Social Responsibility of Telecommunication Companies: Implication for Host Community Development in Nigeria

Njoku Chimezie, Okoro, Chika Ugonma

Department of Curriculum Studies and Educational Technology, Faculty of Education, University Of Port Harcourt, Nigeria.

*Corresponding Author: Njoku Chimezie, Department of Curriculum Studies and Educational Technology, Faculty of Education, University Of Port Harcourt, Nigeria.

Abstract: In Nigeria, over 85% of the population patronize telecommunication companies. These companies enjoy over 13% of the total annual GDP of the nation. The telecommunication companies run generators to power their servers, the regular running of generator implies increased ozone layer depletion, climate change, global warming and green-house effect among others which adversely affect the health conditions of the neighborhood. Nigeria is one of the countries with the highest telecommunication service rate, these companies contribute over 11% to national GDP which are majorly of macroeconomic relevance because the grassroot communities that host the installations of telecom masts, seem to gain almost nothing apart from the direct contribution of employment. The social responsibilities of these companies are as much important to the host community more than anything else therefore, fostering socioeconomic development of the host communities will bestow on these companies the need to be socially responsible. Corporate social responsibility (CSR) is the alignment of companies' policies and activities with the needs of the people and at the same being Eco balance conscious. Following the ecological modernization theory, economic modernization theory and social modernization theory, this paper argue that only if telecommunication companies in Nigerian carry out their corporate social responsibility that tackle the major challenges facing the nation today, the economic realities ahead might not be achieved. Consequently, the concepts, rationale and challenges of CSR were discussed in depth. The paper suggested among others that all the telecommunication companies should embrace CSR as part of a marketing strategy instead of as a liability.

Keywords: Telecommunication, Corporate Social Responsibility, Community Development.

1. INTRODUCTION

At an earlier point in history, societal expectations from business organizations did not go beyond efficient resource allocation and its maximization. But today, it has changed and modern business must think beyond profit maximization toward being at least socially responsible to its society. Today, there is a heightened interest in the role and awareness of environmental and ethical issues. It means, our society has become increasingly concerned that greater influence and progress by firms has not been accompanied by equal effort and desire in addressing important social issues including problems of poverty, drug abuse, crime, improper treatment of workers, faulty production output and environmental damage or pollution by the industries as it has overtime been reported in the media. It is therefore very essential for all to realize that public outcry for increased social responsibility will not disappear if business organizations fail to respond to the challenges these had posed for the society. In view of the perceived information gap, it is therefore, worthwhile collating and aggregating in a more organized manner, the contributions of Nigerian corporations using banking and communications industries as a focus to the well-being of the society. This is necessary if only to show, in graphic and mathematical ways that the industries seriously identify with the aspirations of the communities and the general public.

Telecommunication sector is today the fastest growing sector in Nigeria, and subsequently has remained a major driver of innovation and transfer of technology to economic growth in Nigeria. The telecommunication sector has grown rapidly over the last three decades representing one of the most intriguing stores of technology diffusion. Since 2002 telecommunication subscribers according to
Oyeyinka and Adeya, (2002) had exceeded the number of fixed lines in Nigeria generating enough revenue for the telecommunication sector which resulted to growth in the Nigerian economy and today the number of land lines has diminished significantly.

In the full swing of globalization process, the world is now a global village. The advance in technology and newer innovation to develop the existing technology is the key to make it happen. The overall economic activities of financial institutions, credit market, stock market etc. largely depend on the utilization of the advanced technology of communication geared towards achieving economic growth. Ndukwe (2004) posited that the continuous day to day economic activities from government to private sectors largely depend on the availability of information to achieve the desired level of economic growth. Telecommunication technology contributes to rapid economic growth and development in the economy as it creates channels to aid communication among markets both internal and external.

No doubt, the telecommunication companies have been amazing in terms of fostering macroeconomic growth. The telecommunication sector enhances the economic growth of a country by connecting not only the international financial market but also the domestic financial market and commodity market. As a result, telecommunication ensures the continuous flow of the additional value in the Gross Domestic Product in terms of Gross Domestic Product growth or increase in Gross Domestic Product per capita (World Bank, 2004).

Mohamed (2014), viewed economic growth as a sustained expansion of potential output as measured by the increase in Real Gross Domestic Product over certain period of time. Telecommunication through investment plays a vital role in the Nigerian economy. Telecommunication sector alone contributes over 13% to the Nigeria GDP annually. Thus, the sector remains a major driver of innovation and transfer of technology to economic growth in Nigeria. The telecommunication sector has grown rapidly over the last three decades representing one of the most intriguing stores of technology diffusion.

Telecommunication companies creates an avenue to maintain quick and effective communication with trade partners to sustain trade competitiveness towards achieving economic growth. However, the telecommunication sector in Nigeria is by no means free from the problem of the fall in economic growth that technically led Nigerian economy into recession in the year 2016 (Bankole, Osei-Bryson and Brown, 2015). According to National Bureau of Statistics (2016), this was because telephone density or teledensity which is the number of telephone connections for every hundred individuals living within an area in Nigeria year in year out was clear evidence that the people had been subscribing to the services of the GSM service providers, but the contribution of telecommunication to Gross Domestic Product for the economy to achieve her desired level of economic growth was still not encouraging.

According to Kenny (2016), over the last two decades the growth of telecommunication industry around the world was quite aggressive. In the emerging economies like Nigeria, the telecommunication sector will be able to play a significant role in the economic growth by enhancing the productivity level in economic activities which in turn influenced many macroeconomic factors such increasing GDP growth rate and enhancing foreign direct investment. Nevertheless, Nigerian economy is yet to attain that status to achieve the desired level of economic growth. This is because about 90% of Nigerians live within GSM signal range and the sector has attracted more than US$25 billion, private capital. It is estimated that capital investments in mobile networks and operations since 2001 have accounted for 80% of total telecommunications foreign capital investments, yet this did not translate into sustainable economic growth in the Nigerian economy (NCC, Strategic Management Plan (SMP), 2014).

All these praises showered on telecommunication companies are majorly of macroeconomic relevance. The grassroot communities that host the installations of telecom masts, seem to gain almost nothing apart from the direct contribution of employment. As a social educator, the social responsibilities of these companies are as much important to the host community more than anything else. Therefore, fostering socioeconomic development of the host communities will bestow on these companies the need to be socially responsible. Corporate social responsibility is the alignment of
companies’ policies and activities with the needs of the people and at the same being Eco balance conscious.

Following the ecological modernization theory, economic modernization theory and social modernization theory, this paper argue that only if telecommunication companies in Nigerian carry out their corporate social responsibility that tackle the major challenges facing the nation today, the economic realities ahead might not be achieved. The significance of corporate social responsibility as a vital tool for the societal progressiveness cannot be over emphasized. This can be seen from the points of view of showing concern for the welfare of the community in order to reap peace, competent and cheaper manpower, a platform for a better community; by making the host community worthy of livelihood in terms of infrastructural development; and by boosting their image, reducing advert cost, and gaining an edge over competitors.

2. THE CONCEPT OF CORPORATE SOCIAL RESPONSIBILITY

The question of the responsibilities of private business is essentially an ethical question that combines social welfare with private business motives of making profit and wealth. The areas of social responsibilities of business men have been charted out differently by different authors. This paper therefore present consolidated view on the social responsibilities of businessmen

According to United Nations Industrial Development Organization – UNIDO (2019), Corporate Social Responsibility is a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders. CSR is generally understood as being the way through which a company achieves a balance of economic, environmental and social imperatives (“Triple-Bottom-Line- Approach”), while at the same time addressing the expectations of shareholders and stakeholders. In this sense it is important to draw a distinction between CSR, which can be a strategic business management concept, and charity, sponsorships or philanthropy. Even though the latter can also make a valuable contribution to poverty reduction, directly enhance the reputation of a company and strengthen its brand, the concept of CSR clearly goes beyond that. Also, the people recognized three layers of social responsibilities of businessmen which in the order of their importance are; providing products and job, achieving a sustainable economic growth,Improving the social environment.

Chen (2019),defined Corporate social responsibility (CSR) as a self-regulating business model that helps a company be socially accountable—to itself, its stakeholders, and the public. He further noted that by practicing corporate social responsibility, also called corporate citizenship, companies can be conscious of the kind of impact they are having on all aspects of society, including economic, social, and environmental.

For better understanding of the length and breadth of social responsibilities of corporate entities, one need to recognize the fact that different sections of the society — stakeholders, employers, consumers, government, and the society as a whole are associated with private business in different ways. Some directly and some indirectly and the interest of the different sections is affected by the private business decisions and activities in different measures therefore, social responsibilities of businessmen have to be different for different sections of the society.

3. THE CONCEPT OF COMMUNITY DEVELOPMENT

The concept of community development incorporates two elements “community” and “development”. Community refers to people who reside in a particular geographic location, such as a neighborhood, village, industrial corridor, rural area, or small town, and who interact with each other and share common characteristics, such as interests, ethnicity, socioeconomic status, culture, or activities while development refers to economic development as part of a planned change effort to improve the standard of living and well-being of people. Typically, community development targets local communities beset with economic and social problems, such as concentrations of poverty, high crime rates, abandoned buildings, substandard housing, outdated infrastructure, unemployment, and a poor economy. The specific objectives of community development depend, however, not only on the needs of the local community, but also on the interests of the organization or group initiating the development activities.
Chaskin, Brown Venkatesh, and Vidal. (2001) outlines four areas of community development—leadership development; organizational development; community organizing; and collaboration, partnerships, and organizational networks—as key elements of community development drawn from research on comprehensive community initiatives. At its heart, community development is rooted in the belief that all people should have access to health, wellbeing, wealth, justice and opportunity. It recognizes that some people, some groups and some communities are excluded and oppressed by the way society and structures are organized. Community development seeks to challenge this and ensure fairness for all citizens.

4. The Relationship between Corporate Social Responsibility and Community Development

Today, the world is poised with sustainable development. That is a development that is transgenerational and not the type that live and die with the generation that bred it. Sustainable development does not exclude any sector of the economy from participation rather it constantly advocates for concerted energy toward wholesome qualitative advancement of the society. In this regard, the corporate practices that foster at sustainable development is social responsibility.

Retrospectively, UNIDO (2019) painted a clear relationship when he posited that corporate social responsibility enables companies to realize a balanced economic, social and environmental state. This implies that CSR builds a healthier environment that grooms healthy interactions between man and the environment. It gives room to less pollution-oriented activities thereby increasing the quality of life.

Borrowing McWilliams and Siegel (2001) conceptualization of CRS as actions on the part of a firm that appear to advance the promotion of some social good beyond the immediate interests of the firm/shareholders and beyond legal requirements. CRS is obviously focused on societal development through environmental protection, health promotion, and prevention of diseases accruing from work. This is further represented diagrammatically below.

Figure 1. Effect of corporate social responsibility on nonfinancial organizational performance: Evidence from Yemeni for-profit public and private enterprises
Since the argument concerning CSR began, the focus has been how CRS can enhance positive change in the society. The rationale varies but the bottom line is that since the community is hosting and patronizing the organization as well as supporting it in every other means to ensure its existence, the organization are expected to reciprocate the kind gesture of the community by engaging in activities that benefits the community. Such participation practices encourage the community including its neighbouring communities grow deeper confidence on the organization.

Figure 1 and 2 illustrates the relationship between CRS and CD. Both concepts have a linear relationship. What this implies is that when CRS is properly implemented the community enjoys massive development. Not just economic development but a sustainable development because the corporations consider all aspects of the community before taking actions. The development of the community also benefits the companies. As the confidence community has on the company grows, customer loyalty is assured which influence their earnings and profitability. However, if organizations fail to observe their CSR, the community is affected negatively and may trigger hostile activities by the youth leading to vandalizations of facilities creating moments of quagmire and loss to both the companies and the community.

The relationship between CSR and community can be summarized thus:

1. Environmental contribution of CSR influences community development
2. Human resources influence community development
3. Community development influence customer satisfaction
4. Healthy environment influence customer relation
5. Community development mediate the relationship between environmental contribution and customer satisfaction
6. Community development mediates the relationship between human resources and customer satisfaction

Furthermore, telecommunication companies in Nigeria should engage in CSR for the following sustainable reasons:

1. To protect the environment from unbearable depletion result from the operations of power supply engines;
2. To gain better ground in the highly competitive market;
3. To promote socioeconomic development of the host community;
4. To enjoy healthy and creative labour;
5. To have a healthy relation between them and the government the individuals in the host community;
6. To escape possible youth crisis arising from anger due to exploitation perception of telecommunication companies;
7. To increase productive and profit margin.

5. **TELECOMMUNICATION COMPANIES IN NIGERIA AND CSR**

For telecommunication companies to maximize the benefits of CSR, they must consider two assumptions of CSR; the first is, firms are the products of their socio-economic environment, which in turn shapes or influence their CSR activities, the second is, CSR is an organization’s self-regulatory activities geared towards establishing harmony between the organization and the society with respect to ethics, law, needs (desire and expectation), improve productivity and environmental eco-balance. In line with these two assumptions, the case of Nigeria is a unique socio-cultural characteristic bedeviled by poverty, poor healthcare, dilapidated infrastructure, and poor-quality education. Therefore, telecommunication companies such as MTN, Globa Com, Airtel, and others have to involve themselves in fixing these socio-economic problems through the following:

**Investment in Educational Research (R&D):** For more than three decades, the world has come to full appreciation of the benefit of R&D to both national development and organizational growth. If Telecommunication companies must continue to win the patronage of the people, they must invest in R&D for discovery of new technology and the improvement of the existing ones. Such investment when done to sponsor innovative members of the community or educational institutions in the community stand to serve as a means to organizational progress as well as means to giving back the community for their hosting.

**Construction of Roads:** Good roads does not only favour vehicles but also attracts other forms of development as well as immigrants. Telecommunication companies can get involved in road construction as a form of CSR.

**Sponsorship of Youth Education through Scholarship Programmes:** One of the ills that has bedeviled Nigeria is extreme poverty. Unfortunately, poverty befalls family with bright children such that they cannot afford quality education that will divulge the giants in them. The telecommunication companies can assist such family by providing scholarships for the children or even vocational training that boost their chances of employment.

**Supply of Power to Host Community:** Nothing kills a man like seeing what he or she needs, yet they cannot use it. All the telecommunication mast never lacks power. Such power can be extended to neighbouring residents. It must not necessarily be to all the houses in the community but at least those closer to the mast.

**Provision of Low Price yet Quality Service and Products:** statistics shows that Nigeria is among the countries that pays the highest tariff for telecommunication services. Yet Nigeria enjoys almost the worst services. Telecommunication companies in Nigeria must endeavor to reduce their tariffs on data and call time as well as ensure regular clear networks.

**Replacing Carbon Producing Engine with Non-Carbon Producing Engine to Power Masts:** A recent study confirmed that the ozone layer has regained some strength. This discovery cannot be divorced from the numerous lock down experienced in 2020 due to COVID-19 that saw a drastic reduction in carbon engine car utilization as well as factory machines. In same vein, telecommunication companies can leverage on that study and invest more in solar powered engine for their mast instead of petrol and gasoline powered engines. This singular act will reduce the air pollution result from power generators as well reduce the heat radiations.

**Stationing Mast Far Away from Residential Homes:** All the mast emits radioactive particles capable of causing different kinds of cancer. In order not endanger the lives of the people in the host community, all masts must be stationed far away from residential areas. The close stationing of masts must be avoided.
Footing the above responsibilities is a good way to win the hearts of Nigerians over. This is true because they are real problems of the society and having it solved would mean a huge relief for the people and for the government.

6. THE CHALLENGES OF CSR IN NIGERIA

The dwindling state of CSR in Nigeria has been blamed on several factors. While the corporate organization argue that they are doing their best and the government is the reductant sector in terms of fueling CSR. The societies are crying the organization are exploiting their resources without commensurate selfless actions. These arguments prompted the need to x-ray the challenges of CSR in Nigeria.

Some of the challenges confronting CSR in Nigeria include;

6.1. Inability of Nigeria Government to Enforce CSR into Law

Since the emergence of CRS in Nigeria, there is no law in place by the Nigeria Government in the area of CSR. CSR is still at the discretion of the companies. Companies alone cannot be said to be responsible for social responsibilities to the communities in the region. The government should traditional be responsible for the welfare of its citizens. These include ensuring law and order, security, provision of public infrastructure and other basic amenities. Thus, while companies have a social responsibility to the communities they operate, the framework within which this is to effectively work have to be provided by the government (Ijaïya, 2014).

6.2. Corruption and Selfishness among Company Managers and Government Officials

Nigeria is a country blessed with abundance of natural and human resources, as a result attracts the activities of multinational companies who explore these resources to increase the wealth of the nation as well as transform the economic and social environment for the betterment of the common. Apart from increasing the wealth of the nation, most of these companies enshrine in their policy the responsibility of providing some social services to the society they directly affect through their CSR.

It is quite pathetic when the level of corruption in Nigeria poses a major challenge to these companies in implementing CSR. Without regards for morals and humanity, when the resources meant to be used for implementing CSR to improve the lives of people in the society gets to the hands of the leaders of these communities, they are siphoned and used for their selfish and personal aggrandizement. No wonder the renowned writer and Novelist Achebe(1998) stipulated that, corruption in Nigeria has passed the alarming and entered the fatal stage, and Nigeria will die if we keep pretending that she is only slightly indisposed.

6.3. Poor Attitude towards the Implementation of CSR

Foreign and Local companies in Nigeria lack the necessary drive and impetus to effectively carryout CSR because they are not mandated by the laws of the Nigeria to do so, as a result, these companies see CSR as not a responsibility which they must implement, but what they do out of their own volition. It is only when CSR is backed by the laws of Nigeria that companies that tap its resources will then see it as obligatory, or otherwise faces the consequences of the law.

7. NEGLIGIBLE OR NON-EXISTENT BENEFITS

Social responsibility should result in positive outcomes for both the business and the community. However, often the results fall heavily in favour of the business involved. Businesses invest a comparatively small amount into community projects and then use their effort to promote their brand and gain access to markets all around the country. The public relations and brand building they receive far outweighs their investment in socially responsible projects

8. POLITICAL AND SOCIAL INSECURITY

One of the fundamental factors that motivate companies (whether a foreign or local) to do business in Nigeria is the availability of political as well as social security. Suffice to state that the rate of social and political insecurity in the country manifested in the Boko Haram insurgency has done more damage than good to the economy of the nation. In fact, the insurgence has eaten so deep into the fabrics of the society to the extent that fear of bombing and kidnap has become the other of the day.
Foreigners doing business in Nigeria sleep with one eye open and do their business with fear, while does who intend coming into the country have totally jettisoned the idea into thin air. With this pathetic and horrible situation on ground, companies will find it very challenging to engage in CSR for fear of not maximizing profit which is to the detriment of its stakeholders and the organization as a whole.

9. CONCLUSION

The activities of telecommunication companies no doubt, has added to macroeconomic growth of Nigeria, but have also resulted in poor environmental quality. Also, the host communities suffers from radiation exposure capable of necessitating radiation borne health challenges. Furthermore, the engagement of CSR among the companies has been discriminatory and has no uniformity let alone consistency. The problem can be linked to government inefficiency in terms policy and regulation formulation and implement/enforcement. Nevertheless, the benefit of CSR is beyond measure and need to be prioritized. The most interesting form of CSR is the one that is implemented at the grass root (within the host community. Despite the above challenges, CSR still have some benefits derivable from them. CSR benefits both business owners and the community, a great impetus to model it into the organizational policy. From extant literatures, it is glary that no entity of the business stakeholders that is left behind in an environment where CSR is effective

10. THE WAY FORWARD

This paper has discussed CSR and its implementation by telecommunication companies in Nigeria. It also highlighted the reasons why telecommunication companies should prioritize CSR. It also discussed the challenges confronting CSR in Nigeria. Based on poor engagement of telecommunication companies in implementing CSR, the following suggestions were made:

1. The Government of Nigeria should put into law, which is providing a legal framework for companies on Corporate Social Responsibility. This will make CSR to be taken seriously and seen as obligatory as against non-obligatory.

2. Federal government agencies who are charged with the responsibility of implementing and enforcing CSR should maintain a high moral and ethical standard to ensure its effectiveness.

3. Federal government should provide enabling social and political environment to motivate companies in Nigeria to carry out sustainable social responsibility to improve the lives of Nigerians.

4. Finally, Government should facilitate the process of passage of the Response, Compensation, and Liability for Environmental Damage (RECLED) Bill, the Nigerian Environmental Bill into law. The bills if eventually made law would no doubt stimulate CSR in Nigeria

5. All the telecommunication companies should stop seeing CSR as a liability but as part of the marketing strategies. This would stimulate the interest and engagement in CSR.

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AUTHORS’ BIOGRAPHY

Chimezie Njoku, is an Associate Professor in the Faculty of Education, University of Port Harcourt, Nigeria. She is an innovative teaching professional with interest in coaching and mentoring students to achieve their potentials. I teach students how to integrate classroom teaching with real world situations and also provide mentoring services to students, young researchers and colleagues through teaching, co-authorship and other collaborative activities among other things.

Chika Okoro, is a PhD candidate specializing in Social Studies in the Faculty of Education University of Port Harcourt, Nigeria. Her first degree is in accounting and second degree in Social Studies. She is a hardworking student and have research interest in Social Vices.

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