holders, while 33 respondents representing (76.7%) owns M.Sc and above; the same table also shows that out of IUC, 3 respondents representing (3.37%) owns SSCE, 11 respondents representing (12.4%) are OND holders, 30 respondents representing (33.7%) are B.Sc/HND holders while 45 respondents representing (50.6%) owns M.Sc and others. It can be deduced from the above data that most of the respondents of NAOC and IUC are well educated.

Research Question 1: To what extent does engagement in Corporate Citizenship affect firms' performance?

Table 4.1.5: Responses to questionnaire item: Being socially responsible helps to create an enabling business environment for efficient operation.

| Responses | Frequency | Percentages (%) |
|--------------------|-----------|-----------------|
| Strongly Agreed | 40 | 93.02 |
| Agreed | 2 | 4.65 |
| Strongly Disagreed | 0 | 0 |
| Disagreed | 1 | 2.32 |
| Total | 43 | 100 |

Source: field survey, 2021.

Table 4.1.5 shows that 40 respondents representing (93.02%) strongly agreed, 2 respondents' representing (4.65%) agreed, while 1 respondent representing (2.32%) disagreed with the statement that being socially responsible helps to create an enabling business environment for efficient operation.

Table 4.1.6: Responses to questionnaire item: Indigenous employees' are committed when they notice that the company has the interest of their community at heart.

| Responses | Frequency | Percentages (%) |
|--------------------|-----------|-----------------|
| Strongly Agreed | 40 | 93.02 |
| Agreed | 3 | 6.97 |
| Strongly Disagreed | 0 | 0 |
| Disagreed | 0 | 0 |
| Total | 43 | 100 |

Source: field survey, 2021.

Table 4.1.6 shows that 40 respondents representing (93.02%) strongly agreed, while 3 respondents representing (6.97%) agreed with the statement that Indigenous employees are more committed when they notice that the company has the interest of their community at heart.

Table 4.1.7: Responses to questionnaire item: Adequate maintenance of the environment enables the company to harness more resources.

| Responses | Frequency | Percentages (%) |
|--------------------|-----------|-----------------|
| Strongly Agreed | 7 | 16.28 |
| Agreed | 26 | 60.5 |
| Strongly Disagreed | 4 | 9.3 |
| Disagreed | 6 | 14 |
| Total | 43 | 100 |

Source: field survey, 2021.

Table 4.1.7 shows that 7 respondents representing (16.28%) strongly agreed, 26 respondents' representing (60.5%) agreed, 4 respondents representing (9.3%) strongly disagreed, while 6 respondents representing (14%) disagreed with the statement that Adequate maintenance of the environment enables the company to harness more resources.

Table 4.1.8: Responses to questionnaire item: CSR compliant firms perform better than those companies that are not because of the peaceful co-existence within their host community.

| Responses | Frequency | Percentages (%) |
|--------------------|-----------|-----------------|
| Strongly Agreed | 15 | 34.8 |
| Agreed | 22 | 51.2 |
| Strongly Disagreed | 3 | 7 |
| Disagreed | 3 | 7 |
| Total | 43 | 100 |

Source: field survey, 2021.

Table 4.1.8 shows that 15 respondents representing (34.8%) strongly agreed, 22 respondents representing (51.2%) agreed, 3 respondents representing (7%) strongly disagreed, while 3 respondents representing (7%) disagreed with the statement that CSR compliant firms perform better than those companies that are not because of the peaceful co-existence within their host community.

Table 4.1.9: Responses to questionnaire item: There is always crisis between the oil company and the host community as regards performing corporate social responsibility.

| Responses | Frequency | Percentages (%) |
|--------------------|-----------|-----------------|
| Strongly Agreed | 7 | 12.3 |
| Agreed | 34 | 79.1 |
| Strongly Disagreed | 2 | 4.6 |
| Disagreed | 0 | 0 |
| Total | 43 | 100 |

Source: field survey, 2021.

Table 4.1.9 shows that 7 respondents representing (12.3%) strongly agreed, 34 respondents representing (79.1%) agreed, while 2 respondents representing (4.6%) strongly disagreed with the statement that there is always crisis between the oil company and the host community as regards performing corporate social responsibility.

Research Question 2: What are the consequences of not being socially responsive?

Table 4.1.10: Responses to questionnaire item: As an indigene of the host community, you believe Nigeria Agip Oil Company is expected to support developmental projects.

| Responses | Frequency | Percentages (%) |
|--------------------|-----------|-----------------|
| Strongly Agreed | 53 | 59.6 |
| Agreed | 36 | 40.4 |
| Strongly Disagreed | 0 | 0 |
| Disagreed | 0 | 0 |
| Total | 89 | 100 |

Table 4.1.10 shows that out of 89 respondents, 53 representing (59.6%) strongly agreed, while 36 respondents representing (40.4%) agreed with the statement that as an indigene of the host community, you believe Nigeria Agip Oil Company is expected to support developmental projects.

Table 4.1.11: Responses to questionnaire item: Nigeria Agip oil Company has been reluctant to support community development, so the indigenes become hostile.

| Responses | Frequency | Percentages (%) |
|--------------------|-----------|-----------------|
| Strongly Agreed | 9 | 10.1 |
| Agreed | 26 | 29.2 |
| Strongly Disagreed | 12 | 13.5 |
| Disagreed | 42 | 47.2 |
| Total | 89 | 100 |

Source: field survey, 2021.

Table 4.1.11 shows that out of 89 respondents, 9 representing (10.1%) strongly agreed, 26 respondents representing (29.2%) agreed, 12 respondents representing (13.5%) strongly disagreed, while 42 respondents representing (47.2%) disagreed with the statement that Nigeria Agip oil Company has been reluctant to support community development, so the indigenes became hostile.

Table 4.1.12: Responses to questionnaire item: Sustainability may become impossible as Nigeria Agip Oil Company did not make provision for social demands.

| Responses | Frequency | Percentages (%) |
|--------------------|-----------|-----------------|
| Strongly Agreed | 12 | 13.5 |
| Agreed | 41 | 46.1 |
| Strongly Disagreed | 25 | 28.1 |
| Disagreed | 11 | 12.3 |
| Total | 89 | 100 |

Source: field survey, 2021.

Table 4.1.12 shows that out of 89 respondents, 12 representing (13.5%) strongly agreed, 41 respondents representing (46.1%) agreed, 25 respondents representing (28.1%) strongly disagreed, while 11 respondents representing (12.3%) disagreed with the statement that Sustainability may become impossible as Nigeria Agip Oil Company did not make provision for social demands.

Table 4.1.13: Responses to questionnaire item: Nigeria Agip Oil Company has significantly contributed to the development of your community.

| Responses | Frequency | Percentages (%) |
|--------------------|-----------|-----------------|
| Strongly Agreed | 16 | 17.97 |
| Agreed | 32 | 35.95 |
| Strongly Disagreed | 18 | 20.2 |
| Disagreed | 23 | 25.84 |
| Total | 89 | 100 |

Source: field survey, 2021.

Table 4.1.13 shows that out of 89 respondents, 16 representing (18%) strongly agreed, 32 respondents representing (36%) agreed, 18 respondents representing (20.2%) strongly disagreed, while 23 respondents representing (26%) disagreed with the statement that Nigeria Agip Oil Company has significantly contributed to the development of your community.

Table 4.1.14: Responses to questionnaire item: The presence of Nigeria Agip Oil Company in your community is more of a blessing to the indigenes.

| Responses | Frequency | Percentages (%) |
|--------------------|-----------|-----------------|
| Strongly Agreed | 3 | 3.4 |
| Agreed | 63 | 70.8 |
| Strongly Disagreed | 5 | 5.6 |
| Disagreed | 18 | 20.2 |
| Total | 89 | 100 |

Source: field survey, 2021.

Table 4.1.14 shows that out of 89 respondents, 3 representing (3.4%) strongly agreed, 63 respondents representing (70.8%) agreed, 5 respondents representing (5.6%) strongly disagreed, while 18 respondents representing (20.2%) disagreed with the statement that the presence of Nigeria Agip Oil Company in your community is more of a blessing to the indigenes.

4.2 Test of Hypothesis

In the study, three hypotheses were empirically tested. This was used to verify the validity of the proposition as well as to give out the relationship between the variables under study with the 5% degree of freedom (Df) and 0.05 level of significance. Chi-square was used to test the research hypotheses denoted by:

$$X^2 = \sum \frac{(f_o - f_e)^2}{f_e}$$

Where:

X^2 = Calculated value of chi-square

f_o = Observed frequency

f_e = Expected frequency

\sum = Summation

At 3% degree of freedom and 0.05 level of significance, the critical value was denoted as ($\chi^t = 7.815$). If the calculated value of chi-square (χ^2) is greater than the table or critical value, we reject the Null hypothesis and accept the Alternative and vice versa.

Hypothesis 1

H₀: Engaging in Corporate Citizenship has no significant effects on firms' Performance.

H₁: Engaging in Corporate Citizenship significantly affects firms' Performance.

Table 4.2.1: Analysis of Responses from table 4.1.5 – 4.1.9

| Responses | Q1 | Q2 | Q3 | Q4 | Q5 | Total | Average | fo |
|--------------|-----------|-----------|-----------|-----------|-----------|------------|---------|-----------|
| S.A | 40 | 40 | 7 | 15 | 7 | 109 | 109/5 | 22 |
| A | 2 | 3 | 26 | 22 | 34 | 87 | 87/5 | 17 |
| S.D | 0 | 0 | 4 | 3 | 2 | 9 | 9/5 | 2 |
| D | 1 | 0 | 6 | 3 | 0 | 10 | 10/5 | 2 |
| Total | 43 | 43 | 43 | 43 | 43 | 215 | | 43 |

Source: field survey, 2021.

In computing the expected frequency (f_e), we have the following:

$$\begin{aligned} \text{Expected Frequency } (f_e) &= \frac{\text{All observed frequencies}}{\text{Number of observation}} \\ &= \frac{43}{4} = 10.75 \end{aligned}$$

Table 4.2.2: Computation of Chi-square

| Option | f_o | f_e | $(f_o - f_e)$ | $(f_o - f_e)^2$ | $\frac{(f_o - f_e)^2}{f_e}$ |
|--------------------|-----------|-------|---------------|-----------------|-----------------------------|
| Strongly Agreed | 22 | 10.75 | 11.25 | 126.56 | 11.77 |
| Agreed | 17 | 10.75 | 6.25 | 39.06 | 3.63 |
| Strongly Disagreed | 2 | 10.75 | -8.75 | -76.56 | -7.12 |
| Disagreed | 2 | 10.75 | -8.75 | -76.56 | -7.12 |
| Total | 43 | | | | 1.16 |

Source: field survey, 2021.

The analysis in table 4.2.2 shows that the calculated chi-square value is ($\chi^2 = 1.16$) is less than the table or critical value ($\chi^t = 7.815$), we accept the Null hypothesis which states that Engaging in Corporate Citizenship has no significant effects on firms' Performance, and reject the Alternative.

Hypothesis 2:

H₀: There are no significant consequences of not being socially responsive.

H₁: There are significant consequences of not being socially responsive.

Table 4.2.3: Analysis of Responses from table 4.1.10 – 4.1.14

| Responses | Q1 | Q2 | Q3 | Q4 | Q5 | Total | Average | fo |
|--------------|-----------|-----------|-----------|-----------|-----------|------------|---------|-----------|
| S.A | 53 | 9 | 12 | 16 | 3 | 93 | 93/5 | 19 |
| A | 35 | 26 | 41 | 32 | 63 | 197 | 197/5 | 39 |
| S.D | 0 | 12 | 25 | 18 | 5 | 60 | 60/5 | 12 |
| D | 0 | 42 | 11 | 23 | 18 | 94 | 94/5 | 19 |
| Total | 89 | 89 | 89 | 89 | 89 | 444 | | 89 |

Source: field survey, 2021.

In computing the expected frequency (f_e), we have the following:

$$\begin{aligned} \text{Expected Frequency } (f_e) &= \frac{\text{All observed frequencies}}{\text{Number of observation}} \\ &= \frac{43}{4} = 10.75 \end{aligned}$$

Table 4.2.4: Computation of Chi-square

| Option | f_o | f_e | $(f_o - f_e)$ | $(f_o - f_e)^2$ | $\frac{(f_o - f_e)^2}{f_e}$ |
|--------------------|-----------|-------|---------------|-----------------|-----------------------------|
| Strongly Agreed | 19 | 10.75 | 8.25 | 68.06 | 6.33 |
| Agreed | 39 | 10.75 | 28.25 | 798.06 | 74.23 |
| Strongly Disagreed | 12 | 10.75 | 1.25 | 1.56 | 0.15 |
| Disagreed | 19 | 10.75 | 8.25 | 68.06 | 6.33 |
| Total | 43 | | | | 101.89 |

Source: field survey, 2021.

The analysis in table 4.2.4 shows that the calculated chi-square value is ($\chi^2 = 101.89$) is greater than the table or critical value ($\chi^t = 7.815$), we reject the Null hypothesis and accept Alternative which states that there are significant consequences of not being socially responsive.

5. DISCUSSION OF FINDINGS

The analysis from table 4.2.2 shows that the calculated chi-square value ($\chi^2 = 1.16$) is less than the table or critical value ($\chi^t = 7.815$), based on this, we accept the Null hypothesis which states that engaging in Corporate Citizenship has no significant effects on firms' Performance and reject the Alternative; the Staff of Nigerian Agip Oil Company are of the view that being socially responsible does not necessarily impact on their productivity, although CSR has some advantages but the major factors that enhances performance are resilience at work, team-work, strategic planning and meeting customers' needs. This opinion conflicts the finding of Ukpabi, Ikaba, Enyindah, Orji, and Idatoru, (2014) which affirmed that there is a significant correlation between CSR and organizational effectiveness. The second hypothesis result revealed that the calculated chi-square value ($\chi^2 = 101.89$) is greater than the table or critical value ($\chi^t = 7.815$), the Null hypothesis was rejected while the Alternative was accepted which states that there are significant consequences of not being socially responsive.

The indigene opines that their community/operating environment is adequately developed and maintained by NAOC, it might not be feasible for either NAOC or any other Oil company to continue the activity of Oil exploration in the nearest future if the environment is not well maintained. This result was in tandem with the findings of Nana, and Doris (2016), which concluded that CSR has a substantial and positive impact on the overall performance of the organization.

6. SUMMARY OF FINDINGS, CONCLUSION AND RECCOMENDATION

6.1 Summary of Findings

The results from the tested hypotheses revealed that:

- i. Engaging in Corporate Citizenship has no significant effects on firms' Performance ($\chi^2 = 1.16$) < ($\chi^t = 7.815$).
- ii. There are significant consequences of not being socially responsive ($\chi^2 = 101.89$) > ($\chi^t = 7.815$).

6.2 Conclusion

In reference to the reviewed literatures and results obtained from the analysis, this study concludes that Corporate Social Responsibility ought to be an essential part of company's annual policy because of the resultants effects if not carried out. Corporate bodies need to be socially responsible in order to sustain their existence in the environment. This is evidenced from the experienced development in the oil producing regions in Nigeria where youth restiveness and militancy constrained the operation of oil companies which further strained National economy because the youth felt marginalized by the oil firms and government who explore their resources without giving them fair share of the wealth despite the fact that their environment (farm lands and aquatic inhabitants) has been degraded to infertility by their activities. Being CSR compliant helps to harmonize the co-existence of organizations with the indigene of host community and preservation of the operating environment, some of the issues that tend to cloud the merits of the concept should be decisively eradicated to foster long term survival.

6.3 Recommendation

- i. Organizations should embark on more sustainable developmental projects rather than granting cash and gift items to the community chiefs and representatives in form of CSR.
- ii. There should be a form of consensus between the youths and elders/representatives of host community to bring about appropriate representation of both parties to avoid the feeling of marginalization which might further erupt into youth restiveness and sabotage of the company's activities.