

**THE NIGERIA TELECOMMUNICATION SECTOR AND CORPORATE RESPONSIBILITY A
FOCUS ON GLOBACOM ENUGU**

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Abstract

The research aimed at studying corporate social responsibility in Nigeria telecommunication sector (a study of Globacam Nigeria Limited Enugu) survey design was used in the study. The overall population was one hundred and twenty; comprising of both staff and customers of Globacom and Yam Yanane formula was used to determine the sample. The researcher used both the primary and secondary sources of data in the course of study. The primary data were collected through the instrument of questionnaire, interviews and observation. The secondary data were collected from text books, journals magazines, newspaper and libraries. Two hypotheses were developed for the work and Chi-square was used to test them (hypothesis). (The researcher findings of the project work revealed that social responsibility programmes are necessary, the findings also unveiled that Globacom Nigeria, a telecommunication firm carries out its social responsibility programme in its host community. The researchers recommended that the company should increase and expand its social responsibility programme corporate social responsibility is therefore something that a company should try and get right in implementing. It is something that business today should wholeheartedly be committed to the danger of ignoring social responsibility is too dangerous.

Introduction

One of the objectives of this study is to investigate to what extent the current debate on corporate social responsibility and its conclusion has trickled down to the periphery of Nigeria in particular and how it is applied here by firms who have embarked on such projects in Nigeria.

It is believed by the researcher that although the present level of industrialization does not entitle us to discuss the issue on the same platform with the industrialized western economics; the fact that developing countries are imitating their path to industrialization should imply that we should study their experience closely to avoid mistakes.

It is arguable also that foreign corporate bodies operating in host countries especially in the third world countries are most likely to pay lip service to such principles as corporate social responsibility which are most likely to be of benefit to their host countries. Also local or indigenous organizations can neglect this principle of corporate social responsibility to their host communities.

Those days, social responsibility of business is on what should or might be done to tackle and solve problems of society. The emphasis is on what contribution they can make to such social problems as protected and restoration of physical environment, racial discrimination or social discrimination.

In striving to satisfy its corporate goals and achieve this objectives the organization cannot operate in isolation from its environment.

The performance of corporate social responsibility is not undertaken to boost profit at the short run but to meet some social needs, aspirations are profit at the long-run.

Organizations who hold this view of corporate social responsibility believes that once it does what is expected of it by law and its host community the organization is socially responsible.

Owing to the vastness of this topic-corporate social responsibility the researcher has to restrict the investigation to manageable proportions by focusing attention on telecommunication sector Nigeria using globacom Nigeria Limited.

The telecommunication industry is one of the fastest growing sectors in Nigeria. There are so many telecommunication companies owned by foreign and local corporate bodies in Nigeria. These

telecommunication industries have covered a large area in Nigeria from urban to rural areas in the country. As a result of this, the researcher has selected one out of the many telecommunication companies to take a look at its corporate social responsibility project.

The researcher has decided to pick on Globacom Nigeria Limited, Enugu Zone and has decided to look into its corporate social responsibility activities, to see how the company has gone in performing its social responsibility in host community.

Over the years, managers have neglected the problems created by corporate firms to their host communities. Those problems pass a lot of threat and sometimes make life difficult for these communities. The privilege giving to organization to operate in the society stems from the act that society believes that there is a mutual interdependency existing between them, that is, the organization and the society.

The relationship between organizations and their host community has become increasingly important. The decision made in an organization may influence commonly prosperity and also national and even internationally economic activity might be affected. An example of these problems is the ongoing crisis in the Niger Delta region which has led to destruction of lives and prosperities. These are accusations from the youths in these areas that companies misdirect their efforts and resources that they should have used to develop the community to bribe union leaders in order to overlook their responsibilities to the community, and these have caused a lot of acrimonies between the two parties, community and the firm. These same problems can also be identified in other areas and in other communities across the country where large companies are located. This prompts the researcher with deep sense of burden to these communities to unravel the need for these large firms to see the need in helping the society solve some of its problems, most especially those they help to create, and involve in philanthropic donations to the needs of these communities and provide the community with some social amenities.

Despite the roles played by organizations carrying out corporate social responsibility and the growing importance of social responsibility, the following issues have not been fully addressed:

- i. Why should organizations be socially responsible to their environment?
- ii. What benefits do organizations get from performing its corporate social responsibility?
- iii. Why is social responsibility considered as a waste drain of business resources?
- iv. Are organizations in Nigeria socially responsible?

In view of the above, the researcher has taken up the issue of social responsibility in the telecommunication sector in Nigeria and used Globacom Nigeria as a case study to examine the extent of the company's involvement in corporate social responsibility.

Marketing Practice: Responding to consumer complaints setting fair prices and maintaining fair advertising message contents.

Employees Services: Training, counseling, granting allowances for the welfare of employees.

Corporate Philanthropy: Contributing community development activities and involving social projects.

Environmental Activities: Embarking on pollution control projects, new packages to ensure ease of disposal or possible recycling.

Employee Safety and Health: Setting effective work environment policies, accident safeguard, food and medical facilities.

Through these categories of CSR, a company is able to provide a healthy business environment for its operations and contribute to the well being of the community.

David Henderson puts it as follows companies will best discharge the responsibilities which specifically belong to them by taking profitability as a guide, subject always acting within the law, and that they should not go out of their way to define and promote wider self chosen objective. Some arguments are stated thus:

Less Economic Efficiency: The primary task of business is to maximize profit by focusing strictly on economic activities. This school of thought believes that concentrating resources in the social area could lead to less economic efficiency and therefore actually become detrimental to the society. It holds that when business organization concentrates on resources that are supposed to be used for other meaningful economic activities on social of the organization which may not argue well for the society at large. Social involvement could reduce economic efficiency.

Excessive cost than Benefits to Society: Cost incurred in undertaking some of these social responsibility programmes are higher than the benefits society will derive from them and business organization knows the way of passing this burden to society in terms of raising prices of their products and services to excessive levels to the detriment of the consumers. Invariably, society still bears the burden.

Violation of Business Decision Making: There is a believe that undertaking some social responsibility activities violates sound economic business decision making that should rightfully concentrate on caring profit.

To lack of skills on the part of managers determine socially desirable projects: Managers neither trained nor they possess the skills and knowledge of resources to determine which social desirable project to support. Even where they have the knowledge, it may not be easy as they think because of the technicality involved.

There is no complete support for involvement in social responsibility: Consequently, disagreement among groups with different viewpoints will cause friction. However, it should be noted than freedman criticism was directed solely against the introduction of corporate social responsibility within profit-making business organizations in the private sectors.

Argument Against Social Responsibility

The arguments for social responsibility rest on the notion that accepting social responsibility is the correct moral position of the firm. People who argue in favour of social responsibility claims that our modern industrial society faces many serious social problems brought by large corporations such as water, land and air pollution and resources depletion, they should play a major role in solving this problem. They also argued that because businesses are legally defined entities with most of the same privileges as private citizens, business organizations have stretched their budget to their limit many large businesses often have surplus revenue that could potentially be used to help solve problems. Another more general reason for social responsibility is profit itself. For example, organizations that make clear and visible contributions to its society can achieve enhanced regulation and profit benefit at the long run.

Other factors on which the argument for social responsibility is base are;

- The improvement of internal opportunities and the creation of better job environment.
- The business firms controls so many resources and can devote some of the resources to the betterment of the society.
- Social investments create a favourable public image thus a firm may attract customers, employees and investors.
- It is better to prevent problems than to cure them. It may be easier to help hardcore unemployed than to cope with social unrest.
- Social responsibility actions may increase profit in the long-run. There are certain actions of the business in relation to social responsibility which may increase the company's profitability. For example, identifying consumer needs and wants, producing good tailored to these needs may not produce desired result in the short run but on the long run. More profit can be realized with increase in productivity.
- Social responsibility makes business organization have more concern for society. Business must be concerned about society's interest and needs because society is affected by business operation.

Factors Motivating The Adoption of Corporate Social responsibility

Business operates in a global market where companies are increasing in the public eye. It is difficult for companies to hide in discrepancies as they are highly visible and vulnerable to attacks from stakeholders. Companies need to be sensitive to societal anxiety if they are to avoid damage to their reputation. These anxieties changes over time as different issues come into the public eye. So companies must be dynamic in the way they respond.

Stakeholder Management

Stakeholders management is a general accepted have in the business community. Stakeholders had been discarded as the groups and individual who benefit from or one harmed by, and those whose rights are violated or respected by corporate actions (freeman 2006:20).

Increasingly, corporations are motivated to become more socially responsible because their most importantly stakeholders expect them to understand and address social and community issues that are relevant to them. Understanding what causes are important to employees a business benefits that can be derived from increased employee engagement there is, no re loyalty, improved recruitment, increased retention, high productivity and so on.

Greater media exposure, environmental and health related incidents resulting from site management or planning decision have ensured that effective management of stakeholders has risen up the list of priorities for company managers.

The various stakeholders a company may have are shown in the model below

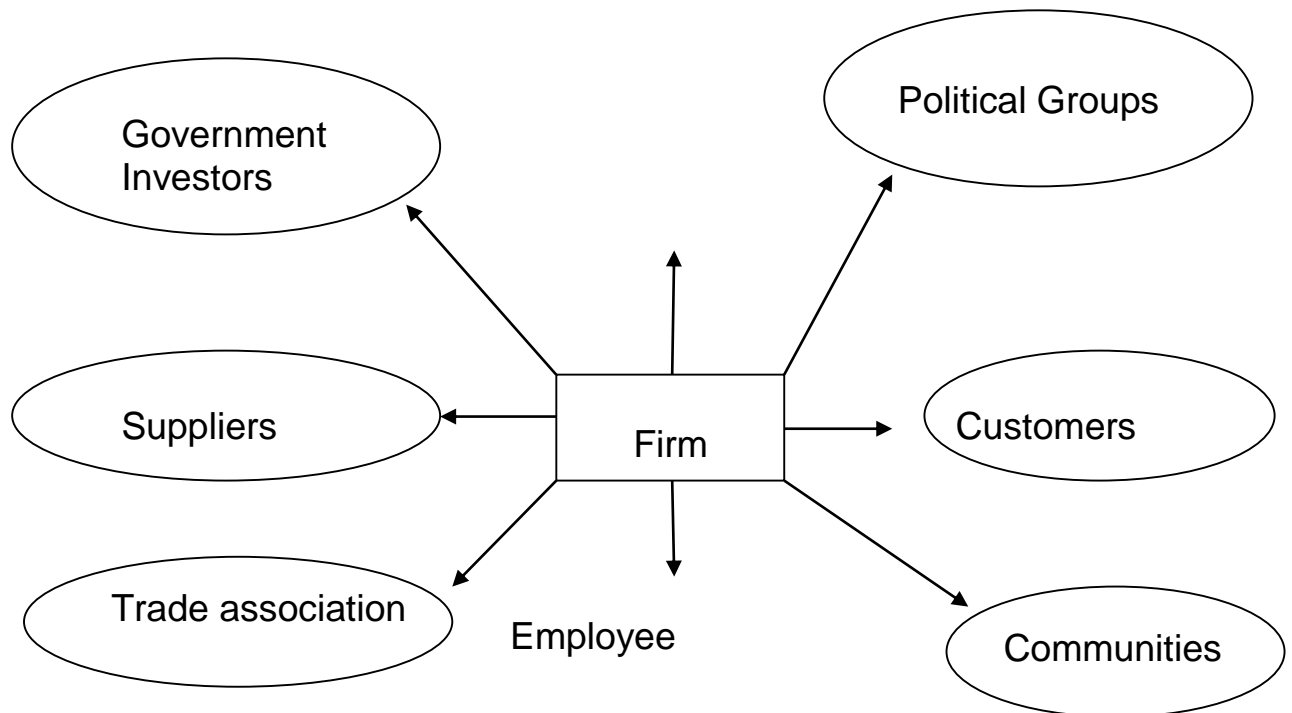


Fig 11:

Source: Onuoha; Management (1991:1.06)

Some question many be asked, if business is to responsible to the society, whom in the society must it be responsible to? Society today consist of a wide range of people who have interest, expectations and demands as to what companies and organizations ought to provide, and the ways in which they should behave. Companies are increasingly embracing these stakeholder groups and individuals, whether by considering or including them in decision making. The motivation here is for a business to become involved in corporate social responsibility by addressing the wide range and constant set of demands made by stakeholders.

Financial Performance

Since the early 1980's a significant body of CSR research has centered on the debate order the relationship between CRS and strong financial performance.

Government agencies and organizations promoting the CRS agenda seems to be convinced that, assuming a social responsibility role will bring financial gain to the business world. Social responsibility is a powerful way of making sustainable competitive profit and achieving lasting values for the shareholders as well as for the stakeholders. Therefore, being involved in social responsibility is a win-win opportunity not just for companies and social investors but also for the society at large.

Research carried out has shown that there is a good relationship between social performance and financial benefit. That is, organization to gain financial reward at the long-run and this has been a motivating factor to the organization adoption of CRS.

Furthermore, Mchilliams and Siegel (1999:88), predicted that there is a neutral relationship between social responsibility activities and company's financial performance. In this area of study, they investigated this relationship using a theory of the firms perspectives, economic scale and cost benefit analyses. Their main conclusions were;

- The neutral relationship exist because the company that carries out social responsibility activities will have higher cost but higher revenue. While the company that has no social responsibility activities will have lower cost and lower revenue, thus, profit its equal.
- Large firms will have lower average cost for providing social responsibility activities than small companies.

- There are optimal levels that will maximize profit while satisfying the demand for social responsibility from multiple stakeholders. The ideal level of social responsibility can be determined by cost benefit analysis.

CONSUMERS PRESSURE

Consumer's and damage to the global image of a popular brand is one of the reasons why companies may be motivated to assume the mantle of social responsibility. Much recent pressure has centered on the protection of the environment, example campaign against water pollution (Niger Delta Region), road maintenance, consumer's protection, protection of human right safeguarding jobs, etc.

In Nigeria organizations and agencies like National Food and Drug Law Enforcement Agency, has been an advocate for consumer's protection especially in the current climate of concern about public health. It is high profile consumer related concern such as these that will force more and more companies into adopting principle of social responsibility.

RISK MANAGEMENT

Risk management centers on problems that can be caused by consumer's pressure. However, today's management encompasses a wide range of stakeholders, each of which must be considered if a company is to avoid variety pitfalls and protect its reputation.

Findings

No business organization exists in a vacuum, but has among itself an interacting variable. The business environment - for which it is a part. Social responsibility is an aspect that organizations should not neglect as it has a great impact on the organization.

The area of study focuses on the approach Globacom. Nigeria limited takes to social responsibilities. The company is proud that in addition to being among the world best telecommunication service providing company, it: still takes an active responsibility interest in individuals and communities at a local level where ever it operates.

This research work reveals that Globacom social responsibility focuses on two aspects - sport and entertainment.

Their sport sponsorship has helped this nation in so many ways, youth who ought to have been involved in armed robbery are now using the same strength in playing football and some cheering and encouraging the team playing (supporter club).

The entertainment sector has helped to ease stress from people by making them feel relaxed, laugh, have much to each and drink listen to music and joke which due to their busy or tight work schedule will not permit them to listen to. Also it helped people meet lost friends or relations.

Furthermore, the entertainment aspect helps most especially young ones display their talent to the world so that people can see that the youths are loaded and not just roaming about wasting their lives.

Nevertheless, Globacom has provided employment for people especially members of its host communities, which has help reduce the level of unemployment in the country.

Many times the company involves active strategy to social responsibility activities in the community, but sometimes encounters pressure from the public.

Since all parties, benefits from Globacom social responsibility activities, it can now be said with air of certainty that the force that moved Globacom to the top of the telecommunication industry is their leadership role in social responsibility. As for as they maintain this policy, they are bound to remain at the peak of the telecommunication industries.

However, in recent times and in particular with the indigenization decree, Nigerian businessmen and organizations are beginning to come into the practice of corporate social responsibility. It will be a tragedy if exploitation increase under our indigenous entrepreneurs, social responsibility achieves greater meaning where corporate leaders have a stake in society and do not wait for the government to do everything.

The government has played some part in recent times. We can only hope that business will reciprocate just as Globacom Nigeria Limited has done by getting involved in corporate social responsibility activities to its host community and the country at large. Based, however as it is on voluntarism, the "social responsibility of business" is likely to satisfy all the needs of the society.

Since a greater percentage of Nigerians have benefited from the corporate social responsibility role of Globacom Nigeria, it can now be discussed with air of certainty, that one of major force that catapulted Globacom to the top of firms in the telecommunication industry is their role in corporate social responsibility programmes

As far as they maintain this policy/strategy, they are bound to remain in top as the leading mobile telecommunication industry in Nigeria.

Recommendations

The idea that the only function of business organization is profit maximization for the shareholders should be erased and become obsolete and thus they should shift emphasis to a never term "social responsibility" to this effect Nigeria businessmen and women would protect their long-term interest by redefining their objectives to include those of the communities in which they carry out their business operations.

In view of the above the following recommendations are made which will be based on the findings presented in the study.

- The company should expand their activities by going into other areas like health education, charity giving, instead of focusing on only sport and entertainment.
- The organization should provide adequate amenities to its immediate environment.
- The company should improve on their service; most times the network reception is very poor.
- Despite the fact that Glo does not cover many rural areas in Nigeria, their social responsibility programme should not only center in the Urban areas. Their social responsibility project should also be shifted to rural areas where there is no network coverage.
- A committee should be established to oversee their social responsibility activities.
- The company should partner with the government to ensure effectiveness in running their social responsibility programmes.

Without endangering corporate survival, businessmen should realize the advantages of giving, grants to universities and other institutions and to its community, to mention a few. Businessmen or organizations should realize that an increase in the entrepreneur spirit of the populace can only be beneficial to the business sector and that the government cannot do this all alone.

Conclusion

The survival of any organization is dependent upon series of exchange between the organization and its environment. The involvement of Globacom Nigeria Limited, Enugu, and participation in social responsibility practices shows that the company is socially responsible to its immediate environment.

For any organization to survive, it has to properly take part in social responsibility activity. Most organizations and government agencies agree that social responsibility is well and truly on the agenda in the business world because businesses operate in an environment where their resources are sourced and for this citizens will be looking up to them with high expectations and if these expectations are dashed, it will not go well with both the organization and the citizens.

Where shareholders refuse the approval of social responsibility they may receive wrath from the government and its host community. Having said this, organizations should take up the issue of social responsibility seriously. If a company fails to meet stakeholders expectations, it can put its own future at risk.

In conclusion, corporate social responsibility can therefore be best described as a total approach to business. Corporate social responsibility creeps into all aspects of operations. Like quality it is something that your business today should genuinely and wholeheartedly be committed to. The dangers of ignoring social responsibility are too dangerous when it is remembered how important brands are to the overall company's value, corporate social responsibility is therefore something that a company should try and get right in implementing.

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