Peter Oluwadare KALEJAIYE & Adedeji Oluwaseun ADEWUSI

Department of Sociology, Olabisi Onabanjo University, Ago-Iwoye, Ogun State.
e-mails: petkal2000@yahoo.com; kalejaiye.peter@oouagoiwoye.edu.ng
&
Department of Sociology, University of Ibadan, Ibadan, Oyo State.
e-mails: adewusi4success@yahoo.co.uk; aadewusi1826@stu.ui.edu.ng

Corporate Social Responsibility and Organisational Image of Selected Asian-owned Firms in Lagos State, Nigeria.

This article examined Corporate Social Responsibilities (CSR) and Organizational Image of selected Asian-owned manufacturing firms in Lagos state, Nigeria. Specifically, the CSR benefits enjoyed by local communities within which Asian firms operate were documented; the social determinants of CSR beneficiary were investigated and the perceived influence of these CSR programmes on the organizational image was examined. The Symbolic Interactionist theory was adopted to theoretically engage issues of interest. A total of 211 copies of questionnaire and 12 in-depth interviews were used to gather quantitative and qualitative data respectively. The responses from the questionnaire administration were analyzed with descriptive and inferential statistical techniques, while that of the qualitative responses were thematically analyzed. Findings revealed that majority of the residents claimed to have enjoyed all four CSR programmes of interest, aside from that of the scholarship. Those who never benefitted from these programmes were either unaware that such programmes were available or that those who benefitted from the programmes accessed them through the insider factor. Also, the study revealed that the highest educational qualification, duration of being a resident and sex were preconditions for benefitting in certain CSR programmes. Lastly, results revealed that the provision of scholarship and employment programmes enhanced the organizational image. Therefore, the article concluded that certain investment made by Asian-owned firms towards giving back to the society is a critical ingredient for organizational image building. It was, therefore, suggested that Asian-owned firms could give scholarships and create employment opportunities for residents of host communities, as this could promote their reputation, which is a prerequisite for business performance.

Keywords: Asian-owned Firms, Corporate Social Responsibilities (CSR) Programme, Organizational Image, Host community, Residents.

Introduction

The business world has undergone modifications in recent years not only as a result of the nature of competition but also as a result of the wave of globalization, which has been sweeping across markets (Okafor, 2012). Companies are expanding their boundaries from the country of their origin to the evolving markets in the developing countries which have been sometimes referred to as emerging markets (Parul & Gitika, 2011). The current trend of globalization has brought a realization among the firms that in order to compete effectively in a competitive environment; they need clearly defined business practices with a sound focus on the public interest in the markets (Gray, 2001). In order to draw from this pool of talents coming up in developing countries, companies need to gain a foothold in these markets by establishing sound business practices addressing social and cultural concerns of the people.

As a result of the foregoing, governments all over the continents have taken steps to ensure attractive, investor-friendly policies. This arrangement is a form of practice occasioned by the effects of globalization and trade liberalization which economists and development experts perceived as Foreign Direct Investment (FDI) from the different parts of the world (Adewusi, 2015). While this is perceived as a strategy to create employment opportunities and generate revenue for the government alike, it is sometimes to the detriment of the host communities. For instance, oil spillage in the south-southern part of Nigeria, which has triggered several face-offs between the host communities and the management of the organization.

This has been attributed to the capitalist mentality of industrialists, which is based on making a profit while neglecting the need to give back to the society.

Corporate Social Responsibility (CSR) as a concept has attracted worldwide attention and acquired a novel importance in the global world (Akinyomi, 2013). CSR can become a forceful tool contributing towards sustainable development and societal regeneration (Kori, 2007). Moreover, while governments have traditionally assumed sole responsibility for the improvement of the living conditions of the population, societal needs have exceeded the capabilities of governments to fulfill. In this context, the spotlight is increasingly turning to focus on the role of business in society and progressive companies are seeking to differentiate themselves through engagement in CSR (Enahoro, Akinyomi & Olutoye, 2013). Promoters of CSR have argued that organizations should integrate economic, social and environmental concerns into their business strategies, their management tools, and their activities, going beyond compliance and investing more on human, social and environmental capital (Belal & Momin, 2009; Perrini, 2006).

Statement of the Research Problem

Companies and corporate firms are beginning to realize the fact that in order to gain the strategic initiative, competitive advantage and to ensure continued existence, business practices may have to be molded from the normal practice of solely focusing on profits to factor in public goodwill and responsible business etiquettes (Reynard & Forstater, 2002). Therefore, companies that use CSR in their strategies should be geared to the needs of external as well as the internal environment (Vladimíra & Katarína, 2012). Hence, companies that want to apply CSR in their strategy require a shift of perspective on their role in society from the level that focuses only on making profits, to a wider view of 3P called people, planet, profit. It follows that CSR is based on three pillars called triple-bottom-line (Elkinghton, 1996). This is because authors have agreed that CSR is an important factor constituting organizational image (Ailawadi, 2011; Lizarraga, 2010; Spitzeck, 2009). According to Mazzarol (1998), organizational image is an indicator that attracts potential or existing customers to be willing to come into contact with a corporation.

Furthermore, there is a high rise in the quest for social responsibility from the manufacturing sector because of its importance to the development of any country (Terungwa, 2011; Jonathan, 2011). Investment in CSR correlates with a firm's survival, economic well-being, competitive advantage and customer loyalty (Rahim, Jalaludin, & Tajuddin, 2011). In the Nigerian society, CSR has been a highly contemporary and contextual issue to all stakeholders including the government, the corporate organization itself, and the general public (Adeyanju, 2012). The question as to the current state of CSR practices in the manufacturing firms in Nigeria remains unresolved and requires further investigation (Akinyomi, 2013) as most corporate organizations are concerned about what they can take out of the society, and de-emphasized the need to give back to the society (Adeyanju, 2012). Studies have been conducted among indigenous firms (Hasebur, 2014; Otoo & Agyapong, 2014; Ayanda, 2013; Amaeshi, Adi, Ogbechie & Amao, 2006), while little attention has been focused on foreign-owned firms (Jonathan, 2011), especially the Asian-owned ones in Nigeria. It was against this backdrop this article examined corporate social responsibility and organizational image of selected Asian-owned firms in Lagos State.

Research Question

1. What are the CSR programmes of Asian owned firms (specifically philanthropic responsibility) available to selected host communities in Lagos State, Nigeria?
2. How have the CSR influenced the organizational image of these Asian-owned firms in Lagos State, Nigeria?

Research Objectives

The aim of this study was to examine the implication of CSR on organizational image among Asian-owned firms in selected host communities in Lagos State, Nigeria. Specifically, this study:

1. Documented the CSR benefits enjoyed by local communities within which Asian firms operated in Lagos State, Nigeria.
2. Investigated the social determinants of CSR beneficiary in local communities within which Asian firms operated in Lagos State, Nigeria.
3. Examined the perceived influence of these CSR benefits on the organizational image of selected Asian Firms in Lagos state, Nigeria.

Conceptual Clarification
Concept of Corporate Social Responsibility (CSR)

The World Business Council on Sustainability Development, (1998) described CSR as the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large. European Union (2006) submitted that CSR is the concept that an enterprise is responsible or accountable for its impact on all relevant shareholders. They further argued that socially responsible companies will consider the full scope of their impact on communities and the environment when making decisions, balancing the need of stakeholders with their need to make a profit" (The European Union, 2006: 15). As an improvement on the above definitions, Koontz & O'Donnell (1968) defined social responsibility as the personal obligation of everyone, as he acts in his own interests, but he must always have due regard that his freedom does not restrict others from doing the same thing. He further noted that a socially responsible individual or organization will obey the laws of the land because the rights of others are at stake. In emphasizing the ecological

conceptualization of social responsibility, Buchholz (1991) noted that any good definition of social responsibility must contain if not all, most of the following; Responsibility that:

i. Goes beyond the production goods and services at a profit;

ii. Helps in solving important social problems those that the organization are responsible for creating;

iii. Makes corporations have greater constituency than stockholders alone;

iv. Makes corporations have great impacts that go beyond marketplace transactions, and

v. Makes corporations serve a wider range of human values that can be captured by a sole focus on value.

Kenneth (1977) defined CSR as an intelligent and objective concern for the welfare of the society that retains the individual and corporate behavior from ultimately destructive activities, no matter how immediately profitable and leads to the directions of positive construction of human improvement. From the foregoing, it is right to say that CSR can, therefore, be referred to as decisions and actions were taken by organizations for reasons at least, particularly beyond the organization's direct economic or technical interest. Corporate social responsibility has to do with an organization going out of its way to initiate actions that will impact positively on its host community, its environment, and the people generally. It can be seen as a way of acknowledging the fact that some business fall outs have adverse effects on the citizens and society and making efforts to ensure that such negative impact is corrected (Ite, 2004).

Additionally, Corporate Social Responsibilities are four types namely: economic responsibilities (profitability and protection of stakeholders' interests); philanthropic responsibilities (by donating services to community organizations, engaging in projects to aid the environment or donating money to charitable causes scholarships such as infra-structural development, and other charitable donations etc); legal responsibilities (operating within the context of labour law, environmental law and even criminal law) and ethical responsibilities (include being environmentally friendly, paying fair wages or refusing to do business with oppressive countries). However, this paper focused on philanthropic responsibilities of selected Asian-owned firms in Lagos State, Nigeria.

Concept of Organizational Image

Organizational image is an abstract concept that reflects the public's general evaluation of a corporation. However, since the concept is very broad, there has long been an absence of definitions agreed upon by the public, and different scholars have defined it differently as well. Boulding (1956) believed that image may not be able to fully reflect the genuine content of matters but are subjective consciousness, based on the information received by an individual, and may be perspectives derived from incomplete or incorrect information. Bayton (1959) attempted to use a human perspective to interpret the dimensions of organizational images, such as amiability and friendliness. Mazzarol (1998) pointed out that organizational image is an indicator that attracts potential or existing customers to be willing to come into contact with a corporation. Nguyen & Leblanc (2001) believed that the factors forming corporate image may come from customer perception of the corporation and its behaviour, including the corporate name, traditions, operational visions, and diversity of product services; these are the results of the interactive influences of all experiences, feelings, ideas, and knowledge of customers. Tang (2007) proposed a similar definition, pointing out that corporate image is the customer's total offering toward organizations, and is the sum of the public's beliefs, ideas, and impressions toward specific organizations.

When constituting organizational image, the most important goal is to form positive attitude towards the company among present and potential consumers. Organizational image comprises creating a positive corporate personality, marketing communications, and channels as well as constant feedback from the target audience. Worcester (2009), Pina *et al.,* (2006), Meehan *et al.,* (2006), Flavian, Guinaliu, Torres (2005), Abratt, Mofokeng (2001), Teng Fatt *et al.,* (2000), and Stuart (1997) emphasized the importance of creating and managing organizational image, hence, they all agreed that CSR has positive impact on organizational image. Lizarraga (2010), Pina *et al.,* (2006), van Heerden, Puth (1995) state that positive organizational image provides company with individual features that lead to brand recognition, improve consumer and employee loyalty as well as corporate reputation. However, organizational image from the host communities' perspective has been given limited attention in the existing literature. This is one of the gaps this paper intends to fill.

Corporate Social Responsibilities and Organizational Image: A Brief Literature Review

According to Amaeshi, *et al.,* (2006), it appears that Nigerian companies are engaged in one CSR activity or the other. New Nigeria Foundation's (NNF) study showed that CSR had been carried out mainly as philanthropic activities and, as a result, "corporate contributions had remained largely unregulated, unsupervised and unguided, depending entirely on the whims, caprices, and generosity or otherwise of particular corporate executives in office". NNF's study focused on financial CSR, CSR in the workplace and marketplace, as well as in the community and environment. Basically, it was found that while companies had made some improvements in various aspects of CSR as defined for the study, a lot still needs to be done. Authors have come to a common ground that, the longer the interaction between the company and consumer, the stronger the organizational image (Torres, 2005; LeBlanc and Nguyen, 1995). Leblanc & Wei (2002) state that organizational image is the impression stakeholders have towards the company, while corporate identity is the set of facts defining company, its aims, and culture.

Aslan & Zaman (2014) found out that large numbers of people are not usually aware of an organisation's CSR. Mandina *et al.,* (2014) submitted that philanthropic activities do enhance company image as well as relations between an organization and the community surrounding it. Also, Gudjonsdottir & Jusubova (2015) found out that there is a positive significant relationship between Philanthropic responsibilities and brand image. In addition to this, Hasebur (2014), Otoo & Agyapong, (2014), Naqvi *et al.,* (2013), Ayanda (2013) all submitted that Corporate Social Responsibility has positive impact on corporate image. Makasi *et al.,* (2014) also argued that building health care facilities and education help to improve corporate image.

The physical environment comprises the environmental aesthetics, lighting, condition of furniture, buildings and other company's property. LeBlanc, Nguyen (1995) stated that aesthetic environment increases consumers' satisfaction and raises organizational image. Chattananon, Lawley (2007), Stuart (1997) and LeBlanc, Nguyen (1995) emphasized that room decorations, lighting, and other features can be used to communicate organizational image to the consumers. It is agreed that Corporate Social Responsibility (CSR) has positive impact on attractive organizational image building. Ailawadi (2011), Lindgreen, Swaen (2010), Lizarraga (2010), Chattananon, Lawley (2007), Hoeffler, Keller (2002), Boulstridge, Carrigan (2000) stressed that if consumers/local residents see a company as socially responsible, their attitude towards the company's products become positive and their intention for repeated purchasing increases. From the foregoing, one will observe that most studies have examined corporate image from the consumers' perspective with regards to physical environment and product quality with less attention given to CSR from that of the host community's perspective. In addition to this, it can also be deduce that few studies have been conducted in Nigeria that examined the CSR programmes engaged in by Asian-owned Firms; the category of people who benefited from them in the host communities and the impact of CSR on organizational image of the Asian-owned firms in Lagos State, Nigeria. These were the noticeable gaps this study filled.

Theoretical Underpinning

Symbolic Interaction Theory
The symbolic interaction perspective is one of the major frameworks of sociological theory. Although, Gorge Herbert Mead (1863 – 1931) is widely acknowledged as the founder of Symbolic Interactionism, the origin of the theory can be traced to Marx Weber's (1864 - 1920) concept of Verstehen, which emphasizes "understanding a particular setting from the point of view of people within that setting" (Macionis, 2007: 18). This perspective relies on the symbolic meaning that people develop and rely upon in the process of social interaction. Symbolic interaction theory analyzes society by addressing the subjective meanings that people impose on objects, events, and behaviours. Subjective meanings are given primacy because it is believed that people behave based on what they believe and not just on what is objectively true. Thus, society is thought to be socially constructed through human interpretation. People interpret one another's behaviour and it is these interpretations that form the social bond. These interpretations are called the "definition of the situation."

Furthermore, Ritzer (2008) identifies seven (7) principles of Symbolic Interactionism. These include:
1. Human beings, unlike lower animals, are endowed with the capacity for thought;
2. The capacity for thought is shaped by social interaction;
3. In social interaction, people learn the meanings and the symbols that allow them to exercise their distinctively human capacity for thought;
4. Meaning and symbols allow people to carry on distinctively human action and interaction;
5. People are able to modify or alter the meanings and symbols that they use in action and interaction on the basis of their interpretation of the situation;
6. People are able to make these modifications and alterations because, in part, of their ability to interact with themselves, which allows them to examine and then choose one;
7. The intertwined patterns of action and interaction make up group and societies (Ritzer, 2008: 365).

Indeed, this scenario is akin to Cooley's (1864 - 1929) "looking-glass process". That is, human beings get their self-image from the way others treat or react to them. Therefore, the residents of communities within which Asian corporations are situated will either have a positive or a negative perception of the aforementioned corporation. This is predicated on the interaction between the residents of host communities and these firms and the extent to which the latter is socially responsible to the former. Thus, when organizations give back to the society, specifically their host communities through Corporate Social Responsibility programmes (for instance, provision of Scholarships; infrastructural facilities; goods in discounted prices; and employment opportunities), it is expected to build a positive image amongst residents in the host communities and beyond. When this happens, it is expected that as more and more CSR programmes are being executed in these host communities by Asian firms, there will be a corresponding enhancement of a positive organizational image built. However, organizations that only focus on the maximization of profit without a keen interest in the improvement of its operating environment will attract negative brand image.

Methodology

Study Area: The study was carried out in two Asian-owned manufacturing firms in Lagos State (i.e., Firm A and B).