

TERTIARY INSTITUTIONAL COOPERATIVES AND SOCIAL RESPONSIBILITY IN KADUNA STATE, NIGERIA

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Abstract

The paper examined the social responsibility activities carried out by cooperative societies of tertiary institutions in Kaduna State to their host communities. The stakeholder theory was used in explanation. Survey research design was employed and the study participants were the cooperative members of the cooperative societies in tertiary institutions in Kaduna State. The population is 1,412 and the sample size is three hundred and twelve (312) which was statistically determined using Taro Yamene formula. The multi-stage sampling procedure was employed in the distribution of sample. Questionnaire and secondary sources such as journal, textbooks, internet and organizational publications were used in data generation. Data were analyzed using table of descriptive statistics, frequencies, percentages and mean ratings on a 5-point likert-scale. The result revealed that the social responsibility activity carried out mainly by the cooperative societies to their host communities is helping in provision of some physical infrastructural facilities. The paper concluded that the cooperative societies in Kaduna State tertiary institutions are making efforts in carrying out social responsibilities, but still have to do more especially in the areas of economic and impactful human developmental projects. Therefore it recommended amongst others that cooperatives in tertiary institutions should try and contribute to the educational needs of their host communities through scholarship. This will help empower human development.

Keywords: activities, cooperatives, host community, influencing factors, social responsibility

Introduction

Cooperative is a concept which has been in existence since the beginning of man. People learned that by working together, they can accomplish more than the totality of each individuals' effort. Early human society recognized the advantages of collective hunting, fishing, gathering food, living, worshipping, cooking and providing shelter together in groups and meeting individual and group needs collectively (Ibrahim, 2001).

Igbinedion and Ovbiagele (2012) in a study in tertiary educational institutions in Delta state found that cooperatives engages in the provision of services like health needs, promotion of cultural awareness, development of physical infrastructure, creation of jobs, and contribute to the educational needs of their host communities. Similarly, Uzoka and Eze (2015) in a study of Corporate Social Responsibilities of Ebonyi State University and Zenith Bank Plc noted that monetary donation and non-monetary donations are statistically significant and influential in explaining the level of host community's confidence in bank corporate social responsibility in Abakaliki. Additionally, Gabriel and Wadike (2013) report that only concessionary admission was usually offered to indigenes of host communities, against their expectation of special employment opportunities from the institutions.

It is against this background that the papers examine the social responsibility activities carried out by cooperative societies of tertiary institutions in Kaduna State to their host communities.

Cooperatives and Social Responsibility

Responsibility and solidarity have been integral parts of the co-operative societies' activities since their creation in harmony with the co-operative principles and identity. Corporate Social Responsibility is in fact a new word for old co-operative practices or Co-operative Social Responsibility (Ajaji, 2016). Corporate social responsibility is responsibility for the economic, social and environmental impact of business operations. The cooperative societies plays a key role in promoting the stability of the society as a whole and that is why many of the Co-operative Group's reports have been implemented by integrating sustainability reporting (Gambo, 2016).

While focusing on members' needs, cooperatives work for the sustainable development of the host communities through policies accepted by their members. Although cooperatives are established to satisfy members' needs and aspirations, the community in which the cooperative society operates should not be ignored (Amahalu, 2006). Depending on their financial strength, cooperative societies should make positive impact on the local economy, as well as create healthy environment. Cooperatives make donations to charity and for social purposes as social responsibility.

In carrying out their social responsibilities, cooperatives have the interest of consumers at heart. Cooperatives do everything possible to identify the root cause of community problems and use part of their net surplus to address such problems. They try to protect their host communities by trying to reduce all sorts of pollution resulting from their activities in order to improve the living standard of people and make the environment clean. Taking into consideration the view of the socio-economic school of thought, social responsibility in cooperatives could be to members or the host community where the cooperative society is located. The nature of dissemination of social responsibility is determined by the respective groups of stakeholders of the cooperative enterprise (Amahalu, 2006). He further explains it as such;

- i. Owners:** Owners are individuals that contribute their resources (financial or otherwise) to establish a given cooperative society. Social responsibility to owners involves the following:
 - a. Continuous survival and growth of cooperative society.
 - b. Higher number of members from the society.
 - c. Provision of accurate and up-to-date information about the operations of the cooperative society.
- ii. Social Responsibility to Members:** Members are the individuals who are fully registered and participate in their cooperative activities. The purpose of every cooperative society is to create and satisfy a given set of members' needs. In view of the importance of members to the continuous survival of the cooperative, the

Cooperative Management Committee is expected to show a great deal of concern for the members' expectations. The social responsibility to member comprises of the following;

- a. Provision of loan to the members at lower rate interest.
- b. Adequate consideration and protection of members' right.
- c. Making available, loan facilities to member at the right time.

iii. Social Responsibility to Cooperative Employees:

Employees are individuals that work in the cooperative society in different capacities. The activities of cooperative employees can make or mar the progress of a cooperative society. Therefore the Cooperative Management Committee needs to take cognizance of their expectations. The social responsibility to employees comprises of the following:

- a. Provision of adequate compensation and remuneration.
- b. Provision of adequate safety, welfare and health facilities.
- c. Provision of an enabling environment for job satisfaction and self-actualization.

According to Chukwu (1990), strategies mostly adopted to fulfill social responsibility to cooperative employees include attractive wages and salary packages, free catering and medical services, staff housing estates, merit awards etc.

iv. Social Responsibility to Government:

The role of government in every cooperative set up is to provide an enabling environment for the smooth conduct of cooperative activities. This involves the provision of security, infrastructural facilities like roads, schools, hospitals etc and the maintenance of law and order. On the part of cooperative society their responsibility to government includes the followings;

- a. Prompt and proper payment of all forms of taxes.
- b. Abiding strictly to policies in environment sanitation
- c. Minimization of social problems through payment of royalties and provision infrastructural facilities, such as roads, hospitals and schools.
- d. Compliance with legal requirements such as the Allied Matter Decree (1990) labour law.
- v. Social Responsibility to Society:** Society refers to the immediate or host community in which a cooperative society is located. Umehali (2002) listed the responsibility of cooperative to the host community as follows:
 - a. Transformation of surrounding environment through the provision of infrastructural facilities.
 - b. Contribution to educational development through the award of scholarship, building of classrooms, donation of materials, sponsoring of professional on different fields of study etc.
 - c. Control and regulation of environment pollution

Theoretical Framework: Stakeholder Theory

Stakeholder theory, which has been described by Freeman (1962; 1970) and others, is the mirror image of corporate social responsibility. Freeman identified stakeholders as series of groups (e.g. workers, customers, suppliers, local community, etc) that affects or affected by an organization's actions. Stakeholders are those people who have certain interest in a venture; they may be either the beneficiaries of that venture or sponsors or those undertaking such venture (Russo & Perrini in Wopara, 2015). In CSR, stakeholders' theory stresses the importance of companies being able to recognize and embrace their responsibilities towards their local host communities when pursuing legitimacy vis-à-vis focusing on justifying the ethical considerations and meeting up with legal requirements. This means that implementing CSR initiatives has the ability to reinforce the relationship between the company and its host communities (Hah & Freeman, 2014). The incentive for CSR lies in the company's need to attain and maintain trustworthiness and legitimacy i.e. for their host community to trust them and recognize them as a legitimate entity (i.e. grant them the social licence to operate). This ranges from passive conformity to active concessions, the company may need to prove itself by responding ethically to the demands, pressures and increasing expectations of local communities.

As a simple example, when a factory produces industrial waste, a CSR perspective attaches a responsibility directly to factory owners to dispose of the waste safely. By contrast, a stakeholder theorist begins with those living in the surrounding community who may find their environment poisoned, and begins to talk about business ethics by insisting that they have a right to clean air and water (Gambo, 2016). Therefore, stakeholders in the company and their voices must contribute to corporate decisions. It's true that they may own no stock, but they have a moral claim to participate in the decision-making process. This is a very important point. At least in theoretical form, those affected by a company's actions actually become something like shareholders and owners. Because they're touched by a company's actions, they have a right to participate in managing it.

In practical terms, however, a strict stakeholder theory is one insistently bestowing the power to make ethical claims on *anyone* affected by a company's action. There would be no end to simply figuring out whose rights needed to be accounted for. Realistically, the stakeholders surrounding a business should be defined as those tangibly affected by the company's action. There ought to be an unbroken line that you can follow from a corporate decision to an individual's life.

Stakeholders are individuals or groups who are affected by a company's actions; the theory holds that a corporation's stakeholders have a right and obligation to participate in directing the business. The purpose of the firm, underneath this theory, is to maximize profit on a collective bottom line, with profit defined not as money but as human welfare. Company managers are primarily charged not with representing the interests of shareholders (the owners of the company), but with the more social task of coordinating the interests of *all* stakeholders, balancing them in the case of conflict and maximizing the sum of benefits over the medium and long term. What is certain is that stakeholder theory obligates corporate directors to appeal to all sides and balance everyone's interests and welfare in the name of maximizing benefits across the spectrum of those whose lives are touched by the business

Methodology

Survey research design was used. Kaduna Polytechnic is in Kaduna State, North-Western Nigeria. Kaduna is one of the education centers in Nigeria, with many colleges and most recognized universities; notably, the Nigerian Defence Academy; Ahmadu Bello University, Zaria; Nuhu Bamalli Polytechnic, Zaria; Kaduna State University; Federal Polytechnic, Kaduna; Nigerian College of Aviation Technology, Zaria; College of Education Gidan Waya-Kafanchan; Shehu Idris College of Health Sciences and Technology-Makarfi; School of Nursing-Makarfi; Institute of Leather Research-Zaria; Federal College of Education-Zaria; National Open University of Nigeria; National Water Resources Institute, Kaduna; Nigerian Institute of Transport Technology, Zaria; National Teachers Institute, Kaduna and School of Midwifery-Kafanchan (Wikipedia, 2016). These schools have different cooperative societies, such as College of Admin/Business Studies Coop Investment & Credit Society Ltd, Central Admin Investment/Credit Cooperative Society Ltd, Trust Multipurpose Cooperative Society Ltd, College of Environmental Studies Investment & Credit Cooperatives Society Ltd, College of Admin Studies & Social Science Investment Cooperative Society Ltd, ABU Staff Cooperative Society Ltd, NuBa Staff Multipurpose Cooperative Society, KPT/KAP Staff Cooperative Society, KASU Staff Multi-purpose Cooperative Society, KADSCOE Staff Investment Cooperative Society, SOMID Staff Cooperative Society, School of Nursing (SON) Staff Thrift Cooperative. The population is one thousand, four hundred and twelve (1,412) these registered cooperative members and the sample size is three hundred and twelve (312), which was statistically determined using Taro Yamene (1967) formula. The multi-stage sampling procedure was employed in the distribution of the sample. Questionnaire and secondary sources such as journal, textbooks, internet publications are used in data generation. Out of the 312 questionnaires administered, 281 which represent 90% response rate were returned and used for analysis. Data was analyzed using table of descriptive statistics, frequencies, percentages and mean ratings on a 5-point Likert-scale.

Results and Discussion

Table 1: Socio-Demographic Data of the Respondents

<i>Variables</i>	<i>n=281</i>	<i>%</i>	<i>-(x)</i>
Age (Years)			
19-29	8	2.8	
30-40	56	20.0	
41-51	143	50.9	43
52 & Above	74	26.3	
Gender			
Male	132	47.0	
Female	149	53.0	
Educational Qualification			
FSLC	6	2.1	
WAEC/GCE	47	17.0	
OND/NCE	83	29.5	
HND/B.Sc.	110	39.1	
M.Sc./Ph.D.	35	12.4	
Marital Status			
Single	27	10.0	
Married	161	57.2	
Widowed	91	32.3	
Divorced/Separated	2	0.7	
Religion			
Islam	187	66.6	
Christianity	94	33.4	
Traditional African Religion	-	-	
Other, (Specify)	-	-	
Cooperative Membership (Years)			
Less than 5yrs	42	15.0	
6-10	196	69.7	8.3
11-15	26	9.2	
16 & Above	17	6.0	

Sourece: Field Survey, 2016.

The result of the personal data of the respondents in Table 1 shows that majority 143(50.9%) fell within 41 to 51 years, with age mean of 43-yrs. This suggests that they are adults and matured. It was also revealed that majority 149(53.0%) were females, while 132(47.0%) were males. However, the highest educational level of many 110(39.1%) were HND/B.Sc., implying they were learned and knowledgeable enough to answer questions on the study objectives. Again, majority 161(57.2%) of the study participants were married and the prevalent religious affiliation of the respondents was Islam 187(66.6%). Further still, majority 196 (69.7%) of the respondents had about 6-10 years cooperative membership, with an average mean of 8 years. This implies that

they were committed to cooperative association and the essence of working together for the accomplishment of a task. This aligns with the finding of Ibrahim (2001) that human society recognizes the advantages of providing individual and groups' needs collectively.

Social Responsibility Activities by Cooperative Societies of Tertiary Institutions in Kaduna State to their Host Communities

Table 2: Distribution of Respondents on the Social Responsibility activities carried out by the Cooperative Societies

S/N	Social Responsibilities Activities	n=281	(x)	Remarks
1	Control and regulate environmental pollution in the State	21(7.5%)	2.46	Not carried out
2	Make donations to charity	35(12.6%)	2.71	Not carried out
3	Make donations for social purposes	25(8.9%)	2.12	Not carried out
4	Use their net surplus to address some community problems	32(11.4%)	2.50	Not carried out
5	Help their host communities in providing physical infrastructural facilities	58(20.6%)	3.02	Carried out
6	Contribute to the educational needs of their host communities	31(11.0%)	2.18	Not Carried out
7	Employ qualified immediate members of their host communities	36(12.7%)	2.90	Not carried out
8	Provide Health care services	9(3.2%)	1.43	Not carried out
9	Create/promote cultural awareness in their host communities	23(8.2%)	2.00	Not carried out
10	Give out soft loans	11(3.9%)	1.89	Not carried out

Source: Field Survey, 2016.

Table 2 shows the social responsibility activity carried out by the cooperative societies of tertiary institutions in Kaduna State to their host communities and amongst the profiled activities it is mainly helping of the communities in providing some physical infrastructural facilities (x=3.02). This finding corroborates that of Igbinedion and Ovbiagele (2012) that tertiary educational institutions in Delta State were mainly engaged in the development of physical infrastructures. However, it can be said that the cooperative societies in Kaduna State tertiary institutions have not really lived up to their expectations, hence the need for them to look inward and see how to step up and assist their host communities in other areas as to promote peaceful co-existence and cordial relationship.

Conclusion

The study concludes that the cooperative societies in Kaduna State are making efforts in carrying out their social responsibilities, but still have to do more especially in the areas of economic and impactful human developmental projects. This will help create and enhance healthy relationship with their host communities.

Recommendations

Based on the findings, the following recommendations were made;

1. Cooperatives in tertiary institution should try and contribute to the educational needs of their host communities through scholarship. This will help empower human development.
2. Cooperatives should from time to time engage their host communities in discussion as to know what they need. This will help eliminate the possible mistake of carrying out a project they may not consider needful.
3. Cooperatives should harness its potentials in promoting socio-economic stability through training and enlightenment of its host communities.

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