

BUILDING WINNING STRATEGY FOR COMPETITIVE PERFORMANCE THROUGH CORPORATE SOCIAL RESPONSIBILITY: AN X-RAY OF MTN NIGERIA

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Abstract:

This research was undertaken by the authors with the primary objective of appraising the possibility of organization leveraging on Corporate Social Responsibilities (CSR) as strategic tool for competitive performance with particular reference to MTN Limited (a giant Telecom Firm in Nigeria). Primary data were collected through questionnaire using quota sampling technique to divide Lagos (sampling population) State to 5 divisions. 50 subscribers were randomly selected from each division to have a total of 250 respondents. 100 members of staff of MTN were equally randomly selected as respondents. Secondary data were obtained from the National Communication Commission (NCC) and MTN Annual Report and Accounts. Multiple Regression, ANOVA and graphical charts were used to analyze the collated data and test the hypotheses. The findings showed that the coefficients of all the results (R^2 0.955, F-Test 1531.979 for hypothesis 1); (R^2 0.817, F-Test 324.973 for hypothesis 2); (R^2 0.872, F-Test 497.814 for hypothesis 3); and (R^2 0.892, F-Test 603.547 for hypothesis 4) were significant at 0.05 level, meaning that, good ethical CSR practices, environmental CSR, appropriate delivery of societal focused CSR and economic empowerment of the host community have significant effects on organizational performance of the GSM firms. Based on the findings, the authors recommended that, GSM service providers should ensure that they improve on their quality of services, identify the developmental needs of the host communities, abide with the ethical requirement on CSRs, establish peaceful and cordial relationship with the host communities and ensure transparency and prudent use of funds allocated for CSRs since the study has discovered that, there exists a very strong relationship between CSR and firms' competitive performance.

Key words: Corporate Social Responsibility, Strategy, Competitive performance, GSM, MTN and Network service providers.

1.0. Introduction

Organizations operate in any industry with the consciousness of growing their investments, dictating the space and finally becoming the market leader that will occupy the largest share of the industry. These in mind as focused objectives usually make firm to adopt every strategic means that are legal, ethical and advantageous to achieve the attainment of these objectives. Prominent among these strategies most times are promotion, advertisement, joint venturing, diversification (forward and backward), new product launching, investment in Research and Development (R&D) and internationalization strategies amongst others. Most times, firms do not see corporate social responsibility (CSR) as a strategy that can be used to win the larger populace of the real and prospective customers to their sides, but as a cost and burden. All the earlier mentioned strategies are primarily used by the firms to gain the advantage of high market share of the total real and prospective customers in a particular industry. Firms invest in these strategies with the hope for a better competitive performance if successful. But most times, many firms do not look towards the direction of CSR as a tool that has the capacity to deliver as much as these other strategies can deliver if it (CSR) is applied in like manner and used as a benchmark for efficient results.

CSR has the rare capability of impressing the image of a firm in the heart of a teeming populace if such CSR project becomes highly successful. The moment this is achieved and such firm is well acknowledged by customers and the society as socially and

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ethically responsibly, it can enhance attainment and gaining as much as market share that advertisement, sales promotions and other strategies can earn. The reason being that, most customers make repeated purchase through goodwill and implementing successful CSR is an avenue of gaining very rare and long-lasting goodwill which is known in the Management parlance as an 'intangible asset'.

Thompson, Gamble and Strickland (2006) opine that, managers of firms must display a social conscience in operating the business and specifically take into account how management decision and firms' actions affect the well being of the employees, local community, the environment and the society at large. They then conclude that, since every action a firm takes can be interpreted as a statement that such firm stands for, a firm's social responsibility strategy must be defined by the specific combination of socially beneficial activities it opts to support with its contributions of time, money and other resources. Marawijk (2003) identifies three distinct definitional approaches of shareholders, stakeholders and the society to Corporate Social Responsibility (CSR) as; firstly, shareholders who see profit maximization as the focal point of the firm and CSR initiatives as the responsibilities of the government and not in business firm domain, as equally corroborated by Friedman (1970). Secondly, stakeholders who see business firms as not only accountable to shareholders but should also consider interests of the stakeholders that can affect or be affected by the achievement of business objectives. And thirdly, the society who believes that firms are responsible to society as a whole because they are an integral part of it, and that business concern operates to serve the needs of the society. Firms therefore have the responsibility of reconciling whatever conflicts these divergent views can create otherwise there will be views-conflict to the disadvantage of the firm. Both insiders and outsiders' claims to the firm should be balanced without subordinating one to the other since corporate social responsibilities (CSR) is a duty that business concern has to serve the society in general as well as the financial interests of its shareholders (Pearce & Robison, 2011).

In a country like Nigeria CSRs should be geared towards the developmental needs of the host communities, such as access roads, potable water, educational development and advancement, environmental protection, product quality assurance and health-care service delivery. Until very recently in Nigeria, many organizations have not actually paid adequate attention to CSRs initiatives because there were no specific and standard regulations compelling them to do so. Many of these firms only believe that the responsibility they have is toward government which is resident in payment of all relevant taxes so that government can handle her citizens. Some even see CSR as double taxation since they are paying tax to the government. Firms failed to realize that, their operations in the host communities help to increase the environment hazard, such as wear and tear of the roads, noise, pollution of the atmosphere with the emission of the fumes and industrial waste, depletion of the rich natural resources, stress on the available infrastructural facilities such as electricity among others (Banjoko 2005; Adeyanju 2012). For instance, the Global System for Mobile Telecommunications (GSM) providers in Nigeria (which MTN is one of them) erect their telecom masts in several locations thereby exposing the populace to the radio-active emissions dangerous to the health of those within the area and noise and fumes pollution arising from the generator installed at each location of these masts. That was why Visser, Pohl and Matten, (2008) concluded that organizations contribute to the destruction of environment where they operate and therefore, should help in the repair and the development of such environment.

The interest of the study follows the discussed background of this study to provide contributions that will help to improve the practice of social corporate responsibilities to enhance organizational performance.

Carroll (1991) argues that CSR encompasses four categories of social responsibilities namely economic, legal, ethical and discretionary (philanthropic). But this research will like to explore the ethical and philanthropic responsibilities of the firm. He also classified CSR into three integral parts of defining social responsibility, identification of the social issues to which social responsibilities are tied such as consumerism, environment, employment discrimination, product safety, occupational safety, health etc and the philosophy of responsiveness i.e. strategy behind firms response to social responsibility issues.

The Nigeria business environment has been turbulent due to the perceived poor corporate social responsibilities (CSR) of most organizations which has strained relationship between the organizations and the host communities over the years. A vivid example of this is the more than two decades crisis in the Niger Delta area of Nigeria resulting from the claims of the host communities of poor social responsibilities of the Multinational Corporations (MNCs) especially the Oil Companies operating in these areas. Similarly, the moment the GSM was introduced into the country in 2001 the same experience began and there have been many cases in court of law regarding noise pollution and illegal erection of telecom masts. Worst still, is the believe of some of the telecom firms that, since they are not manufacturing firms they do not agree to the fact that they cause any environmental hazard to the host communities. Besides the claims of environmental hazards by the society are the dissatisfactions coming from making subscribers to pay for services poorly rendered, poor network connections and charges on messages not delivered without compensation. At a point in Nigeria, the GSM providers see their presence in a community as a source of development for the host communities and hence, that is enough to be acknowledged as a social responsibility forgetting that, more coverage means more subscribers and income to them as firms. Organizations in Nigeria over the years have failed to realize that building harmonic relationship with the host communities, by contributing to societal building and development in the areas of significant benefits like roads, electricity generation, education waste management, health among others may have a positive effect on firms' performance and productivity on the long run. These activities may make a very significant contribution to building a sustainable goodwill and corporate image which can be leveraged upon to increase profitability for a firm. It is against these and many other backgrounds that this study was conceived by the authors when they identified some significant areas where MTN Limited was engaging some CSRs initiatives in Nigeria.

1.2. The Study's Objectives

The primary objective of the paper is appraising the possibility of organization to leverage on Corporate Social Responsibilities (CSR) as a strategic tool for gaining competitive performance. Specifically, the paper sought to:

- i. evaluate whether if an organization decides to engage a good ethical CSR practices (that involves prudent use of CSR funds, embarking on relevant projects, good corporate governance and good product management) it can positively influence its overall performance and ratings by customers.
- ii. measure if focused environmental CSR initiatives (of waste disposal, environment beautification drainage system and green revolution) by organizations will have positive influence on their image to enhance better performance.

- iii. identify if appraisal of delivery of societal focused CSR initiatives (made up of health care, employment generation and skills acquisition, social welfare and educational development) will aid good rating and performance of the GSM providers.
- iv. confirm if CSR initiatives on economic empowerment of the host community by firms (in wealth creation and poverty eradication, business start -up funds and growing business foundation) will have positive effect on firms performance.

2.0. Review of Relevant Literature

European Commission (2011) gives a new definition to CSR as “the responsibility of enterprises for their impacts on society”. Earlier in 2001, it defined CSR as “a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a *voluntary* basis”. But over the years, this commission came to realize that CSR should not be what organizations invest in at their convenience or voluntarily, but should be seen as a primary responsibility to be undertaken because of the adverse effects of organizations activities on the aggregate society. The Commission went further to assert that, respect for applicable legislation, and for collective agreements between social partners, is a prerequisite for meeting that responsibility. Enterprises should therefore have in place a process to integrate social, environmental, ethical, human rights and consumer concerns into their business operations and core strategy in close collaboration with their stakeholders, with the aim of maximizing the creation of shared value for their owners/shareholders and for their other stakeholders and society at large;

Many scholars over the years have formed the believe that CSR should be part and value of an organizational culture (Strautmanis (2007), includes initiative that matches individual and public interests and actions that further some social good, beyond the interest of the firm (McWilliams and Siegel, 2001), and an action chooses by the firm that substantially affects an identifiable social stakeholder’s welfare (Frooman, 1997). CSR initiatives of firms should incorporate a well structured policies and programs that are integrated with the firms’ business strategy, to promote decisions in business ethics, community and societal development, environmental protection (green revolution), good corporate governance, human rights protection and the rule of law.

2.1. Scholars’ Theories on CSR

Today, many theories exist on CSR design and practices. Few of them will be mentioned in this section. There is the *Stakeholder and Governance Theory of CSR* which suggests that, modern business should no longer be preoccupied exclusively with the interests of shareholders, state and trade unions, but must respond to the concerns of multiple stakeholders, including NGOs, consumers, environmentalists, and local communities (Zadek 2001; Braithwaite and Drahos, 2000; Donaldson and Preston, 1995; Freeman, 1984). The *Utilitarian Theories of CSR* which is seen to be synonymously with instrumental theories in which the corporation is seen as only an instrument for wealth creation, and its social activities are only a means to achieve economic results. Utilitarian theories are related to strategies for competitive advantages and resource based view of the firm and the proponents (Garriga and Mele, 2004; Porter and Cramer, 2002; Barney, 1991; Hart, 1995; Wenerfelt, 1984; & Perose 1959) view the theories as bases for formulating strategies in the dynamic usage of natural resources of the corporation for competitive advantages. The strategies will also include philanthropic activities that are socially recognized as instruments for marketing and good image making. The theory was equally

of the believe that, environmental social responsibility can constitute a resource or capability that leads to a sustained competitive advantage.

Similarly, CSR strategies when supported by political strategies can be used to create sustainable competitive advantage (McWilliams, Van-Fleet and Cory, 2002; Baron, 2001). This was largely acknowledged in the European Competitive Report (2008) that, a strategic approach to CSR is increasingly important to the competitiveness of enterprises, it can bring benefits in terms of risk management, cost savings, access to capital, customer relationships, human resource management, and innovation capacity. There is the *Relational Theory of CSR* (Garriga and Mele, 2004; Mitchel, Agle and Wood, 1997) which believes in the complex firm-environment relationships that interrelations between the two are the focus of the analysis of corporate social responsibility. *Ethical theory* which stresses moral and ethical aspects of CSR as well as the stewardship theory (Donaldson and Preston, 1995 & Danison 1990) is of the view that focuses on the ethical requirements that can ensure a mutual relationship between business and society based on principles of knowing the right thing to do; the necessity to achieve a good society. This simply means that a firm that believes in this theory will see as unethical if adequate attention is not paid to the legitimate interest of other stakeholders and the society as much as the interest it has in maximizing shareholders' wealth.

Some empirical studies have been carried out over the years on establishing relationship between CSR and business related performance indicators by different scholars arriving at different conclusions. McWilliams and Siegel (2000) reported a positive, negative and neutral impact of CSR on firms' financial performance. The authors articulated reason for these inconsistency results to several control variables they introduced in the study. Similar studies on the short-run impact of CSR on financial performance (Teoh, Weich and Wazan, 1999; Wright and Ferris, 1997 & Clinebell and Clinebell, 1994) have ended up with different outcomes and results. While Teoh *et-al* found no relationship between the two variables (CSR and financial performance), Wright and Ferris recorded a negative relationship. The studies that investigated the relationship between CSR and firms' performance on the long-term were not different in having conflicting results. While McGuire, Sundgren and Schneeweis (1988) concluded in their study that prior performance was found to be closely related to performance than the subsequent performance, Aupperle, Carroll and Hatfield (1985) in their work (where Corporate Social Performance CSP stood proxy for CSR) earlier concluded that there was no relationship between CSR and profitability. McWilliams and Siegel (2000) attributed the inconsistencies in the various results to the nature of the models that form the basis for the various empirical investigations.

However, McWilliams and Siegel (2000) in their own study demonstrated that CSP and R&D are highly correlated, and that, when R&D intensity is included in the equation, CSP is shown to have a neutral effect on profitability. They said, this occurs because many firms that actively engage in CSR are also pursuing a differentiation strategy that involve complementary strategic investments in R&D hence, makes it difficult to isolate the impact of CSR on performance without simultaneously controlling for R&D. But Braithwaite and Drahos (2000) made a total shift from financial performance to a different approach in studying CSR. Their own desire was to investigate the claim that companies engage in CSR in order to offset corporate social irresponsibility (CSI). They evaluated the causal mechanism underlying CSR, "*social irresponsibility is a liability and companies do good in order to compensate for bad.*". Their construct of measurement of overall CSR and CSI, were on specific areas like community, corporate governance, diversity, employee relations, environment, human rights, product quality and safety, and controversial business issues. Their findings revealed that, more CSI results in more CSR, that is, for

firms to make up for the harms done to the society through their activities; they try to do more good (i.e. chemical and pharmaceutical companies). According to Thompson, *et-al* (2006) they opine that, there are several reasons why the exercise of CSR is good for firms; it generates for them internal benefits (regarding employee recruiting and workforce retention) as a result of good reputation with the society, it reduces risk of reputation-damaging incidence which can inadvertently lead to increased buyers patronage and it is in the overall best interest of the shareholders.

2.2. Identified MTN Corporate Social Responsibility (CSR) Initiatives

MTN Nigeria (largest subsidiary of MTN Group, Africa) is a GSM telecommunications service provider in Nigeria that became operational in Nigeria on May 16, 2001 during the advent of Mobile Telephony (Global System for Mobile-Telecommunication) System in Nigeria. It is presently the leading telecom firm in Nigeria with over 35 million subscribers. MTN Nigeria Foundation Limited was established in July 2004 for the purpose of focusing on its Corporate Social Responsibility (CSR) on key areas of social and sustainable development in Nigeria. It organizes itself into several other CSR operational bodies for efficient performance. The initiatives over the years include: *MTNF Universities Connect Project* which is an innovative project designed to provide digital access to information and infrastructure to Federal Universities in Nigeria. This project facilitates access to a collection of digital resources from over 5,500 libraries to assist university students and lecturers with research work. *MTN Foundation Schools Connect* a programme designed to enable teachers and students in Nigerian public secondary schools gain confidence and understanding of how Information & Communication Technology (ICT) can add value to their lives and learning through provision of server computer with 21 workstations, fully networked with internet connectivity, Subject software and other supporting equipment. *MTN Foundation/UNICEF Child Friendly School Initiative (CFSI)* which aims at improving infrastructures in primary schools and strengthening the school management mechanisms and the quality of education through provision of funds (in partnership with UNICEF) to up-grade the physical infrastructure & provision of essential furniture, Provide/rehabilitate water & sanitation facilities in each school, Provide basic teaching & learning materials and teacher training in key subjects.

Other notable CSR initiatives also include: the *MTN Foundation Music Scholars Programme* designed to offer talented young people from less privileged backgrounds the opportunity to acquire qualitative music education; *MTNF – Junior Achievement Nigeria* which enables students to learn how to set up a company by selling shares of stock and other business related activities with the aid of their teacher and two volunteer business consultants; *MTNF Learning Support Materials Initiative* which provides several school items support for students in different categories; *Economic Empowerment Portfolio* designed to empower people; *The MTNF Rural Telephone Project (RTP)* providing access to ICTs and empowering women entrepreneurs referred to as “Phone Ladies”; *The MTNF Children’s Development Centre (CDC)*. *MTNF Lady Mechanics Initiative*; *MTNF MILK F.L.O.W (Fulanis Living Optimally Willingly) Project*; *Health Portfolio*; *MTNF Partners Against Aids In The Community (MTNF PAAC)*; *Healthy Baby on the MTNF PAAC PMTCT Programme*; *MTNF Project C.L.E.A.N (Cleaning the Local Environment Around Nigeria)* and *MTNF Sickle Cell Project* among others

3.0. Methodology

The authors adopted both the qualitative and quantitative research methods for the study. This allows the use of questionnaire to collect primary data and the use of complementary quantitative data which were extracted from the secondary sources (NCC

and MTN Nigeria publications). The study population (N) comprises of the staff of MTN Nigeria in Lagos state, Subscribers of MTN, Regulatory Agencies; National Communication Commission (NCC) and Consumer Protection Agency (CPC) and residents of the community where CSR projects were carried out in Lagos State as at January 2012. Lagos State was chosen to conduct the empirical study because being a mega city and the economic hub of Nigeria, most of the CSR initiatives of MTN were piloted from this city. Quota, purposive multistage and simple random techniques were used to sample the respondents. To ensure coverage, Lagos State was partitioned into its five divisions (Island, Badagry, Epe, Mainland and Ikeja divisions) and equal samples of 50 respondents were drawn to have a total of 250 MTN subscribers. 100 MTN professional staff were equally randomly sampled. The responses to each of the questions were assigned numerical weights using the Likert's 5-point weighted method which makes it possible to apply quantitative method of analysis. To further ensure that the instrument used for the study was reliable, a reliability test was conducted using the Cronbach's alpha (α) statistical method to revealed the coefficient of internal consistency. The test of reliability showed a Cronbach alpha of 0.81 coefficients. This indicates a reasonably good internal consistency and was in compliant with Cronbach 1951 (If $0.8 \leq \alpha \leq 0.9 = \text{Good}$).

3.1. Method Specification

The stated hypotheses for the objective of the study were tested at 1% and 5% levels of significance using regression statistics. Complementary regression model was developed for the secondary data collated from the annual report and accounts of the MTN Nigeria, regarding their expenditures on CSRs. Y, was regressed on (X) which included number of Total Revenue (TR), Market Share (MS), subscribers base (SB), and Total Assets (TA)

i.e. $CSR (Y) = a + b_1TR + b_2MS + b_3SB + b_4TA$.

Four models were designed in all to carry out the empirical investigations on this study as explained below:

H₀₁. *Good ethical CSR practices (that involves prudent use of CSR funds, embarking on relevant projects, prudent use of funds and good corporate governance) will not positively influence firms overall performance and ratings by customers.*

$FCP = b_0 + b_1PUF + b_2RP + b_3AM + b_4GCG + \dots \dots \dots i$

- Where:
- FCP = Firm's Competitive Performance (dependent variable)
 - PUF = Prudent use of funds for CSR projects;
 - RP = Embarking on relevant projects that will enhance the host community development;
 - AM = Adequate monitoring of the CSR projects;
 - GCG = Good corporate governance;
 - b₀ = the intercept on the Y -axis, that is on the OP axis which is the part of the variables that affect organizational performance that is not included in the model.
 - b_i = is the rate of change of organizational performance with respect to a change in any of the dependent variables – PUF, RP, AM, and GCG.

H₀₂. *Focused environmental CSR initiatives (of waste disposal, environment beautification drainage system and green revolution) by organizations will not have positive influence on their image to enhance better performance.*

$FCP = a + b_1WD + b_2EB + b_3DS + b_4GR \dots \dots \dots ii$

- Where:
- WD = Waste disposal; EB = Environment beautification;
 - DS = Drainage system; and GR = Green Revolution.

H₀₃. *Societal focused CSR initiatives (made up of health care, employment generation and skills acquisition, social welfare and educational development) will not aid good rating and performance of the GSM providers.*

$$FCP = a + b_1HC + b_2EG + b_3SW + b_4ED \dots\dots\dots iii$$

Where: HC = Health care; EG = Employment generation and skills acquisition
 SW = Social welfare; and ED = Educational development

H₀₄. *CSR initiatives on economic empowerment of the host community by firms (in wealth creation and poverty eradication, business start -up funds and growing business foundation) will not have positive effect on firms performance.*

$$FCP = a + b_1WC + b_2BS + b_3GBF + b_4LM \dots\dots\dots iv$$

Where: WC = Wealth Creation and Poverty Eradication
 BS = Business Start – Up Funds for young Entrepreneurs ;
 GBF = Growing Business Foundation
 LM = Lady Mechanic Project

4.0. Discussion of Findings

Table 4.1 Ethical focused CSR

Independent Variables	Coefficient	Standard Error	T-statistic	Probability	Decision
(Constant)	.105	.058	1.813	.071	
Prudent use of funds	.882	.037	23.611	.000**	Reject H ₀
Relevant Projects	.045	.033	1.345	.180	Accept H ₀
Monitoring of Projects	.007	.028	.254	.800	Accept H ₀
Good corporate Governance	.148	.030	4.999	.000**	Reject H ₀

Source: *Authors' Field Survey 2013* (R²=0.955; Adjusted R²=0.954; F-Statistics=1531.97**)
 N.B. ** means significance at 0.05 SL

Therefore: **FCP = 0.105 + 0.882PUF + 0.045RP + 0.007AM + 0.148GCG**

The above equation revealed a constant value of 0.105, which is the part of FCP that does not depend on the explanatory variables (prudent use of funds, relevant projects, monitoring of projects and good corporate governance). Also, the equation further revealed that prudent use of funds, relevant projects, monitoring of projects and good corporate governance positive relationships with firm's competitive performance. This implies that 1% increase in prudent use of funds, relevant projects, monitoring of projects and good corporate governance will increase the organization performance by 0.882%, 0.045%, 0.007% and 0.148% respectively. Goodness of fit model (R²) 0.955 implies that 95.5% of the systematic variations in the FCP are explained by the variations in the independent variables. This showed a good fit of the model as only 4.6% variation is left unaccounted for. The t-statistics (t-test) was used to test for the individual significance of the estimated parameters at 5% level of significance. The decision rule was that: reject the null hypothesis (H₀) if the t-calculated (t*_{cal}) is greater than t-tabulated (t*_{tab}) at a 5% level of significance, and if otherwise accept the Null hypothesis. The t-results showed MP and AM in this study as having positive relationship with FCP but not significant elements of ethical focused CSR. However, PUF and GCG were positive and highly statistically significant in the construct to FCP. This means that, firms while engaging ethical focused CSR should pay significant attention to prudent use of funds allocated to the project and

ensure good corporate governance. To further the test for the acceptability of the hypothesis, F-test was conducted for the overall significance of the study (i.e. $V_1 = k - 1$ and $V_2 = n - k$, d.f) at 5% level of significance (i.e. F^*_{cal} is 1531.979) and significant at 0.000. This study then concluded that good ethical practices of CSR have significant positive effect on competitive performance of firms as demonstrated in the case of MTN Nigeria to accept the alternative hypothesis.

Table 4.2. Focused Environmental CSR Initiatives

Independent Variables	Coefficient	Standard Error	T-statistic	Probability	Decision
(Constant)	0.539	.126	4.284	.000	
Waste disposal	0.256	.063	4.052	.000**	Reject H_0
Environmental beautification	0.307	.078	3.935	.001**	Reject H_0
Drainage system	0.153	.063	2.441	.015**	Reject H_0
Green Revolution	-0.455	.053	-8.651	.000**	Reject H_0

Source: *Authors' Field Survey 2013* ($R^2=0.817$; Adjusted $R^2=0.814$; F-Statistics=324.973**)

N.B. ** means significance at 0.05 SL

Therefore: $FCP = 0.539 + 0.256WD + 0.307EB + 0.153DS - 0.455GR$

The above regression equation revealed a constant value of 0.539 which represents the value of FCP that does not depend on all the explanatory variables (WD, EB DS and RGE). The equation is an evidence that WD, EB DS and RGE have positive relationships with the firm's performance. This implies that 1% increase in firm's activity the independent variables will increase the FCP by 0.26%, 0.31%, and 0.15% respectively. However, the equation showed that GR (green revolution) has a negative relationship with the FCP meaning that 1% increase in GR will reduce the organization performance by 0.46%. This may result from the poor knowledge of firms staff and even the society on seeing the importance of sustaining natural state of the environment to ensure preservation of life. The R^2 (0.817) implies that 81.7% of the systematic variations in the FCP were being explained by the variations in the independent variables indicating a good fit of the model (i.e. 18.3% variation is unaccounted for due to the error term).

T-statistics (t-test) was carried out at 5% level of significance. From the Table 4.2 above, t-value (t^*_{cal}) for all the independent variables (WD, EB DS and RGE) were found to be statistically significant. The study therefore rejected the null hypothesis to conclude that CSR initiatives in waste disposal, environmental beautification, drainage system and green revolution have a significant impact on organization performance. The F-statistics (i.e. 324.973) was also statistically significant at 5% level.

Table 4.3. CSR Initiatives Focused on Social Welfare

Independent Variables	Coefficient	Standard Error	t-statistic	Probability
(Constant)	.606	.101	6.008	.000
health care	.054	.063	.854	.394
skill acquisition	.305	.077	3.961	.001**
social welfare	.299	.074	4.068	.000**
Educational Development	.543	.060	9.054	.000**

Source: *Authors' Field Survey 2013* ($R^2=0.872$; Adjusted $R^2=0.870$; F-Statistics =497.814**)

N.B. ** means significance at 0.05 SL

Therefore: $FCP = 0.606 + 0.054HC + 0.305EG + 0.299SW + 0.543ED$

The above regression equation revealed a constant value of 0.606 which represents the value of FCP that does not depend on the independent variables. From the equation also, it can be deduced that, HC, EG, SW and ED all have a positive relationship with FCP. Therefore, a 1% increase in the independent variables will result to a corresponding increase on CFP by 5.4%, 30.5%, 30% and 54.3% respectively. Coefficients of multiple determinations R^2 revealed a value of 0.872 meaning that 87.2% of the systematic variations in CPF are being explained by the variations in the independent variables. This shows a good fit of the model as only 12.8% variation is unaccounted for. The t-Statistics (t-test) carried out at 5% level of significance from Table 4.3 showed that HC was only positively related to FCP but not statistically significant. But other three parameters (EG, SW and ED) were not only positive but were statistically significant at 5% level, hence the alternative hypothesis accepted. The F-Statistic (i.e. 497.814) however showed that the overall estimated parameters were statistically significance and simultaneously equal to zero. Therefore, the study accepted the alternative hypothesis that appropriate delivery of societal focused CSR will aid firm's competitive performance as seen with MTN, Nigeria still keeping its competitive position for about 10 years despite huge investments in these areas.

Table 4.4. CSR Initiatives Focused on Economic Empowerment of Host Communities

Independent Variables	Coefficient	Standard Error	T-statistic	Probability	Decision
(Constant)	.632	.079	8.015	.000	
wealth creation	.523	.042	12.402	.000	Reject H_0
Business start up	.370	.044	8.405	.000	Reject H_0
Growing business foundation	.119	.042	2.825	.005	Reject H_0
Lady Mechanic project	-.149	.044	-3.356	.001	Reject H_0

Source: *Authors' Field Survey 2013*

($R^2=0.892$; Adjusted $R^2=0.891$; F-Statistics =603.547**)

*N.B. ** means significance at 0.05 SL*

Therefore, $FCP = 0.632 + 0.523WC + 0.370BS + 0.119GBF - 0.149LM$

The regression equation in the above Table 4.4 revealed a constant value of 0.632 which indicates the value of organization performance that does not depend on any of the explanatory variables in this study. This meaning that, there are other variables that determine Firm's Competitive Performance (FCP) apart from the ones variously measured as associated with CSR in this study. The equation also revealed that WC, BS, and GBF all have positive relationships with FCP implying that 1% in the independent variables (WC, BS, and GBF) will result to a corresponding increase in CFP by 0.52%, 0.37% and 0.12% respectively. However, the result revealed that Lady Mechanic project has a negative relationship with the CPF implying that 1% increase in the lady mechanic project may reduce CPF by 0.15%. This is not unconnected with the fact that, Nigerian society does not count Mechanic work as a descent job for women, hence not appreciating the contribution this initiative could have on the long-run on the economic empowerment of the pilot trainees. This is not however to say that, this programme is not laudable. R^2 which measures the goodness of fit has a coefficient of 0.892 indicating that 89.2% of the systematic variations in FCP are being explained by the variations in the independent variables. This was a good fit since only about 10.8% variation is left unaccounted for and can be attributed to the system error. The t-statistics (t-test) at 5% level of significance from Table 4.4 showed that WC, BS, and GBF and LM were all statistically significant. As a result of this, the alternative hypothesis was accepted to conclude that wealth creation, business start up, growing business foundation and lady Mechanic projects CSR initiatives of MTN Nigeria have significant impact on its competitive performance and sustenance in

the GSM industry of Nigeria. The F-statistics (i.e 603.547) equally confirmed this at 5% level of significance.

4.5. Complementary Regression Model of MTN Secondary Data (2001-2011)

Complementary regression model was developed using secondary data extracted from the annual report and accounts of the MTN Nigeria, regarding their expenditures on CSRs (Y) regressed against (X) which include Total Revenue (TR), Market Share (MS), active Subscriber Base (SB) and Total Assets (TA) to establish whether the present spending/investment of MTN, Nigeria into CSR initiatives as can be discovered is sufficient enough compared to their wealth in Nigeria for more than a decade now.

That is: $Y = b_0 + b_1TR + b_2MS + b_3SB + b_4(TA)$ (where Y=CSR commitment funds)

Table 4.5. MTN Complementary regression model

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta	B	Std. Error
1 (Constant)	162.497	146.018		1.113	.328
TR	-2.645	1.127	-1.983	-2.346	.012
MS	-9.765	3.492	-4.907	-2.796	.001**
SB	4.429	1.825	2.652	2.428	.010
TA	-2.907	2.932	-3.339	-.991	.378

Source: *Authors' Field Survey 2013*

*N.B. ** means significance at 0.05 SL*

$$Y = 162.492 - 2.645TR - 9.765MS + 4.429SB - 2.907TA$$

The regression equation from Table 4.5 revealed a constant value of 162.492 which is an indication of the value of MTN expenditure that does not depend on any of the explanatory variables (TR, MS, SB and TA). The equation also revealed that TR, MS, and TA have negative relationships with the total expenditure of MTN in CSRs and only SB has positive relationship with total expenditure of MTN corporate social responsibilities. This shows that, MTN expenditure on CSR is inadequate compared to its huge total Assets, Market Share (constantly the largest since inception of GSM in Nigeria) and total revenue. In other words MTN Nigeria investments into CSRs have not been adequate compared to its wealth in Nigeria, there is room for a significant improvement.

5.0. Conclusion and Recommendation

There is no doubt that every organization would want to improve the level of its performance and overall development through appropriate means and investments. Therefore, investment in CSR initiatives by firms needs not be seen as an overburdened cost but a strategic investment that can birth goodwill, good corporate image and sustainable competitive performance. The findings of this study are in agreement with the earlier findings of the utilitarian and resource-based-view of the firm theorists (Garriga and Mele, 2004; Porter and Cramer, 2002; Hart, 1995; Barney, 1991; Wenerfelt, 1984; & Perose 1959) who viewed these theories of CRS as bases for formulating strategies in the dynamic usage of natural resources of the corporation for competitive advantages. The strategies they concluded will also include philanthropic activities that are socially recognized and can constitute a resource or capability that leads to a sustained competitive advantage. It has been evident from the x-ray of the MTN Nigeria CSR initiatives that these activities are quite significant in the reason most of their subscribers are still

preferring them to other competitors. Since these CSR programmes have earned it sufficient publicity and goodwill, it has been very easy for MTN to sustain its leading performance in the Telecom sector. Therefore, based on the findings of this study, the following are recommended:

1. Firms should now take the salient advantage that investment in CSR can deliver in ensuring sustainable competitive performance. Rather than seeing CSR as an irredeemable cost or charity that weakens the financial strength of the firm, it should rather be converted to an opportunity of giving back to the society in a way that it will lead to mutual appreciation and benefits. Many advertising messages do not even have the capacity to endear the firms' image in the heart of the society than what investment in CSR can do.
2. Since it is ethical and morally justified to give back to the society where much is been taken from, firms should have laudable CSR programmes not by compulsion but as necessities. Effort should be made to comply with the conventional believe about CSR as articulated by many concerned NGOs and government establishment in the world. It will amount to Corporate Social Irresponsibility (CSI) for a firm to wait until it is caught up by the hands of law before doing the needful. Smart firms can leverage on this to win competition especially in Nigeria where activities of the firms in CSR is not as pronounced as they are done in other developed world. Little investment into CSR in Nigeria promotes the organizational image even more than the value of the contribution.
3. The telecom service providers should ensure that they improve on their quality of services to all their customers as part of their primary CSR and have a robust compensation plan for challenges caused by their network irregularities. Similarly, service providers should take pain to identify the developmental needs of the host communities and direct their CSR initiatives to activities that will have direct impact on the citizen and improve the Nigerian general society.
4. Giving the serious challenges of waste disposal in Lagos Nigeria, MTN can broaden its Waste management CSR initiative to generating energy from waste, like founding a bio-fuel plant that has the capacity to recycle the magnitude of waste generated in Lagos to house hold and industrial usable energy. This will go a long way to impress their image into the minds of Nigerians for a very long time for that will be complimentary to the government present efforts to keep Lagos clean.
5. While this study will acknowledge the fact that, MTN Foundation (the drivers of all MTN CSR initiatives) has made a significant footprint in several areas of CSR investments in Nigeria, there is still the need for it to do more. It was evident in the study that, the magnitude of the wealth it generates from Nigeria does not have corresponding relationship with the amount of investment in CSR activities in Nigeria. Most of its laudable projects as identified in this study can be broadened and statutory budget allocated to them yearly to go round the Nation Nigeria. Since it is still the network that has the largest coverage in Nigeria (NCC Statistical Data 2013), it is not unlikely going to contribute more into the challenges of the Nigerian environment (*however, no empirical prove*), hence the need to do more; and giving that its subscribers are already associating their loyalties with it as a result of all these laudable projects, it should be encouraged to double its investment into CSR in some few years to come.
6. Since some organizations still not advance any reason for why they should contribute in another disguise to the building and reconstruction of the society where they operate when they pay their tax, Nigerian government should ratify all issues surrounding the CSR Bill and its passage and start full implementation to serve as

deterrent to erring firms. After all, if they cannot willingly comply, a system should be put in place to declare their acts of corporate social irresponsibility (CSI) a criminal offence to the society that has given much to them.

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