



Corporate Social Responsibility and Organisation Performance: A Theoretical Review

¹Adebisi Gabriel Akeredolu, ²Olayemi Selimat Ayeni, ³Abimbola Deborah.
Ogunduboye,

¹Department of Business Administration and Management, Rufus Giwa Polytechnic, Owo, Nigeria

²Department of Business Administration and Management, Rufus Giwa Polytechnic, Owo, Nigeria

³Department of Business Administration and Management, Rufus Giwa Polytechnic, Owo, Nigeria

ORCID

<https://orcid.org/0009-0008-5840-0484> (Adebisi Gabriel Akeredolu),

<https://orcid.org/0009-0000-9827-7240> (Olayemi Selimat Ayeni),

<https://orcid.org/0009-0006-2714-9405> (Abimbola Deborah. Ogunduboye)

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ABSTRACT

This paper drops the evolution of private university education in Nigeria and how private universities have underwritten to the improvement of the quality of education in the country. As corporate organisations, private universities have contributed extremely to the economy and social development of the country. These responsibilities are best satisfied under the corporate social responsibility philosophy. The paper raised and answered two questions; (1) what is the effect of ethical responsibility on Performance of Elizade University, Ilara-Mokin? (2) What are the effect of ethical responsibility on Performance,? The

Corporate Social Responsibility (CSR) is increasingly achievement importance nationally and internationally. Asemah, Okpanachi and Olumuji (2019) note that the goodwill and corporate image of organisations involve the instrumentality of corporate social responsibility. This will not only boost productivity and effective service delivery but also guarantee peaceful co-existence within and outside the speedy environment. This also applies to educational institutions considering their pivotal role in the development of individuals on one hand and the socio-economic development of the civilization on the other needle.

Recent Universities like Elizade and any other organisations are projected to have positive effect on the community in which they operate in precise and the larger society in overall. This possibly explains the notion of ‘gown and town’ which is meant to bring university closer to the community in such a way that the problems of the community will form the basis for research interest of the University. All discipline whether Sciences,

corporate social responsibility and stakeholder theories were adopted for the study. The paper concluded that with rising common prospects from private universities and as part of their core functions community service, private universities should squeeze practical and dynamic corporate social responsibility policies and praise them to their horde communities.

Keyword: CSR, Organisation Performance, Education Sector

I. INTRODUCTION

Engineering, Social Sciences, or the Humanities are targeted at providing practical solutions to community problems and also to help advance the development of the society. Universities as agent of change and modernisation are expected to be at the forefront of contributing meaningfully to the scientific, social, technological and infrastructural development of the community in particular and the society at large.

A university is established to perform three functions namely: to teach, to conduct research and to perform public service (Onwuebele, 2019). From the 19th Century Universities began to see themselves as part of the society as community problems began to attract the attention of universities and they began to focus on research that has direct applicability on societal problem (Adelabu, 2018). With a growing need and a strong global advocacy for development, knowledge creation and the yearning desire of communities to feel the impact of a strong organisation; several universities are embracing society/community



engagement and realigning their activities to solve societal problems (Onwuemele, 2019). As rightly pointed out by (Osuntokun and Onwuemele, 2020) every university has a public service to render to the society and this public service comes in different forms and dimensions which Elizade University cannot be exceptional.

Objectives of the Study

The general objective of this study was to investigate the effect of university social responsibility and performance, Specific objectives are to:

- i. examine the effect of ethical responsibility on Performance.
- ii. determine the impact of research and development on Performance.

II. LITERATURE REVIEW

Conceptual Review

The concept of CSR originated in the 1950s in the USA, but it became prevalent in early 1970s. At that time, US had lots of social problems like poverty, unemployment and pollution. Consequently, a huge fall in the prices of Dollar was witnessed. Corporate social responsibility became a matter of utmost importance for diverse groups demanding change in the business. During the 1980s to 2000, A corporations recognised and started accepting a responsibility towards society. CSR focuses on wealth creation for the optimal benefit of all stakeholders, including shareholders, employees, customers, environment and society (Pooja, 2017).

The concept of corporate social responsibility is rooted in the provision of public service and public good to the society as an acknowledgement of the responsibility organisations owe to the community which contributes to its image, wellness and profitability. Private universities like any other organisations are part of the social, legal, political, and economic structure that define and help shape the nature and character of the community and society in which they operate.

Private universities cannot afford to shy away from having a robust and dynamic corporate social responsibility policy that articulate in concrete terms how the institutions will practically impact its community as universities globally are established to have positive influence on their environment internally and externally. This is more important for private universities whose *raison d'être* is to make a difference from what use to be. Private universities like other private organisations are expected to set standards of quality curriculum

delivery, robust and cutting edge scientific and technological findings and unparalleled social services to their communities.

The idea of CSR has been around for a long time, beginning with the work of writers such as Bowen (2019), cited by many as the “father” of CSR) when it became an academic topic in HR Bowen’s social responsibilities of the business. Since then, the contribution carried on through the work of Carroll (2020) proposed a popular four part definition of CSR, suggesting that corporations have four responsibilities (economic, legal, ethical and philanthropic responsibilities) to fulfill before being considered as good corporate citizens. He suggested that businesses have to fulfill economic, legal, ethical and philanthropic responsibilities in order to address their entire obligations to society. Economic responsibilities designate the obligations for businesses to be productive and profitable. Legal responsibilities refer to the framework of legal requirements which businesses need to meet while practising economic duties. The history of formalised CSR in Nigeria can be traced.

Theoretical Review

The theoretical underpinning for this study is the corporate social responsibility (CSR) and stakeholder theory. The corporate social responsibility theory’s conception and study can be attributed to an economist- Bowen and his landmark book of 2019. According to him as cited by Andrés et al., (2019), “businesses have an obligation to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society”. At the core of Bowen’s argument is the assumption that social responsibility rest on two premises:

1. Business exists at the pleasure of society. Its behaviour and method of operation must fall within the guidelines set by society. Like government, business has a social contract an implied set of rights and obligation. The specifics of the contract may change as societal conditions change but the contract in general always remains as the source of business legitimacy. This social contract is the vehicle through which business behaviour is brought into conformity with society’s objectives.
2. Business acts as a moral agent within society. Like States and Churches, Corporations reflect and reinforce values. As noted by McGuire (2019), “the idea of social responsibilities supposes that the corporation has not only economic and



legal obligation, but also certain responsibilities to society which extend beyond those obligations.” This implies that social responsibility of any organization includes but is not limited to economic responsibility.

Social responsibility is determined by society and not the organization, therefore, it is the responsibility of the organization to:

- i. identify and analyse society’s changing expectations relating to Corporate responsibilities,
- ii. determine an overall approach for being responsive to society’s changing demands, and
- iii. implement appropriate responses to relevant social issues.

Prevos and Watson (2020) opines that “the only social responsibility of business is to maximize profits within the rules of the game”. He states that only people have responsibilities and since a business is not a person, it does not have social responsibilities but that a corporation is an ‘artificial person’. Mertz (2019) however states in his opinion article about Friedman’s stand that a business consists of individuals while a corporation is not an individual being. Mertz further states a corporation has gained more civil rights than many individuals”. Thus, corporations have become a person and has the freedom to many rights. Contrary to Friedman’s opinion, times have changed and businesses, corporations, organisations and institutions should embrace corporate social responsibility as it emphasizes the importance of economic and social responsibilities of organizations to the society i.e., to make money and to be responsible for ethical interaction with the surrounding community (Schmitz, 2012).

The stakeholder theory is regarded as one of the three theoretical approaches to organizational responsibilities (the triple bottom line and corporate social responsibility theories are the other two). The theory was described by Edward Freeman and others as the ‘mirror image of CSR’ (Schmitz, 2012) which stresses the importance of all parties who are affected, either directly or indirectly, by a firm’s actions and operations. Stakeholder refers to any party that has a stake in the organisation continue survival; they include the shareholders, staff, employees, customers, suppliers, and the society at large (Nikolova and Arsić, 2017). This theory starts in the world to see its ethical obligations rather than looking out into the world from within the business or organisation. It simply implies that the stakeholders of an organisation have claims,

responsibilities and obligations that cannot be overlooked. According to Blair (2015), “boards must understand that they are the representatives of all the important stakeholders in the firm all those whose investment in physical or human capital are at risk. Thus, individuals who explicitly represent critical stakeholders; should be put on boards to give those stakeholders some assurance that their interest will be taken into account” (Wearing, 2015).

The stakeholder theory places emphasis on the role of critical stakeholders in an organisation beyond the traditional shareholders. These stakeholders are wide and diverse yet, they are very important to the continued survival of the organisation. Their interest and well-being must always be protected in the day-to-day operation of the organisation. In the context of this study, the stakeholders of an institution can be primary or secondary which includes students, alumni, prospective students, staff, corporate supporters etc. Thus, the stakeholder theory sets the premise that institutions and organisations should be aware of the existence of different and diverse groups, reflecting stakeholder perspectives (Fordham and Robinson, 2018), whose actions and inactions can affect its operation and these organisations should be socially responsible to them.

Education is the process of providing information to an inexperienced person to help him/her develop physically, mentally, socially, emotionally, spiritually, politically and economically. That is why at graduation ceremonies one hears the Vice-Chancellors pronounce these words, while awarding degrees to their institutions’ graduates, “you have been found worthy in character and learning...” In education parlance, it means that the individual has acquired adequate and appropriate knowledge, skills and attitudes and values, known as cognitive, psychomotor and affective behaviours to be able to function optimally as a citizen. These behaviours are the focus of training individuals in institutions of learning. The planned and systematic training given in an institution of learning is formal education. In an informal education, there is no plan and the training is haphazard and incidental (Offorman, 2019).

Corporate Social Responsibility: Empirical Analysis

Social responsibility which is originally known as what organisations and corporate entities partake in to show their humane side to the society as well as contribute to the health and welfare of society has spread its branches to tertiary institutions. Higher education institutions of



learning and other tertiary institutions have over the years delved into social responsibility as a means of giving back to the society, being humane and as 'education leaders seek alternative ways to achieve sustainability' (Weiss, 2016). In tertiary institutions around the world, social responsibility is being incorporated into task statements and research plans as they believe institutions that give back to the society funding it are better off than those that do not. The Vice Chancellor of the University of Leicester in the United Kingdom opined that past trying to be socially responsible, institutions that will effectively reach the society in which they exist should find out what exactly the society needs before taking steps (Weiss, 2016).

In the University of the West of Scotland, Weiss (2016) notes that community engagement as a form of social responsibility is embraced as the university works with the local government to re-energise a 'once booming but now rundown Paisley metropolis' which was vying for the 'UK City of Culture title in 2021'. In addition, the institution, in partnership with other universities, businesses and local hospices enlighten children from poor backgrounds in local primary and secondary schools in the area on the need for tertiary education.

An empirical impost of Corporate Social Responsibility of the Federal Polytechnic, by Idah, Kogi state by Musa and Joel (2016) illustrates that despite inadequate funds, lack of infrastructure and unemployment, and the institution has found a way to be socially responsible as it is steadfast to various stakeholders through corporate social responsibility. The institution considers the society's indigenes in its price processes, builds houses for students to live off-campus, provides employment opportunities and construct infrastructure like market creation, pipe-borne water and other.

Elizade University Ilara-Mokin

Located in Nigeria's Ondo State, Elizade University was founded in 2013 with just 64 students, 13 programmes and two faculties. Now just a decade later, the university has grown to admitting 1,500 students, across 25 programmes, and expanded to offer postgraduate degree programmes. The university's was established by Chief Michael Ade Ojo, a believer that sustainable development and the resolution of challenges in human societies are completed only through functional higher education that creates drivers of change within society. Today, Chief Michael Ade Ojo's businesses include Toyota Nigeria, Elizade Auto Land, and Okin Travels Limited. Students at Elizade can choose from five faculties offering both

undergraduate and postgraduate courses: engineering, basic and applied sciences, humanities, social and management sciences and law. Elizade University has a partnership with ORT Braude College of Engineering in Israel, where a range of students attend three-months of intensive hands-on training. While studying at Elizade, its students can relish on-site room as well as sport facilities. The institution operate on Five (5) Faculties, they are;

- i. Faculty of Engineering (FENG)
- ii. Faculty of Basic and Applied Science (FBAS)
- iii. Faculty of Humanities and Social, and Management Science (FHMS)
- iv. Faculty of Allies Health Science (FAHS)
- v. Faculty of Law (FL)

III. METHODOLOGY

The content review of appropriate literature on impact of corporate social responsibility from Private institutions in Nigeria. Thus, the methodology was adopted on the basis of documentary on secondary data obtained from academic journals, conference papers, articles, textbooks, and the World Wide Web (cyber internet).

IV. CONCLUSION AND RECOMMENDATIONS

Corporate Social Responsibility has been embraced over the years and it is not about making profits but about being sensitive to the society an organisation finds itself. Public and private organisations should carry out socially responsible activities that will in turn give them goodwill, acceptance and a good image in the society. Private universities like Elizade University is in a better position to impact their society positively through a sound, proactive and dynamic Corporate Social Responsibility philosophy and policy that recognize that no private university can truly claim to be successful and outstanding without emotive positively the lives of the community in which it operates.

- i. To confirm its successful performance, the issue of corporate social responsibility should be measure of the corporate mission and strategy statements and not just be regarded as a philanthropic exercise.
- ii. Policy makers and standard setters are encouraged to develop standards to gauge corporate social responsibility disclosure and performance. Also the use of standards



would guide corporations in triple bottom line and sustainability calculations.

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Mr. Adebisi Gabriel **Akeredolu** is a doctoral student of Achievers University Owo in Department Business Administration.

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