

**ANALYSIS OF THE IMPACT OF CORPORATE SOCIAL RESPONSIBILITY ON
THE SOCIAL DEVELOPMENT IN OYO STATE, NIGERIA**

BY

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Abstract

The research intends to find out how corporate social responsibility activities (basic social amenities, social causes, and compensation to community members) enhance community development in Oyo State. Sumal Food Limited in Oyo State claims that they are doing enough in terms of bringing development to the communities as part of their corporate social responsibility, yet the host communities remain hostile and constantly at variance with the company. At a point in time, data were collected from the primary source. The Ordinary Least Square was adopted and finding reveals that corporate social responsibility has a significant relationship with community development in Oyo State. It is therefore recommended that CSR activities like basic social amenities, social causes, and compensation to community members and policies regarding these CRS should be improved to enable Sumal Food Limited to operate freely in the community and add to their development. The CSR activities that is been performed by Sumal Food Limited in Oyo State should be appreciated by the communities and encouraged them to do more in the future

Keywords: Corporate Social Responsibility, Social Amenities, Social Causes, Community Development

Introduction

The issue of corporate social responsibility (CSR) has been a subject of debate since 1950s. The latest analyses by Secchi (2017) and Jo, (2011) reported that the definition of CSR has been changing in meaning and practice. Tamvada (2020) noted that CSR model is based on Carroll (1979; 2016) pyramid which shows that CSR has four responsibilities or initiatives namely Legal, Economic, Ethical and Philanthropic). Legal and Economic responsibilities imply that business need to obey law and profitable meanwhile Ethical and Philanthropic entail an obligation by business to do what is just, right and fair as well as contribution of resources to improve quality of life of the people in the community. The classical view of CSR was narrowly limited to philanthropy and then shifted to the emphasis on the business-society relationship that is known as the contribution that a corporation or firm provided for solving social problems.

Business firms do not operate in a vacuum but operate in a community that harbour human beings who make up the society and, the survival of business organizations depends upon

successful interaction with the critical elements of the community. The level of demand goes beyond the direct impact of the organizations to incorporate how corporations can contribute to societal and environmental causes. The role of business in society has been promoted by increased sensitivity to the 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.

When production activities are being carried out by Sumal Foods Limited that is situated in Ibadan south west local government of Oyo State, the company pollute the entire area of Oluyole estate, thereby subjecting the community members to untold hardship by releasing unpleasant odour into the atmosphere and contamination of Ona River (Odo Ona). The company claims that they are doing enough in terms of bringing development to the communities as part of their corporate social responsibility, yet the host communities remain hostile and constantly at variance with the companies.

Previous studies such as Alabi and Ntukekpo (2012), Aghalino (2014) studied the impact of corporate social responsibility on community development in the Niger Delta region of Nigeria. Usman (2015) studied the effects of corporate social responsibility on community Development in Abuja, Nigeria, and used Julius Berger Company using the e-view statistical package and regression method of analysis. This study fills the research gap by examining the impact of CSR on community development in Oyo State, Nigeria, and food Food Manufacturing Company (Sumal Foods Limited) and employed statistical package for social science and ordinary linear regression method to analyze the data.

The objective of this study is to examine the effects of corporate social responsibility on the community development/social well-being of the people of Oyo State, Nigeria, and used Sumal Foods Limited as a case study. The specific objectives are: To examine the effects of social causes on community development in Ibadan South West LGA of Oyo State; to evaluate the effect of the provision of basic social amenities on community development in Ibadan South West LGA of Oyo State; to determine the effect of compensation to community members on community development in Ibadan South West LGA of Oyo State.

This research is restricted to the effects of corporate social responsibility on community development using Sumal Foods Limited as a study. The study period covers a year, which is 2018. This period involved a truly democratic era when citizens freely demand that companies that operate within their land should be socially responsible for the damage they cause to the land. It is hoped that since this study is a point in time study 12 months is long enough to assess the effects of corporate social responsibility on community development in Ibadan South West LGA of Oyo State with a particular reference to Sumal Foods Limited.

Policymakers will find the study relevant because it will help in formulating policies to adopt in carrying out corporate social responsibilities such that would impact positively on Community Development. This study is significant in the following ways: It would also help to explore the effect of CSR on employees' commitment if at all there is a relationship

between the two concepts in reality. It would examine the implications of CSR thereby enabling corporate managers to appreciate its importance and the study would also reveal the perception of the beneficiaries of CSR towards the company.

The following hypotheses are formulated and are as follows:

H0₁: There is no significant relationship between social causes and community development in Ibadan South West LGA of Oyo State

H0₂: There is no significant relationship between the provision of basic social amenities and community development in Ibadan South West LGA of Oyo State.

H0₃: There is no significant relationship between compensation to community members and community development in Ibadan South West LGA of Oyo State.

Literature Review

Concept of Corporate Social Responsibility

Habisch, Jonker, Wegner, and Schmidpeter (2015), corporate social responsibility is defined as the extent to which and how an organization consciously assumes responsibility for and justifies its actions and non-actions and assesses the impact of those actions on its legitimate constituencies. Kotler and Lee (2016) assert that corporate social responsibility is a commitment to improving community well-being through discretionary business practices and contributions of corporate resources. Adeyanju (2015) believes that corporate social responsibility means that a corporation should be held accountable for any of its actions that affect people, communities, and the environment. It implies that negative business impacts on people and society should be acknowledged and corrected, if possible. Rahman (2018) defined corporate social responsibility as the manager's duty or obligation to make a decision that nurtures the project, enhance and promote the welfare and wellbeing of stakeholders and society as a whole. European Union (2014) saw corporate social responsibility as a concept whereby companies integrate social and environmental concerns in their business operations and their interaction with their stakeholders voluntarily. Thompson and Cowton (2014) look at corporate social responsibility as a relationship that exists between a corporation and all of its stakeholders. To them, it includes customers, employees, communities, owners/investors, government, suppliers, and competitors.

Concept of Community Development

Community Development (CD) is the process of developing active and sustainable communities based on social justice and mutual respect. It is about influencing power structures to remove the barriers that prevent people from participating in the issues that affect their lives (Federation of Community Development Learning, 2009). Community development is the combined processes, programs, strategies, and activities that make a community sustainable as compared to economic development which is the marketing of its potential for growth followed by local efforts to act on opportunities. The entire set of approaches to community development practice may be considered a specialized form addressing, coordinating, and building the social infrastructure at a location. CD may be defined as a process of challenging the undesirable and unacceptable disparity of conditions and infrastructure that negatively affect the quality of life in a place where people live and work. It functions best as a process in locations where all strata of society and citizenry are engaged with a sense of community solidarity (Community Glossary, 2009). It is the creation of wealth – wealth meaning the things people value, not just dollars (Shaffer, 2009).Masum,

et al (20020); Nwoba & Udoikah (2016) noted that organisations now consider the interest of society through CSR for inclusive partnership with local community to empower and stimulate growth in local communities.

Empirical Study

Usman (2015) investigated the effects of corporate social responsibility on community Development in Abuja, Nigeria using Julius Berger Company as the case study. The study found out how corporate social responsibility (social causes, provision for basic social amenities, and compensation to community members) affects community development. The point in time data was collected from primary sources with the use of a questionnaire covering a period of 10 years from 2004 to 2014. Ordinary Least Square was adopted and finding reveals that there is a significant relationship between corporate social responsibility and community development in Abuja Nigeria. David, (2012) examined community expectations of CSR and the influence of the traditional, political, and administrative systems on community expectations of CSR in the Niger Delta region. He used a quantitative research design and a case study method employing the use of a questionnaire. Data were analyzed using the principal of content and contextual analysis to ascertain the role of CSR, oil industry CSR practices in the Niger Delta and the findings show that community expectations were framed through the lens of underdevelopment and its implications for the social and economic wellbeing of the indigenes. This implies there is a relationship between CRS and community development.

Alabi and Ntukekpo (2012) examined the impact of Oil Companies on Corporate Social Responsibility in Nigeria: An Empirical Assessment of Chevron's Community Development Projects in the Niger Delta using descriptive survey research to assess the CSR efforts of one of the oil Companies - Chevron, in three oil communities of Niger Delta. 150 opinion leaders from three communities were purposively selected for participation in the study. Data were generated with the Corporate Social Responsibility Project Assessment Instrument (CSRPAI) ($r=0.84$). The results indicate that although the community development efforts of Chevron are significant and were actually on the ground in the three communities and that CRS was considered not satisfactory or relevant enough to the needs of the community dwellers.

Masum, Abdul Aziz and Ahmad (2020) opined that the effects of corporate social responsibility on community development. The study adopts qualitative method and concludes that organisation should act responsibly to their environment. Degie and Kebede (2017) examine the prospect of corporate social responsibility on community development in Ethiopia. The study adopts qualitative method and relied on South-Centred Critical CSR perspective. The study finds that corporate social responsibility project can be used for the cause of community development in developing nation. Chauhan (2017) examine the role of corporate social responsibility in community development. The study adopts qualitative method and concludes that corporate social responsibility is very important in community development.

Idemudia and Osayande (2016) assessed the effect of corporate social responsibility on community development in the Niger Delta. The study adopts qualitative method and concludes that there is a need to examine Shell Community Transformation & Development Index (SCOTDI) CSR from perspective of local communities. Vila, Sklavounos, Vergos,

Rotsios and Shabanaj (2019) examine the impact of corporate social responsibility initiatives on rural community development in Kosovo. The study adopts quantitative research method to investigate the effectiveness of the CSR Strategies of TITAN-Sharrcem in the region of Hani I Elezit as perceived by local residents through 174 questionnaires collected which represent over 3% of the city's adult population of 5725. The study find that CSR can build long-term relationship with the communities in which they operate.

Enwereonye, Ugorji, Alozie and Awurumibe (2015) examine the impact of corporate social responsibility in community development. The study adopts qualitative method and reiterated the need for business, government and civil society collaboration to achieve win-win situation among the three entities. Nwoba and Micheal (2016) investigate the impact of corporate social responsibility on community development. The study employs qualitative method and concludes that CSR can provide atmosphere for community participation in social investment projects that can empower local communities and stimulate growth.

Theoretical Framework

Utilitarian Theories

Utilitarian theories state that CSR ideas emerged after a realization that there is a need for an economics of responsibility, embedded in the business ethics of a corporation. Hence, the old idea of laissez-faire business gives way to determinism, individualism to public control, and personal responsibility to social responsibility. Utilitarian could also be taken synonymously with instrumental theories (Jensen, 2012; Garriga & Mele, 2014) 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 were also based on the basic idea about investing in a local community in which Friedman (1970) strongly stated earlier that the investment will be in long run provide resources and amenities for the livelihoods of the people in the community.

The Social Cost Theory

The social cost theory has a basis for CSR in which the socio-economic system in the community is said to be influenced by the corporate non-economic forces. It is also called instrumental theory (Garriga & Mele, 2014) because it is understood that CSR is a mere means to the end, which leads to the fact that the social power of the corporation is materialized specifically in its political relationship with society. It suggests that the corporation needs to accept social duties and rights to participate in social co-operation. Within it, the functionalist theory, specifically advocates that the corporation is seen as a part of the economic system, which one of the goals is profit-making. The firm is viewed as an investment, and investment should be profitable to the investors and stakeholders. Putting it from the internal point of view of the firm, CSR was coined as a defense tactic of the industrial system against external attacks because there needs a balance between profit-making and social objectives for the economic system's equilibrium.

Relational Theory

The relational theory has a root from the complex firm-environment relationships. Business and community are proposed to mean 'business in society' in which CSR emerges as a matter of interaction between the two entities. One of the measures of CSR is the development of economic values in a society. Another is a person's obligation to consider the effects of his

decision and action on the whole social system. Stated in the form of a general relationship, the social responsibilities of businessmen need to reflect the amount of social power they have (Garriga & Mele's, 2014).

Methodology

The research design used for this work was the survey research design. In this research work, the primary method was used for the collection of data. Also, the use of survey research design is due to the fact that the data are a point in time. The population of this study comprised all the residents in the Ibadan South West local government area of Oyo State, Nigeria, which according to the last population census in 2006 is 283,098 people. And the sample size was reduced using the computation below. The sample size of this study was derived using the Yaro Yamane formula to estimate it.

$$n = \frac{N}{1 + N(e)^2}$$

Where N is the population size
e is the margin error (assume 5%)

1= constant=

e=0.05

$$n = \frac{283,098}{1} + 283,098(0.05)^2$$

$$n = \frac{283,098}{1} + 283,098(0.0025)$$

$$n = \frac{283,098}{1} + 707.745$$

$$= \frac{283,098}{707.745}$$

n = 400

A questionnaire was designed to collect a point in time data from respondents of the selected LGA and the questionnaire was administered to all the residents randomly. The researchers collected the information with the helped of some community members. A five-point Likert scale was also designed and 400 copies of the questionnaire were distributed and the researchers added additional 30 copies of the questionnaire to indicates a successful return of 400 copies of the questionnaire but unfortunately, 399 copies were returned which was used in the analysis and a multiple statistical models was developed and ordinary least square method of regression was adopted. The multiple regression models are stated below:

$$CD = \alpha + \beta_1ST + \beta_2SLP + \beta_3CE + \mu \text{-----} 1$$

$$CD = \alpha + \beta_1RD + \beta_2EL + \beta_3WT + \beta_4HF + \beta_5SC + \mu \text{-----} 2$$

$$CD = \alpha + \beta_1SCL + \beta_2BUR + \mu \text{-----} 3$$

Where:

CD = Community development, α = Intercept β = Independent variable, ST = Sponsoring Tournament SLP= Sponsoring Local Pageant, CE = Celebrity Endorsement, RD = Road, EL = Electricity, WT =Water, HF = Health Facilities, SC= Scholarship, Bur = Bursary and μ = Error Term.

Analysis of Data

Table 1: Have you heard about Sumal Foods Limited performing social responsibility in Ibadan South West LGA

Responses	Frequency	Percentage (%)
Yes	108	27.06
No	291	72.93
Total	399	100

Source: Field Survey 2020

The table 1 shows that 27.06% of the respondents accept that they have heard about the company performing social responsibility in Ibadan South West LGA and 72.93% of the respondents are of the view that they have not heard about the company performing social responsibility in Ibadan South West LGA.

Table 2: Sumal Foods Limited Control Air Pollution Cause by Them during Production in Ibadan South West LGA

Responses	Frequency	Percentage (%)
YES	93	23.31
No	306	76.69
Total	399	100

Source: Field Survey 2020

The table 2 shows that 23.31% of the respondents accept that Sumal Foods Limited control air pollution caused by them during production in Ibadan South West LGA and 76.69% of the respondents are of the view that Sumal Foods Limited does not control air pollution caused by them during production in Ibadan South West LGA.

Table 3: Hypothesis 1: Social Causes and Community Development

Items	A	SA	UN	D	SD
Sumal Foods Limited sponsor tournaments in Ibadan South West LGA	98 (24.56)	91(22.80)	50(12.53)	89(22.30)	71(17.79)
Sumal Foods Limited sponsor local pageant in Ibadan South West LGA	107(26.81)	118(29.57)	20(5.01)	65(16.29)	89(22.30)
Sumal Foods Limited perform the activities of endorsing celebrity in Ibadan South West LGA	128(32.08)	103(25.81)	11(2.75)	93(23.30)	9(17.29)
Ibadan South West LGA as a community is developed through social responsibility offered by Sumal Foods Limited	56(14.03)	33(8.27)	7(1.75)	133(33.33)	171(42.85)

Source: Field Survey, 2020

Hypothesis 1: OLS Regression Result

$$CD = \alpha + \beta_1ST + \beta_2SLP + \beta_3CE + \mu$$

Model Summary

Model	R	R-Square	Adjusted R-Square	Std. Error of the Estimate	Durbin-Watson
1	.865 ^a		.749	.747	.71361

a. Predictors: (Constant), CE, ST, SLP

b. Dependent Variable: CD

ANOVA^b

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	599.218	3	199.739	392.233	.000 ^a
Residual	201.148	395	.509		
Total	800.366	398			

a. Predictors: (Constant), CE, ST, SLP

b. Dependent Variable: CD

Coefficient

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.377	.080		17.150	.000
ST	1.129	.099	1.162	11.439	.000
SLP	.275	.112	.299	2.448	.015
CE	.591	.107	.623	5.539	.000

a. Dependent Variable: CD

The analysis of the hypothesis 1 indicates that the coefficients for providing social causes such as sponsoring tournaments (ST), sponsoring local pageant (SLP), and endorsing celebrity by Sumal Foods Limited to the community in Ibadan South West LGA are positive and significant in achieving community development. This implies that the act of providing these social causes by Sumal Foods Limited leads to commodity development in Ibadan South West LGA.

The p-value of 0.00 is less than the t-statistic value of 11.439 and the standard error value of 0.099 for sponsoring tournaments (ST). This implies that there is a significant relationship between sponsoring tournaments (ST) and community development in Ibadan South West LGA. The p-value of 0.15 is less than the t-statistic value of 2.448 and the standard error value of 0.112 for sponsoring local pageants (SLP). This implies that there is a significant relationship between sponsoring local pageant (SLP) and community development in Ibadan South West LGA. The p-value of 0.00 is less than the t-statistic value of 5.539 and the standard error value of 0.107 for endorsing a celebrity. This implies that there is a significant relationship between endorsing celebrity (EC) and community development in Ibadan South West LGA.

The f-statistic value of 392.233 is significant at P statistic value of 0.00 which provides evidence of the existence of a linear relationship between social causes and community development. The $R^2 = 0.74$ indicates that only 74% of corporate social responsibility activities (social causes) embarked upon by Sumal Foods Limited contribute immensely to

community development but 26% can be explained by other factors not noted in the regression model which is referred to as error term. Therefore we accept the alternative hypothesis that there is a significant relationship between social causes and community development.

Hypothesis 2: Provision for Basic Amenities and Community Development

Items	A	SA	UN	D	SD
Sumal Foods Limited provide water supply to communities in Ibadan South West LGA	78(19.54)	57(14.28)	2(0.50)	113(28.32)	89(22.30)
Sumal Foods Limited provide electricity supply to communities in Ibadan South West LGA	53(13.28)	79(19.79)	5(1.25)	142(35.58)	120(30.07)
Sumal Foods Limited helped to construct road as social responsibility to communities in Ibadan South West LGA	87(21.80)	88(22.05)	44(11.02)	98(24.56)	82(20.55)
Sumal Foods Limited helped to build school as social responsibility to communities in Ibadan South West LGA	67(16.79)	121(30.32)	23(5.76)	108(27.07)	80(20.05)
Sumal Foods Limited provide health facilities to communities in Ibadan South West LGA	98(24.56)	134(33.58)	10(2.51)	109(27.31)	48(12.03)

Source: Field Survey, 2020

Hypothesis 2: OLS Regression Result

$$CD = \alpha + RD + EL + WT + HF + SC + \mu$$

Model Summary

Model	R	R-Square	Adjusted R-Square	Std. Error of the Estimate	Durbin-Watson
1	.919a	1.844	.842	.56374	.043

a. Predictors: (Constant), SC, EI, HF, WT, RD

b. Dependent Variable: CD

ANOVA

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	675.469	5	135.094	425.085	.000 ^a
Residual	124.897	393	.318		
Total	800.366	398	398		

a. Predictors: (Constant), SC, EI, HF, WT, RD

b. Dependent Variable: CD

Coefficient

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.886	.078		11.407	.000
WT	.483	.084	.534	5.747	.000
RD	.201	.104	.208	1.926	.055
EI	.158	.087	.159	.623	.070
HF	.088	.057	.087	1.545	.123
SC	-.047	.091	-.048	-.520	.603

a. Dependent Variable: CD

Residual

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	1.7688	5.2983	3.8221	1.30275	399
Residual	-.92650	1.43681	.00000	.56019	399
Std. Predicted Value	-1.576	1.133	.000	1.000	399
Std. Residual	-1.643	2.549	.000	.994	399

a. Dependent Variable: CD

The analysis indicates that the coefficients for providing basic amenities such as Electricity (EI), Road (RD), Health facilities (HF), and Water (WT) by Sumal Foods Limited to the community in Ibadan South West LGA are positive and significant in achieving community development. This implies that the act of providing these basic social amenities by Sumal Foods Limited leads to commodity development in Ibadan South West LGA. The coefficient for providing basic amenities such as building schools (SC) is negative and insignificant in achieving community development in Ibadan South West LGA.

The p-value of 0.00 is less than the t-statistic value of 5.747 and the standard error value of 0.084 for providing water (WT). This implies that there is a significant relationship between providing basic social amenities such as water (WT) and community development in Ibadan South West LGA. The p-value of 0.05 is less than the t-statistic value of 1.926 and the standard error value of 0.104 for providing road (RD). This implies that there is a significant relationship between providing basic social amenities such as road (RD) and community development in Ibadan South West LGA. The p-value of 0.07 is less than the t-statistic value of 1.816 and the standard error value of 0.087 for providing electricity (EL). This implies that there is a significant relationship between providing basic social amenities such as electricity (EL) and community development in Ibadan South West LGA.

The p-value of 0.12 is less than the t-statistic value of 1.545 and the standard error value of 0.057 for providing health facilities (HF). This implies that there is an insignificant relationship between providing basic social amenities such as health facilities (HF) and community development in Ibadan South West LGA. The p-value of 0.60 is greater than the t-statistic value of (0.520) and the standard error value of 0.097 for building schools (SC). This implies that there is an insignificant relationship between providing basic social amenities such as building schools (SC) and community development in Ibadan South West LGA.

The f-statistic value of 425.085 is significant at P statistic value of 0.00 which provides evidence of the existence of a linear relationship between the provision of basic social amenities and community development. The $R^2 = 0.84$ indicates that only 84% of corporate social responsibility activities (social amenities) embarked upon by the company contribute immensely to community development but 16% can be explained by other factors not noted in the regression model which is referred to as error term. Therefore we accept the alternative hypothesis that there is a significant relationship between provision for basic social amenities and community development.

Hypothesis 3: Compensation to Community Members and Community Development

Items	A	SA	UN	D	SD
Sumal Foods Limited Provide Scholarship To Members Of Communities That Want To Further Their Education in Ibadan South West LGA	87(21.80)	109(27.31)	22(5.51)	43(10.77)	138(34.58)
Sumal Foods Limited provide bursary to members of communities that are schooling in Ibadan South West LGA	67(16.79)	123(30.82)	12(3.00)	67(16.79)	130(32.58)

Source: Field Survey, 2020

Hypothesis 3: OLS Regression Result

$$CD = \alpha + \beta_1 SCL + \beta_2 BUR + \mu$$

Model Summary

Model	R	R-Square	Adjusted Square	R-Std. Error of the Estimate	Durbin-Watson
1	.974 ^a	.949	.949	.32027	.152

a. Predictors: (Constant), BUR, SCL

b. Dependent Variable: CD

ANOVA

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	759.748	2	379.874	3703.507	.000 ^a
Residual	40.618	396	.103		
Total	800.366	398			

a. Predictors: (Constant), BUR, SCL

b. Dependent Variable: CD

Coefficient

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.375	.044		8.480	.000
SCL	.231	.016	.261	14.437	.000
BUR	.700	.017	.757	41.828	.000

a. Dependent Variable: CD

Residual

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	1.3066	5.0320	3.8221	1.38163	399
Residual	-.80081	1.06187	.00000	.31946	399
Std. Predicted Value	-1.821	.876	.00000	1.000	399
Std. Residual	-2.500	3.316	.000	.997	399

a. Dependent Variable: CD

The analysis of Hypothesis 3 indicated that the coefficients for providing compensation for community members such as scholarship to members of communities (SCL) and bursary to members of communities (BUR) by Sumal Foods Limited to the community in Ibadan South West LGA are positive and significant in achieving community development. This implies that the act of providing this compensation for community members by Sumal Foods Limited leads to commodity development in Ibadan South West LGA.

The p-value of 0.00 is less than the t-statistic value of 14.437 and the standard error value of 0.016 for a scholarship to members of communities (SCL). This implies that there is a significant relationship between a scholarship to members of communities (SCL) and community development in Ibadan South West LGA. The p-value of 0.00 is less than the t-statistic value of 41.828 and the standard error value of 0.017 for a bursary to members of communities (BUR). This implies that there is a significant relationship between bursary to members of communities (BUR) and community development in Ibadan South West LGA.

The f-statistic value of 3703.507 is significant at P statistic value of 0.00 which provides evidence of the existence of a linear relationship between compensation for community members and community development. The R² = 0.94 indicates that only 94% of corporate social responsibility activities (compensation for community members) embarked upon by the company contributes immensely to community development but 6% can be explained by other factors not noted in the regression model which is referred to as error term. Therefore we accept the alternative hypothesis that there is a significant relationship between compensation for community members and community development.

Discussion of Findings

From the above analysis, the impact of corporate social responsibility on community development in Ibadan South West LGA is significant. This shows that corporate social responsibility proxies as basic social amenities, social causes, and compensation to community members significantly contribute to community development in Ibadan South West LGA. The finding is in tandem with the finding Usman (2015) who found that there is a

significant relationship between corporate social responsibility and community development in Abuja. The study is also in line with the theory of relational theory which states that business and community are proposed to mean business in society in which CSR emerges as a matter of interaction between the two entities. That is one helping the other in pursuit of their goals.

Conclusion

This study concludes that the impact of corporate social responsibility on community development in Ibadan South West LGA is significant. This shows that corporate social responsibility proxies as basic social amenities, social causes, and compensation to community members are significantly contributing to community development in Ibadan South West LGA.

Recommendations

The study, therefore, recommends that such CRS activities like basic social amenities, social causes, and compensation to community members and policies will help the company to operate freely in the community and add to their development and CRS activities performed by Sumal Foods Limited in Ibadan South West LGA should be appreciated by the communities and encouraged them to do more in the future.

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