ENGAGING IN CORPORATE SOCIAL RESPONSIBILITY PRACTICES BY COMMERCIAL BANKS IN CROSS RIVER STATE

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Abstract
The study determined how commercial banks in Cross River State are engaging in ethical marketing practices and community involvement practices all aspects of corporate social responsibility practices. Two research questions guided the study and two null hypotheses were tested at 0.05 level of significance. Survey research design was adopted for the study. Population for the study comprised 578 community representatives in Cross River State. A sample size of 216 was drawn using multi-stage sampling technique. For effective investigation a 24 item structured, validated questionnaire was used for collection of data from the respondents. The reliability of the instrument was established using split half method and a reliability co-efficient of 0.82 was obtained. Data collected were analyzed using mean scores for the research questions. The hypotheses were tested using One-way analysis of variance. The findings of the study revealed among others that the commercial banks in Cross River State poorly engage in corporate social responsibility practices. It was recommended among others that commercial bank owners should organize in-house ethical training to help their employees make appropriate ethical decisions to meet the ethical concerns of their consumers and the host community.

Key Words: Corporate social responsibility practices,Commercial Banks, Cross River State

Introduction

Community members' attitude to what is right and wrong is constantly changing and this affects the ways organizations operate. Businesses presently have to balance their desire to maximize profit against the needs of the stakeholders. This aspect of businesses' practice is called corporate social responsibility. Corporate social responsibility is an individual's, group's or organization's moral obligation towards others who are affected by the group's/organization's dealings. According to University of Southern California (2014), corporate social responsibility (CSR) is a business philosophy that stresses the need for firms to behave as good corporate citizens. Albinsson, Perera and Sautter (2011) opined that the theory of corporate social responsibility is built on a system of ethics, in which decisions and actions

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should be ethically validated. If the actions or decisions cause harm to individuals, society or the environment then they would be considered to be socially irresponsible and unethical.

Onwuegbuchi (2009) averred that corporate social responsibility is the deliberate inclusion of public interest into corporate decision making and the honouring of the triple bottom line of people, planet and profit. In other words, CSR policy entails self-regulation, adherence to rules and regulations, ethical standards, environmental responsibility and sustainability. Accordingly, Mirvis, Delong, Googins, Quirin and Velsor (2010) asserted that there is a change in the popular attitude of organizations. Thus the traditional views that emphasize profit maximization and shareholder returns are being dropped in favour of contemporary attitude that emphasizes value creation, legal compliance, minimizing harms, upholding stakeholder needs, deeper social and environmental responsibilities. The broad categories of corporate social responsibility that organizations practise according to Nicole (2015),are environmentalsustainability, community involvement, ethical marketing and ethical labour practices. This study focused on community involvement and ethical marketing practices. Yusuf (2012), stated that community involvement aspect of corporate social responsibility practices refers to what an organization does to positively influence the society where it operates. This could be in the form of volunteer assistance programmes, special scholarships; preserving of cultural heritage and beautification of cities Uadiale and Fagbemi (2011) added that it could be in form of giving money or time. These could take the form of working with local community on school projects, sponsorship of local sports teams and working on community projects among others. Another aspect of CSR practices that is the focus of this study is the ethical marketing practice, this is done by organizations that ethically market to consumers. Ethically based organizations or investments are concerned with how profit is made and how much profit is made, whereas traditional profit-centred free-market based business is essentially only concerned with how much profit it has made. According to Schneider (2010) traditional profit-centred business seeks to maximize profit and return on investment with no particular regard on how their profits are made and what the social effects of the business activities are. Gebler (2012) asserted that the ethical issues in finance that organizations, entrepreneurs and employees are confronted with spread across such areas as accounting, window dressing, misleading financial analysis, related party transactions not at arm's length, insider trading, securities fraud leading to manipulation of the financial markets, executive compensation, bribery, kickbacks, over billing of expenses, facilitation payments and fake reimbursements. Thus, the need for organizations to effectively engage in corporate social responsibility practices. Corporate social responsibility practices among organizations can be assessed across all cadres of organization, this study focused on commercial banks only. Tammy (2018) defined commercial banks as depository institutions that are for-profit entities that provide a

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number of services to their account holders and allow customers to deposit money in an account. They operate at the local, regional or national levels, have large advertising budgets and charge higher fees. There are so many commercial banks in Cross River State among which are First Bank Nigeria PLC, Union Bank of Nigeria PLC, Zenith Bank of Nigeria PLC to mention a few. Cross River State has so many spokes men and women who are usually addressed as community leaders. There are also so many capable and influential youth leaders in the various Local Government Areas. The state also has several political ward councilors.Corporate social responsibility practices of organizations are expected to attract infrastructural facilities to the organization's host community/state of operation and lead to the development of many cities that immigrants would be attracted to live in. An overview of Cross River State shows that there is no access road to and fro and within the state. Majority of the people are poor and unemployed. Hub Team (2015) opined that the vast majority of the populations live in rural areas and stay in small-nucleated settlements along the motorable high ways. With so many commercial banks thriving in Cross River State (CRS) and with virtually no access roads to, fro and within the state, increased unemployment, anti-social vices, youth restiveness and area boys menace, one wonders how the commercial banks in CRS engage in corporate social responsibility practices. To this end, this study is conceived to find out how commercial banks operating in Cross River State engage in corporate social responsibility practices

Statement of the Problem

Many corporations though they pay tax use corporate social responsibility methodologies as strategic tactics to gain public support for their presence in the community. Corporate social responsibility improves the company's social respect and creates an environment of health, safety practices at the workplace and bring development to the society at large. The benefits of engaging in CSR practices are immense for corporations, the community and other stakeholders. With so many commercial banks thriving in Cross River State, it is expected that there will be beautiful cities in the state booming with business activities and infrastructure such that the populace will be attracted to work and live in them. However, an overview of Cross River State shows that apart from Calabar the ancient city no other city in the state has much to offer in terms of infrastructural development, business activities and employment opportunities. The declining environmental, social and ethical issues such as youth restiveness, anti-social vices which are presently on the increase are causes of concern to the researcher, who wonders how the commercial banks in Cross River State engage in corporate social responsibility practices.

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Purpose of the Study

The main purpose of the study was to ascertain how commercial banks in Cross River State engage in corporate social responsibility practices. Specifically, the study ascertained how:

1. Commercial banks in Cross River State engage in ethical marketing practices.
2. Commercial banks in Cross River State engage in community involvement practices .

Research Questions

The following research questions guided the study.

1. How do commercial banks in Cross River State engage in ethical marketing practices?
2. How do commercial banks in Cross River State engage incommunity involvement practices?

Hypotheses

The following null hypotheses were tested at 0.05 level of significance.

1. There is no significant difference in the mean ratings of community leaders, ward councilors and youth leaders on how commercial banks in Cross River State engage in ethical marketing practices.
2. There is no significant difference in the mean ratings of community leaders, ward councilors and youth leaders on howcommercial banks in Cross River State engage in community involvement practices.

Method

The research design adopted for this study is the survey research design. The study was conducted in the 18 local government areas in Cross River State. The population of the study consisted of 578 community representatives in the state. The community representatives were labeled as community leaders, ward councillors and youth leaders. There are 200 community leaders, 222 ward councillors, and 156 youth leaders in the area of study. (Sources: Local Government Service Commission in Calabar gave information on the community representatives).

The sample size for the study is 216 community representatives in the 18 Local Government Areas selected using the three stages multi- stage sampling technique. The first stage was using purposive sampling technique to determine the number of community representatives to be chosen from each Local Government Area. In this way four spokes men named community leaders, four ward councillors and four youth leaders were chosen from each Local Government Area. The second stage in the three stages multi-stage sampling technique was using the simple random sampling technique to choose the ward councilors. The method of balloting without replacement was used in this stage.The third stage was the use of snowball sampling technique to select the community leaders and the youth leaders. To get the required

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number of community leaders and youth leaders the ward councilors and other members of the community helped in identifying the youth leaders and spokesmen in the community who were used in this study as community leaders. The instruments for data collection was a questionnaire. The questionnaire was structured on a five point scale of Very Well Engaged (VWE) 5, 4.50 – 5.00, Well Engaged (WE) 4, 3.50 - 4.49 , Poorly Engaged (PE) 3, 2.50 – 3.49, Very Poorly Engaged (VPE) 2, 1.50 – 2.49, and Not Engaged (NE) 1, 0.05 –1.49. Three experts validated the instruments. Two experts were from the department of Vocational Education and one from Measurement and Evaluation all from the University of Calabar. The reliability of the instrument was established using split- half reliability method, which yielded a reliability coefficient of 0.82. Copies of the questionnaire was administered by the researcher with the help of three research assistants personally selected and briefed by the researcher. Two hundred copies of the questionnaire were properly completed by the respondents and used for data analyses. Data collected were analyzed using weighted mean, standard deviation and One Way Analysis of Variance (ANOVA). The decision rule: for the research questions any value equal to or more than 2.50 was considered as well engaged in. while scores below 2.50 were considered as poorly engaged in. For the standard deviation, any value up to 1.00 and above 1.00 was considered that the scores were widely scattered about the mean and vice versa for standard deviation value below 1.00. For the test of hypotheses, the decision was to reject the null hypotheses where the F- calculated value is greater than the Table value. If otherwise, do not reject. The researcher used the Statistical Package for the Social Sciences (SPSS) version 20 for the analyses.

Results

The presentation and analysis of data and results are presented in tables below:

Table1

Respondents' Mean Ratings on how commercial banks in Cross River State engage in

Ethical Marketing Practices

S/N	Ethical marketing practices	Ẍ	Sd	Remarks
1.	Care for the customers' complaints	3.12	.59	PE
2.	Avoid manipulations and sales tactics that harm customers' trust.	3.07	.31	PE
3.	Provide true claims of advertisement for products and services	3.09	.46	PE
4.	Correct information about product characteristics enclosed in advertisement	3.12	.37	PE
5	Truthful and forthright in dealings with customers and stakeholders	3.19	.47	PE
6.	Make strenuous efforts to serve the needs of the customers	3.55	.66	WE
7.	Avoid false, misleading, and deceptive promotions	3.30	.49	PE
8.	Accept constructive criticism from customers and other stakeholders	3.23	.48	PE
9.	Products are appropriate for their intended uses.	3.09	.57	PE

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10. Marketing communications about goods and services are not intentionally deceptive or misleading	3.60	.72	WE
Cluster Mean	3.23	.51	PE

Data inTable 1 shows that of the ten items used for the cluster, eight items were rated as being poorly engaged in. Two items were rated as being well engaged in. The cluster mean value of 3.23 is also in the range of poorly engaged in. The implication is that the commercial banks in Cross River State poorly engage in ethical marketing practices. All the standard deviation values are not up to 1.00. This standard deviation values show that there is homogeneity in the respondents' ratings.

Table 2

Respondents' Mean Ratings on how the commercial banks in Cross River State engage in Community Involvement Practices

S/N	Community involvement practices	ẌSd	Remark
11.	Contribute generously to community projects	2.91 .76	PE
12.	Provide recreational facilities to the communities	2.93 .71	PE
13	Award scholarship to qualified indigenes	2.47 .54	PE
14.	Support the cross river state annual Christmas carnival	3.50 .82	PE
15.	Increase sustainable access to safe drinking water	2.83 .69	PE
16.	Support developmental initiative made by the community	2.50 .50	PE
17.	Employ community members	3.45 .58	PE
18.	The incentive system encourages performance by members of the community to work for the organization	2.86 .70	PE
19.	Create employment opportunities for members of the communities	3.05.71	PE
20.	Build roads in the community	1.25 .43	NE
21.	Build hospitals in the community	1.81 .72	VPE
22.	Work with local community on school projects	2.94 .85	PE
23.	Permit students on industrial work experience scheme to work in the organization	2.60 .52	PE
24.	Build hostels, classrooms in the community	3.05 .87	PE
	Cluster Mean	2.73 .62	PE

Table 2 shows that 14 items were used for community involvement practices, of the fourteen items one item was rated as being very poorly engaged in while one item was rated as not being engaged in. Twelve items were rated as being poorly engaged in. With the cluster mean value of 2.73 which is in the range of poorly engaged in, the implication is that the commercial banks in Cross River State poorly engage in community involvement practices. All the standard deviation values are not up to 1.00.This standard deviation values show that the respondents' ratings are homogenous.

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Table 3
Summary of One Way Analysis of Variance (ANOVA) of Community Leaders, Youth Leaders and Ward Councillors on how the commercial banks in Cross River State engage in Ethical Marketing Practices.

Source of Variance	Sum of Square	df	Mean Square	F-cal	F-crit	Remark
Between Groups	1.351	2	.675	.192	3.04	
Within Groups	691.204	197	3.509			Not Significant
Total	692.555	199				

Table 3 shows One Way Analysis of Variance result of Community Leaders, Youth Leaders and Ward Councillors on Ethical Marketing Practices. The F-calculated value of .192, is less than the critical value of 3.04 at 2 and 197 degrees of freedom and 0.05 level of significance. By this result the null hypothesis is not rejected.

Table 4
Summary of One Way Analysis of Variance (ANOVA) of Community Leaders, Youth Leaders and Ward Councillors on how the commercial banks in Cross River State engage in Community Involvement Practices

Source of Variance	Sum of Square	df	Mean Square	F-cal	F-crit	Remark
Between Groups	9.085	2	4.543	.576	3.04	
Within Groups	1554.790	197	7.892			Not Significant
Total	1563.875	199				

Table 4 shows One Way Analysis of Variance of Community Leaders, Youth Leaders and Ward Councillors on community involvement practices. F- calculated value is .576, which is less than the critical value of 3.04 at 2 and 197 degrees of freedom and 0.05 level of significance. Since the calculated F- value is less than the critical F- value the null hypothesis is not rejected.

Discussion

Findings of the study are discussed as follows;

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Ethical Marketing Practices by commercial banks in Cross River State

The first research question showed that the commercial banks in Cross River State poorly engage in ethical marking aspect of corporate social responsibility practicses. The finding from this study clearly indicated that the corporate social responsibility practices by commercial banks in Cross River State do not meet the standard stated by Nicole (2015). Nicole pointed out that companies that ethically market to consumers are placing higher value on their customers and respecting them as people who are ends in themselves. They do not try to manipulate or falsely advertise to potential consumers. This poor engaging in ethical marketing practices by the commercial banks could account for the situation in Cross River State and Nigeria in general which is not different from what Badaiki (1998) posited.

Badaiki posited that unfair trade practices cut across every spectrum of the Nigerian economy and are manifested in different forms. Badaiki asserted that organizations practise this by adulteration of their products, artificial scarcity of the products, price hikes and non-availability of the products. Also that these are practices indulged in by various sections of the society causing the consuming public to be short -charged, cheated and deceived.The result of the first null hypothesis showed that there is no significance difference in the mean ratings of community leaders, youth leaders and ward councilors on how commercial banks in Cross River State engage in ethical marketing practices. This means that status of the respondents did not affect the ratings that the commercial banks in Cross River State poorly engage in ethical marketing aspect of corporate social responsibility practices. This finding collaborates that of Githui (2014) that companies have turned blind eyes on ethical marketing while advertising are only motivated by profits.

Community involvement practices by commercial banks in Cross River State

The finding of the study showed that the commercial banks in Cross River State poorly engage in community involvement aspect of corporate social responsibility practices. This finding supports the observation of Sharmin, Khan, and Belal (2014) in a critical assessment of a widely publicized Corporate Community Initiative of the Lifebuoy Friendship Hospital (LFH) in the Northern Bangladesh by Unilever Bangladesh Limited in collaboration with a local Non-Governmental Organization called Friendship. Sharmin, et al, posited that UBL and Friendship companies made lofty claims about the achievement of this project as a manifestation of their corporate social responsibility.

Sharmin, Khan, and Belal (2014) further examined the Corporate Community Initiative (CCI) of Lifebuoy Friendship Hospital with a view to assess the extent to which it meets the expectations of the community where it operates. They observed that although the initiative has clearly brought in vital healthcare services to some of the most vulnerable and desperately poor communities, the level of actual engagement of the local people - the main stakeholders has been marginal. Their corporate role in terms of practical efforts in the field has been mostly superficial and limited.

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The analysis indicated that there is no significant difference in the mean ratings of community leaders, ward councillors, and youth leaders on how the commercial banks in Cross River State engage in community involvement practices. This means that the respondents are of the opinion that the commercial banks are poorly engaging in community involvement practices. The implication is that the community representatives are unanimous in their opinion in rating commercial banks as not adequately engaging in community involvement practices in Cross River State. The finding of this study is at variance with the finding of Akporien (2015). Akporien carried out a study on Triple Bottom Line reporting practices in Nigerian quoted firms and found out that the companies are doing so much for the host communities.

The result from this study discredited the views expressed by Stites and Michael (2011) who posited that the focus on CSR is even more pronounced, and community involvement has increasingly been recognized as a high-priority area among businesses. The finding of this study is not consistent with the statement by Fontaine (2013), who stated that the Committee for Economic Development (CED) in its 1971 publication observed that business functions by public consent, and its basic purpose is to serve constructively the needs of society to the satisfaction of society. The CED further noted that business assumes a role in contributing to the quality of life and that this role is more than just providing goods and services. Noting that business, as an institution, exists to serve society, that the future of business will be a direct result of how effectively managements of businesses respond to the expectations of the public. A look at the organizations studied in this research show that they have promising future irrespective of their poorly engaging in corporate social responsibility practices.

Conclusion

Based on the findings from the study, it is concluded that the engagement in corporate social responsibility practices by commercial banks in Cross River State could be contributing to increased anti-social vices, youth restiveness, area boys' menace and unemployment in the state.

Recommendations

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

1. Owners of commercial banks should improve their engagement in corporate social responsibility practices to help bring development to the state.
2. Commercial banks owners should organize in-house ethical training to help employees make appropriate ethical decisions to meet the ethical concerns of their customers and their host community.
3. Owners of commercial banks should proactively promote public interest by engaging in corporate social responsibility to encourage community growth

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and development and voluntarily eliminating practices that harm the public sphere.

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