

Corporate Social Responsibility and Community Development: A Case Study of Pamol (Nigeria) Limited, Cross River State, Nigeria

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Abstract: The study investigated the relationship between Corporate Social Responsibility functions of PAMOL (Nigeria) Limited and the community development (felt) needs of its host communities in Cross River State, Nigeria. A total of 342 respondents comprising 192 males and 150 females were randomly selected from 16 communities in Odukpani and Calabar Municipal Local Government Areas of the State which make up the host communities. Both descriptive and inferential statistical tools were employed in the analysis of data that were collected. The findings show that the Corporate Social Responsibility functions carried out by PAMOL in the area include employment, building and equipping of town halls and class room blocks, HIV/AIDS awareness/prevention campaign, etc. while the host communities' development needs are construction and maintenance of community roads, employment of indigenes, provision of healthcare facilities and potable water, educational advancement by granting of scholarships to indigent students as well as electricity supply. Further results indicate that the Corporate Social Responsibility functions of PAMOL have no significant relationship with the felt needs of its host communities in Cross River State. This suggests that perhaps PAMOL did not carryout a proper need assessment before embarking on the projects. Based on the findings, the study surmises that there is need for PAMOL to adapt its Corporate Social Responsibility functions to the felt needs of host communities in order to prevent restiveness by aggrieved parties, as well as ensure sustainability in their operations in the area.

Key words: Corporate social responsibility, community development, felt needs, host communities, need assessment

INTRODUCTION

The concept of Corporate Social Responsibility has been assessed as one way of enhancing community/rural development; hence the theory of community development provides the logical point of departure of this study. Okiyi (2003) defined Corporate Social Responsibility as a function of modern management, planned and carried out by an organization with a view to undertake actions deemed legal and responsible to satisfy pertinent needs of her public, employees and host communities.

According to Ndebbio (2002) the concept was propounded by social scientists that had the welfare of communities hosting gigantic business or industrial firms in mind, irrespective of whether or not their activities degraded the environment or impoverished the communities they operated in. Corporate Social Responsibility stipulates that any company deriving a utility from a community should respond positively to the problems of

that community. The driving force behind the evolution of this concept, according to Culpepper (1998), is the quest for social equity and justice, as well as environmental sustainability. On his part, Kazmi (1992) points out that the basic underlying argument here is that business organizations are part of the society and have to serve primary societal interest rather than narrow economic objectives.

In spite of the views presented by various writers on the need for the discharge Corporate Social Responsibility functions by organisations, there have been doubts expressed by some other group of writers as to whether the Corporate Social Responsibility functions performed by big corporate organisations in the host communities usually match the community development need or the felt needs of the people or whether the organisations only do that which they feel is good for the community even when the people themselves have greater need for other things.

In fact, Anyanwu (1992) avers that the felt needs of the people must form the starting point of any community development programme. He maintains that the community will be more interested in sustaining projects which they identified and took part in their implementation. Ekong (2003) opines that a community's felt need must be met or at least recognized and sympathized with, before there can be any hope of success in tackling agent identified or so-called real needs.

There is a widely accepted view that in discharging Social Responsibility functions that must have the desired positive relationship with the felt needs of the people, a careful and detail need assessment is essential. Rogers and Shoemaker (1971) argue that the most important and difficult role of the development agents is diagnosing clients' needs. They observe that in most cases, change agents are more innovation-oriented than client-oriented. They captured the scenario by saying that development agents "scratch where their clients do not itch". Thus, they submit that the change agents' success is positively related to the degree to which his programme is related to clients' needs. In sum, the import of all these views implies that community development efforts must always be adapted to the needs of the people or target beneficiaries.

PAMOL (Nigeria) Limited was established as a privately-owned Rubber plantation which produced rubber latex, rubber crumbs as well as ribbed smoked rubber sheet, used in the manufacture of tyres and other products. The company later diversified into Oil Palm production as part of their corporate strategy to remain sustainable. PAMOL has been in existence in Cross River State for over 50 years and has a reputation of being one of the most viable and enduring plantations in the State. The main objective of this study therefore was to assess the relationship between the Corporate Social Responsibility functions of PAMOL and the community development (felt) needs of the host communities with a view to providing useful recommendations as to how they can enhance their corporate existence, while fostering development of the host communities.

MATERIALS AND METHODS

Sampling procedure and data: A pre-survey of PAMOL's operational zone (Calabar Municipal and Odukpani Local Government Areas) was carried out for identification of the host communities, and to enable the researcher to draw up an adequate sample frame.

Multi-stage sampling technique was employed to select divisions, communities and respondents for the

study. Four divisions, namely Ikot Assa, Ikot Omini, Akim Akim and Adiabo, were purposively selected from the operational zones of PAMOL, based on the level of activities of PAMOL in those areas. Afterwards, four communities were randomly selected from each of the four divisions bringing the total to 16 communities. Thereafter, 25 respondents were randomly selected from each of the 16 communities to arrive at a total of 400 respondents for the study. However, 342 questionnaires were eventually analyzed based on the respondents that cooperated.

Analytical framework: Descriptive statistics such as frequency distribution, means and percentages were used to examine Corporate Social Responsibility functions performed by PAMOL (Nigeria) Limited as well as the felt needs of the host communities while Chi-square analysis was used to determine whether a significant the relationship existed between Corporate Social Responsibility of PAMOL and the felt needs of its host communities. The Chi-square test was carried out at 0.005% level of significance.

The formula for the Chi-square is given as:

$$\chi^2 = \sum \frac{(E-O)^2}{E} \quad (1)$$

Where:

χ^2 = The calculated value of the Chi-square

O = Observed frequency

E = Expected frequency

Expected frequency is given as:

$$E = \frac{RT \times CT}{GT} \quad (2)$$

While the Degrees of Freedom (DF) are given as:

$$DF = (C-1)(R-1) \quad (3)$$

Where:

RT = Row Total

CT = Column Total

GT = Grand Total

C = Number of Columns

R = Number of Rows

The calculated Chi-square statistic is compared with the theoretical value to either reject or not reject the null hypothesis of significant relationship at the 5% level of significance.

RESULTS AND DISCUSSION

Host communities' perception of PAMOL's Corporate social responsibility functions: Table 1 shows the distribution of respondents based on their perception of the type Corporate Social Responsibility functions carried

out by PAMOL in its host communities. From the table, employment ranked 1st with a mean response of 3.18, equipment of town halls came 2nd, with mean response score of 3.18 while building of town halls ranked 3rd, with a mean response of 3.00. Others are HIV/AIDS awareness campaigns which ranked 4th with a mean

Table 1: Host Communities' Perception of PAMOL's Corporate Social Responsibility Functions

Item	Completed(4)	On going(3)	Abandoned (2)	Not provided (1)	Cumulative score	Mean response	Rank
Employment	F (%)	F (%)	F (%)	F (%)			
Permanent employment	192(56.14)	60(17.54)	70(20.47)	20(5.85)	1108	3.24	1 st
Creation of vacation jobs for students	15(4.39)	12(3.51)	32(9.36)	283(82.75)	443	1.30	39 th
Provision of vocational training centres	25(7.31)	70(20.47)	50(14.62)	197(57.60)	607	1.77	11 th
Educational development							
Provision of desks for schools	85(24.85)	30(8.77)	20(5.85)	207(60.53)	677	1.98	8 th
Building of classroom block	65(19.01)	55(16.08)	75(21.93)	147(42.98)	722	2.11	5 th
Renovation of classroom block	70(20.47)	70(20.47)	15(4.39)	187(54.68)	707	2.07	6 th
Scholarship for indigenes	36(10.53)	66(19.30)	24(7.02)	216(63.16)	606	1.77	11 th
Bursary award	24(7.02)	18(5.26)	42(12.28)	258(75.44)	492	1.44	24 th
Provision of writing/ teaching Aids	12(3.51)	50(14.62)	10(2.92)	270(78.95)	488	1.43	27 th
Demonstrative farms/agric							
Support services							
Extension services	18(5.26)	12(3.51)	24(7.02)	288(84.21)	444	1.30	39 th
Provision of farm inputs	24(7.02)	84(24.56)	24(7.02)	210(61.40)	606	1.77	11 th
Demonstration farms	30(8.77)	90(26.32)	18(5.26)	204(59.65)	630	1.84	9 th
Credit facilities	24(7.02)	36(10.53)	18(5.26)	264(77.19)	504	1.47	22 nd
Storage facilities	24(7.02)	24(7.02)	12(3.51)	282(82.46)	474	1.39	32 nd
Provision of processing facilities	35(10.23)	10(2.92)	20(5.85)	277(80.99)	487	1.42	28 th
Health services							
Health centres/ dispensary	40(11.70)	45(13.16)	25(7.31)	232(67.84)	577	1.69	14 th
Subsidy on drugs	20(5.85)	50(14.62)	40(11.70)	232(67.84)	542	1.58	16 th
Free cataract operation	15(4.39)	35(10.53)	50(14.62)	242(70.76)	507	1.48	21 st
Free periodic medical check up	24(7.02)	36(10.53)	60(17.54)	222(64.91)	546	1.60	15 th
Child care/maternity services	15(4.39)	25(7.31)	55(16.08)	247(72.22)	492	1.44	24 th
AIDS awareness campaign	98(28.65)	142(41.52)	47(13.74)	55(16.08)	967	2.83	4 th
Water supply							
Provision of bore holes	15(4.39)	20(5.85)	45(13.16)	262(76.61)	472	1.38	33 rd
Provision of deep/shallow wells	-	20(5.85)	85(24.85)	237(69.30)	467	1.37	35 th
Pipe borne water	5(1.46)	25(7.31)	60(17.54)	252(73.68)	467	1.37	35 th
Roads							
Construction of tarred roads	15(4.39)	45(13.16)	45(13.16)	237(69.30)	522	1.53	19 th
Construction of feeder roads	20(5.85)	20(5.85)	50(14.62)	252(73.68)	492	1.44	24 th
Periodic maintenance of roads	20(5.85)	20(5.85)	45(13.16)	257(75.15)	487	1.42	28 th
Construction and maintenance of							
Bridges culverts	37(10.82)	29(8.48)	107(31.29)	169(49.42)	618	1.82	10 th
Electricity supply							
Settlement of community's electric Bills	30(8.77)	25(7.31)	15(4.39)	272(79.53)	497	1.45	23 rd
subsidizes electric bills	35(10.23)	10(2.92)	20(5.85)	277(80.99)	487	1.42	28 th
provision of electricity through generating sets	36(10.53)	18(5.26)	24(7.02)	264(77.19)	510	1.49	20 th
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response of 2.83, building of classroom blocks ranked 5th with a mean response score of 2.11 while contribution of cash to town projects and renovation of classroom blocks hall tied on the 6th rank with a mean response score of 2.07. Similarly, provision of desks for schools with a mean response score of 1.98 ranked 8th, while demonstration farms ranked 9th with a mean response score of 1.84. Furthermore, construction and maintenance of bridges and culverts ranked 10th with a mean response of 1.82 while provision of vocational training centres, scholarship for indigenes and provision of farms inputs ranked 11th with a mean response of 1.77. Other items on the table had mean response scores lower than the average mean response score (1.7), indicating that they were least favoured as Corporate Social Responsibility functions carried out by PAMOL in its host communities.

Felt needs of PAMOL’s host communities: Table 2 indicates that road construction and maintenance was the major felt need of the host communities, with mean response score of 2.50, employment came second with a mean response score of 2.49, health services with a mean response score of 2.44 ranked third, followed by water supply which ranked fourth with a mean response score of 2.42. Similarly, educational development with mean response score of 2.36 ranked fifth as the communities felt need, while electricity supply ranked 6th with a mean response score of 2.30. Furthermore, demonstration farms/ agricultural support services with mean response of 2.14, recreational facilities with a mean response score of 1.87, town halls with mean response score of 1.73 and market facilities with mean response of 1.58, ranked 7, 8, 9 and 10th, respectively and where least favoured as the communities felt needs since their mean response scores were less than the average mean response score of 2.16.

Relationship between corporate social responsibility functions and felt needs of host communities: The hypothesis tested of no significant relationship between Corporate Social Responsibility Functions of PAMOL and

the felt needs of it host communities was tested using the Chi-square statistic. The results from Table 3 and 4 indicate that the calculated statistic χ^2 (9.36) was less than the critical value χ^2 (12.59) at 6 degrees of freedom and 5% level of significance.

Consequently, the null hypothesis of no significant relationship was not rejected, implying that there is no significant relationship between the Corporate Social Responsibility functions of PAMOL and the felt needs of its host communities. We conclude therefore, that development projects embarked upon by PAMOL in its host communities, did not meet the felt needs of the people. This buttresses the fact that most corporate organizations do not carry out pre-project evaluation or need assessment studies nor consult the rural people before attempting to carryout development projects

Table 3: A 4x3 contingency table for the Chi-square analysis

Felt needs	Projects				Total
	Water supply	Road construction	Employment	Health services	
Very Much	59.06 (63.44)	61.99 (63.45)	67.84 (63.45)	64.91 (63.45)	253.80
Much	23.39 (19.37)	26.32 (19.37)	13.16 (19.37)	14.62 (19.37)	
Not Much	17.54 (17.18)	11.70 (17.18)	19.01 (17.18)	20.47 (17.18)	68.72
Total	99.99	100.01	100.01	100.00	400.01

Note: (i). Figures outside parentheses are observed frequencies, (ii). Figures in parentheses are expected frequencies

Table 4: Computation of Chi-square

CELL	O	E	O - E	(O - E) ²	$\frac{\sum(O - E)^2}{E} = \chi^2$
1	59.01	63.44	-4.44	19.71	0.3107
2	61.99	63.45	-1.46	2.13	0.0335
3	67.84	63.45	4.39	19.27	0.3037
4	64.91	63.45	1.46	2.13	0.0335
5	23.39	19.37	4.02	16.16	0.8343
6	26.32	19.37	6.95	48.30	2.4937
7	13.16	19.37	-6.21	38.56	1.9909
8	14.62	19.37	-4.75	22.56	1.1648
9	17.54	17.18	0.36	0.13	0.0075
10	11.70	17.18	-5.48	30.03	1.7480
11	19.01	17.18	1.83	3.35	0.1949
12	20.47	17.18	3.29	10.82	0.6300

Calculated $\chi^2 = 9.36$, Theoretical χ^2 at 0.05 level of significance =12.591

Table 2: Felt needs of PAMOL’s host communities

Projects	Very much(3)	Much(2)	Not much(1)	Cumulative score	Mean response	Rank
Employment	232(67.84)	45(13.16)	65(19.01)	851	2.49	2 nd
Educational development	197(57.60)	70(20.47)	75(21.93)	806	2.36	5 th
Demonstration farm/Agric support services	147(42.98)	95(27.78)	100(29.24)	731	2.14	7 th
Health services	222(64.91)	50(14.62)	70(20.47)	836	2.44	3 rd
Water supply	202(59.06)	80(23.39)	60(17.54)	826	2.42	4 th
Road construction/maintenance	212(61.99)	90(26.32)	40(22.70)	856	2.50	1 st
Electricity supply	172(50.29)	100(29.24)	70(20.47)	786	2.30	6 th
Recreational facilities	65(19.01)	167(48.83)	110(32.16)	639	1.87	8 th
Market facilities	60(17.54)	80(23.39)	202(59.06)	542	1.58	10 th
Multipurpose halls	90(26.32)	70(20.47)	182(53.22)	592	1.73	9 th

Source: Field survey, 2005

designed for them. This phenomenon is largely responsible for the apathy exhibited by host communities and the resultant crises in South-South of Nigeria, especially the Niger-Delta region where multinational companies dominate in crude oil production and exploitation (Iyayi, 1999) at the expense of the development of the host communities.

CONCLUSION AND RECOMMENDATIONS

Based on the findings of the study, it is concluded that the Corporate Social Responsibility functions of PAMOL did not meet the felt needs of its host communities, particularly those that ranked high in their preferences, such as, road construction/maintenance, health services, water supply, educational development, electricity supply, etc. Clearly, proper need assessment is usually before PAMOL embarks on most of the projects. It is therefore, recommended that PAMOL should adapt its the Corporate Social Responsibility functions of suit the felt needs of its host communities through proper need assessment and popular participation

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