

## **Corporate Social Responsibilities of Tertiary Institutions and Multi-National Corporations in Akpor Kingdom of Rivers State, Nigeria**

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### **ABSTRACT**

This study examined the corporate social responsibility activities of tertiary institutions and multi-national corporations in Rivers State to their host communities. Four objectives and four research questions with two hypotheses were used in the study. The study adopted an exploratory research design, with a population of 402 Community Development Committee (CDC) members and chiefs. The sample was made up of 200 member, representing 50% of the target population, derived through a proportional sampling technique. The instrument for data collation was a structured questionnaire tagged Corporate Responsibility of Multi-national Corporations and Tertiary Institutions Questionnaire (CRMCTIQ), with a reliability index of 0.71 established through a test re-test method. The instrument was designed in a four point modified likert scale, containing twenty items. In addition, a focus group discussion was conducted to elicit the views of the members of the community. Result reveals that the tertiary institutions and multi-national corporations in Akpor kingdom of Rivers State are in the practice of corporate social responsibilities to their host communities, and carried out such activities as: award of scholarships, maintenance of public buildings, skills training etc. Findings also reveal that the large organizations are doing more in terms of education and human resources development of members of host communities. The study concludes that if this practice is sustained, it will result to a massive manpower and skill development in the host communities. The study recommended among others, that tertiary institutions and multi-national corporations in Akpor kingdom Rivers State should make their corporate social responsibility become part of their Memorandum of understanding with the host communities; they should not digress or neglect the implementation of the memorandum understanding.

**KEYWORD:** Corporate responsibility, Tertiary Institution, Community Development, multi-national corporations.

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Date of Submission: 02-10-2020

Date of Acceptance: 16-10-2020

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### **I. BACKGROUND TO THE STUDY**

The term corporate social responsibility is a compound word which needs to be detached for easy explanation and comprehensibility. The term corporate, according to Hornby (2000:327) is “connected with a corporation. Corporation is an organization or a group of organizations that is recognized by law as a single unit. The term social responsibility ordinarily mean societal responsibility. It can also be referred to as a duty to take care of a given society or something. From the above explanations, one can define corporate social responsibility as a duty of care or obligation which an organization ought to do for something, somebody or a society/community.

Corporate social responsibility is a relatively new concept both in the corporate world and the academia. Due to modernization and competitiveness inherent in the business sector, corporate social responsibility is gradually gaining popularity. Corporate social responsibility becoming known these days is not unconnected with community relations with a firm or organization especially in advanced countries (Hamid and Ruhaya 2011).

The foregoing brings the understanding that tertiary institutions are also corporate bodies. Rivers State of Nigeria which is the geographical scope of the study is located in the South-South geo-political zone of Nigeria. Rivers State is one of the states in the Niger Delta region of Nigeria. The state is endowed with oil mineral deposits such as petroleum and natural gas which earns over sixty percent (60%) of the country's revenue (Okanezi 2011). Many tertiary institutions and multi-national are establishments operate in Akpor Kingdom of Rivers State, they include:

1. University of Port Harcourt, Port Harcourt
2. Ignatius Ajuru University of Education, Rumuolumeni Port Harcourt
3. Duffill Foods Nigeria Limited
4. Willbros Nigeria Limited
5. Bright Water Energy Nigeria Limited
6. Pasta Nigeria Limited

It is believed that with the number of tertiary institutions and multi-national companies, the host communities of each of them would benefit from their corporate social responsibility. Unfortunately, the benefits which host communities expects from such large organizations and tertiary institutions are never visible, as a result, the relationship between physical development activities of these organizations via corporate social responsibility and development of host communities are not conspicuous. For instance, most rural host communities condition are as if no such organizations operates there. In effect, each large organization in carrying out its corporate social responsibility, ought to be involved in the provision of infrastructural facilities like roads, electricity, pipe borne water, low cost houses, jetty, civic centres, recreation centres, community motor parks, bus stops, buses for the youth council, council of chiefs, council of elders, and community development committees, community library, provide science equipments for host community secondary school laboratory etc. In line with the above, Phaswana (2005) identified some of the roles of multi-national oil company as protecting human rights, maintaining international environmental standards, practicing transparency in areas of operations, financing, reporting, employing local people, transferring skills and knowledge, encouraging government to spread the benefits of oil to a wide spectrum of the society (communities), and engaging in dialogues with civil society.

In spite of the above, the tertiary institutions ought to be highly involved in human capital development. Organization for economic cooperation and development OECD (2001) viewed human capital as the knowledge, skills, competencies, and attributes embedded in individuals that facilitate the creation of personal, social and economic well-being. Dees and Picken (2000). asserts that human capital is seen as

human capability and productivity engendered through knowledge and skills acquired from education, training and experience; and facilitated by an enabling environment; and that intangible factor of production process that contributes human intellect, skills and competencies in the production and provision of goods and services. (P.5)

As part of their corporate social responsibility, tertiary institutions ought to train members of their host communities on skills. Tertiary institution ought to give admission quota to host communities as corporate responsibility. The onus is also on the large organization to give scholarship to some indigenes of host communities annually. Besides, during employment, the host community ought to be given preference. This issue of employment of course is one of the federal government's policies which provides that people from host communities should be automatically employed in positions ranging from levels 1 to 6. This noble policy of the federal government must have been born out of the need to either pacify or compensate the host community for the inconveniences they incur such as noise pollution, air pollution, water population and other environmental hazards.

Corporate organizations have been playing their roles in terms of corporate social responsibility. For instance, the Nigeria Agip Oil Company have constructed several roads in Ogba land (their host communities). In fact, almost all the communities have road that link them to another. The oil company has also embarked on rural electrification hence its host communities can now engage in any business that requires electricity for its operation or functioning.

Also in Bonny Local Government Area of Rivers State, the major corporate organization operating there, the Nigeria Liquefied Natural Gas (NLNG) had embarked on several projects for the host community. The projects embarked on under corporate social responsibility include provision of good drinking water, vocational centre, fifty low cost houses in Finema Community in Bonny and the provision of roofing sheets for members of the Bonny Community.

The above projects cannot be executed without budget. The Management of every corporation or multinational company makes budgetary policies. Such policy could be annual budget, monthly budget, corporate social responsibility budget etc. It is such corporation's or organization's policy that guides its representatives in drawing Memorandum of Understanding (MoU) with their host communities.

It is however, unfortunate that some multinational corporations and tertiary institutions seem not to have corporate social responsibility in their policy. This has ultimately resulted in insensitivity to the host community's plight in terms of their physical and social development. It is therefore a source of worry hence the decision to embark on this study.

### **Statement of the Problem**

Every community is unique in terms of their peculiar problems. Such problems may be a lack of something which in the opinion of most members of the community is necessary for the well-being and improvement of the community and its members. This is often referred to as felt-needs. Felt-needs as the basis for community development may include infrastructure or facilities such as school, good roads, electricity, market, recreation centres, hospital, pipe borne water, drainage, low cost house, civic centre, skills training programme for community indigenes, scholarship for youths, community capacity building etc.

It is the onus of the state and Local Governments to provide such facilities. However, due to the scare resources, the government is not able to adequately provide all the needs of her citizens. Consequently, the communities resort to self-help. Since most of the community needs are capital intensive, they also find it difficult to accomplish them. The community therefore expect the tertiary institutions and other multi-national companies to assist in the provision of such amenities as part of their corporate social responsibility. Ordinarily, community members expect that the operations of the corporate bodies in their land should attract both physical development and human capital development. Akpor kingdom hosts tertiary institutions and many multinational corporations such as the Willbros Nigeria Limited, Horizon Fibres Choba; University of Port Harcourt; Ignatius Ajuru University of Education Rumuolumeni, Port Harcourt; Dulfill Foods Nigeria Limited etc Whereas these institutions of higher learning and multi-national corporations abound, yet the indigenes of Akpor lag behind in terms of human capital development as well as physical development in the communities that make up Akpor Kingdom. Majority of the indigenes are unemployed. This has resulted in occasional protests by indigenes of the host communities. It is on this premise that the researchers decided to embark on this study to ascertain if the tertiary institutions and multinational corporations carry out corporate social responsibilities to their host communities.

### **Aim and Objectives of the Study**

The purpose of this paper is to explore the corporate responsibilities of tertiary institutions and multinational corporations operating in Akpor Kingdom.

The following objectives are set to be achieved:

1. To find out if corporate responsibility policies is enshrined in the Memorandum of Understanding (MoU) between corporate bodies and their host communities.
2. Examine the various corporate responsibilities activities of the multinational corporations and tertiary institutions.
3. Ascertain the impact of these corporate activities on the physical development of host communities.
4. Ascertain the extent to which multinational corporation and tertiary institutions are involved in the human capacity development of members of host communities.

### **Research Questions**

The following research questions were posed to guide the research.

1. Does multinational corporations and tertiary institutions in Akpor kingdom have corporate responsibility polices for host communities?
2. What are the various corporate responsibility activities of multinationals corporations and tertiary institutions in Akpor Kingdom?
3. What impact has the corporate responsibility activities of multi-nationals and tertiary institutions on the physical development of their host communities?
4. Are multi-national corporations and tertiary institutions in Akpor Kingdom involved in human capacity development of host communities?

### **Hypotheses**

**HO<sub>1</sub>:** There is no significant relationship between the corporate social responsibility activities of multinational corporations/tertiary institutions and the physical development of their host communities.

**HO<sub>2</sub>:** There is no significant relationship between the extent of compliance of corporate responsibility policies of multinational corporations/tertiary institutions and their developmental activities in host communities.

## **II. METHODOLOGY**

The study adopted exploratory research design. This design is considered appropriate because the researchers seek to explore into the activities of tertiary institutions and multinational corporation in Akpor Kingdom with the view of uncovering the situation as they are discovered. The population consists of all Community Development Committee (CDC) members and chiefs in the Nine communities of Akpor Kingdom totaling 402. A sample of 200 chiefs and CDC members were drawn from the population for the study through a

proportional sampling technique. This number represents 50 percent of the total population. The instrument for data collection was a structured questionnaire tagged Corporate Responsibility of Multinational Corporations and Tertiary Institutions Questionnaires (CRMCTIQ). The reliability of the instrument was established through a test re-test method. A reliability index of 0.71 was obtained which shows that the instrument was reliable. The instrument was designed in a four point likert format, containing twenty (20) items.

In addition, a focus group discussion was conducted to elicit the views of the community relation staff of the multinational corporations. The responses were presented in tables and analyzed using mean and standard deviation (descriptive statistics). The two null hypotheses were tested using Pearson Product Moment Correlation statistics since it was a test of relationship.

### III. RESULTS

The result of this study is presented in tables, via the research questions.

**Research Question 1:** Does multinational corporations and tertiary institutions in Akpor Kingdom have corporate responsibility policies for host communities?

**Table 1:** Mean response of corporate responsibility of multinational corporations and tertiary institutions as contained in MoU with host communities.

S/N	ITEMS	MEAN	REMARK
	<b>Do you agree that the following are part of the content of your MoU with multinational corporations and tertiary institutions</b>		
1.	Road construction	11.5	Disagree
2.	Employment	3.2	Agree
3.	Construction and Renovation of Public Buildings.	2.5	Agree
4.	Skills Training	3.6	Agree
5.	Cash Payment at Intervals	2.9	Agree
	<b>Grand mean</b>	<b>2.74</b>	

**Research Question 2:** What are the various corporate responsibility activities of tertiary institutions and multinational corporations in Akpor Kingdom.

**Table 2:** mean response of Corporate social responsibility activities of multinational corporations and tertiary institutions in Akpor Kingdom of Rivers State

S/N	ITEMS	MEAN	REMARK
	<b>Do you agree the following are corporate responsibility activities of multinationals in Akpor Kingdom</b>		
1.	Award of Scholarship	2.7	Agree
2.	Provision of water and other amenities	2.6	Agree
3.	Building school and donation of School equipment to schools.	2.9	Agree
4.	Skill Training of members of host communities	3.5	Agree
5.	Building of halls and markets.	2.3	Disagree
	<b>Grand mean</b>	<b>2.8</b>	

**Research Question 3:** What impact has the corporate responsibility activities of multinational corporations and tertiary institutions on the physical development of Akpor Kingdom.

**Table 3:** Mean response of the Impact of Corporate social Responsibility activities of multinational corporations in Akpor Kingdom.

S/N	ITEMS	MEAN	REMARK
	<b>Indicate the level of impact of the following activities of multinational corporations and tertiary institutions on the physical development of Akpor Kingdom.</b>		
1.	No of Educated elites in the Community	2.5	Agree
2.	Provision of water	2.6	Agree
3.	Construction and maintenance of community roads.	2.6	Agree
4.	Construction and maintenance of public building such as schools, town hall and markets.	2.7	Agree
5.	Empowerment of members on skills	3.0	Agree
	<b>Grand mean</b>	<b>2.68</b>	

**Research Question 4:** To what extent are multinational corporations and tertiary institutions in Akpor Kingdom involved in human resource development of members of host communities.

**Table 4:** Mean response Extent of involvement of tertiary and institutions multinational corporations in human resource development.

S/N	ITEMS	MEAN	REMARK
<b>Indicate the extent to which tertiary institutions and multinational corporations are involved in human resource development of host community members in the following areas</b>			
1.	Skills Training	3.1	Agree
2.	On the Job Training	3.0	Agree
3.	Scholarships	2.8	Agree
4.	Supervisory/ Managerial Training	2.5	Agree
5.	Seminar/ Workshop Attendance.	2.5	Agree
<b>Grand mean</b>		<b>2.78</b>	

**Hypotheses**

**HO<sub>1</sub>:** There is no significant relationship between the corporate responsibility activities of tertiary institutions/multinational companies and the physical development of their host communities.

Variable	N	Df	Sig/L	r-cal	r-tab	Dec
CRA of multi-nationals						
Physical development	200	198	0.05	0.270	0.195	Reject Null.

At 198 degree of freedom and 0.05 level of significance, r-calculated is 0.270 while r-table is 0.195. Since r-calculated is greater than r-table value, the null hypothesis of no significant relationship is therefore rejected and alternate acceptable, meaning that there exist a significant relationship between tertiary institutions/multinational companies and the physical development of their host communities

**HO<sub>2</sub>:** There is no significant relationship between the extent of compliance of corporate responsibility policies multinational corporations/tertiary institutions and their developmental activities in host communities.

Variable	N	df	Sig/L	r-cal	r-tab	Dec
Extent of compliance to corporate responsibilities						
Developmental activities	200	198	0.05	0.369	0.195	Reject Nul

At 198 degree of freedom and 0.05 level of significance, r-calculated is 0.369 while r-table is 0.195. Since the r-calculated is greater than r- table, The null hypothesis of no significant relationship is therefore rejected and the alternate accepted, implying that there is a relationship between the extent of compliance of corporate responsibility policies of multinational corporations/tertiary institutions and their developmental activities in the host communities.

**IV. SUMMARY OF FINDINGS**

1. Multinational Corporations and tertiary institutions in Akpor Kingdom have corporate social responsibilities in their policies;
2. CSR of multinational corporations and tertiary institutions in akpor Kingdom include the following:
  - i. award of scholarships
  - ii. provision of water and other amenities
  - iii. Building and donation of school equipment
  - iv. Skill training of members of host communities
3. CSR of multinational corporations and tertiary institutions have positive impact on the host communities.
4. Tertiary institutions and multinational corporations are involved in human capital development of members of host communities.

**V. DISCUSSION**

The study reveals that tertiary institutions and multi-national corporations in Akpor Kingdom have corporate social responsibility policies enshrined in the memorandum of understanding between them and their host communities. Part of the content of the Memorandum of Understanding with host communities include

employment, construction and renovation of public buildings, skills training and cash payment at intervals. The above finding is true because most tertiary institutions and multi-national corporations have it enshrined in their policies which are made known to host communities through the Memorandum of Understanding. The above is supported by Maya Forstater et al (as cited in Kayirangwa, Mamusonge and Kule (2018) thus

The idea that business is part of society, and therefore has community and national responsibilities is established in the culture, and economic history of many Africans. Africa have found that the most common approach to CRS issues is through philanthropic support, in particular focusing on education, health and environment. (P.122).

From the excerpt above, it becomes glaring that corporations have corporate social responsibilities which are society and human development centred.

The second finding of this study is that corporate social responsibility activities of tertiary institutions and multi-national corporation in Akpor Kingdom include award of scholarship, provision of water and other amenities, building schools and donation of school equipments to schools and skill training of members of host communities. The above finding is true because University of Port Harcourt which is one of tertiary institutions in Akpor Kingdom has been carrying out sanitation programmes such as cutting grass and cleaning drainages in its host communities. The university also engages in planting of flowers to beautify the host communities. In 2018 the University had trained 33 youths from the host communities. The youths had 3 month skills acquisition programme jointly mounted by the Central Community Service Unit (CCSU) and the Entrepreneur Centre. The youths were trained on paint making, structural welding and fashion and design (Adeniyi 2018). Willbros Nigeria Limited had built a secondary school for Choba community in Akpor Kingdom. The school is known as Olobo Premier College and it is still very functional till date.

The study also reveals that the activities of the multi-national companies and tertiary institutions on physical development of Akpor Kingdom has impacted positively well on the people. The multi-national companies and tertiary institutions have through their activities made host communities have more educated people hence they now have educated representatives in government. Also, the skills training and empowerment has reduced the number of miscreants in Akpor kingdom. Furthermore, the markets boost the economy of the host communities while the good provision water has positive health impact.

Lastly, the study revealed that multi-national companies and tertiary institutions are involved in human resource development. Institutions engage in skills training, on the job training, scholarships, supervisory training, seminars and workshop. In the aspect of human resource development the tertiary institutions are doing well. During the graduation ceremony of indigenes of host community by the CCSU, University of Port Harcourt, the Acting Director of the CCSU, Dr. Mrs. Helen Imafidor as reported by Adeniji (2018) stated thus the purpose of community service programme mirrors the mission of the university; it helps the community become enlightened and self-reliant. The programme strives as much as possible to meet the multiple needs of the communities and creates a sense of moral obligation to help the less fortunate ones in our midst (p3).

The above excerpt lends credence to the finding of the study that corporate organizations and tertiary institutions engage in skills training for members of their host communities.

## **VI. CONCLUSION**

The government has the responsibility of providing basic amenities for the citizenry. However, the government most often is unable to provide all the needs of its people. Sometimes the community resort to self-help especially when community effort is inadequate or if the community lacks the resources to carry out certain projects which is viewed as felt-need, they therefore expect the corporate bodies operating in the community to assist them. Indeed, the tertiary institutions and the multi-national corporations have been mounting programmes and projects in their host communities. They engage in training youths in skills, granting scholarship, building schools, cleaning up programmes, empowering of indigenes, employment etc. All these are done through the corporate social responsibility policies of the corporations which are embedded in the memorandum of understanding with the host communities.

The paper concludes that the tertiary institutions and multi-national corporations should maintain the tempo so as to continue to enjoy peaceful coexistence with host community.

## **VII. RECOMMENDATIONS**

Based on the findings of the study the following recommendations are made:

1. Corporate responsibilities of tertiary institutions and multi-national corporations as expected by the host communities should be part of the memorandum of understanding with the host communities.
2. Tertiary institutions and multi-national corporations should not digress or neglect the implementation of the memorandum of understanding\
3. The multi-national corporations and tertiary institutions should be concerned with the state of their host community

4. Tertiary institutions and multi-national corporations should increase their involvement in human capital development
5. The tertiary institutions and multi-national corporations should carry out skills training programmes for indigenes to sustain the development of their host communities.

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Dr. Hanachor, M. E, et. al. "Corporate Social Responsibilities of Tertiary Institutions and Multi-National Corporations in Akpor Kingdom of Rivers State, Nigeria." *IOSR Journal of Humanities and Social Science (IOSR-JHSS)*, 25(10), 2020, pp. 49-55.