



## Empirical Analysis of the Effect of Corporate Social Responsibility on Host Community Development among Selected Manufacturing Firms in Southwest Nigeria

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**Abstract.** For enterprises to be socially accountable to their host communities and stakeholders there is a self-regulatory paradigm known as corporate social responsibility (CSR). The study examined the effect of corporate social responsibility on the development of host community of selected manufacturing firms in South West, Nigeria. The study employed a descriptive research design and the data for the study were collected through the administration of a well-structured questionnaire. The population of the study consisted of 515 employees of International Brewery Plc Ilesa of which 183 were senior and management staff; Nigeria Brewery plc Ibadan with a total population of 490, of which 165 were senior and management staff and Guinness Nigeria Plc with a total population of 580, of which 210 were senior and management staff. Stratified sampling technique was used to arrive at the sample size for the study. The Taro Yamane (1973) formula was use to arrive at a sample size of 304. A total of 304 copies of the questionnaire were administered on the respondents, out of which 255 were retrieved and analysed. Regression and Correlation Analyses were employed in analyzing the data collected. Findings of the study revealed a positive relationship between corporate social responsibility and development of host community. Furthermore, the  $R^2$  value = (0.237), implied that philanthropic activities have statistical significant effect on the development of host communities in South West, Nigeria and a statistically significant correlation existed between economic activities and development of host community at 95% confident limit and sig 0.000. The study concluded that corporate organizations that engage in philanthropic activities such as corporate social responsibility enjoy a sense of satisfaction and/or fulfillment by benefiting other people and

developing the host community. The study recommended that corporate entities should adopt the practice of corporate social responsibility by developing their host communities, employing people, creating jobs and advancing skill development.

**Keywords:** Corporate Social Responsibility, Development, Host Community, Philanthropic, Economic.

### 1. Introduction

People or groups of people build different communities when they have similar attitudes and interests. A community can be thought of as a set of individuals working together towards the same purpose and resolving interdependent issues in order to meet needs and realize objectives. In addition to supporting attempts to bring about social change, the community offers a sense of interdependence, belonging, direction, and association (Bettez, 2013). Every town should ideally work to improve its residents' overall wellbeing by providing them with healthcare, training, education, and other services. The community's development is facilitated by such tactics. Efforts made by a community with outside organisations' assistance are referred to as community development initiatives. These initiatives strive to empower individuals and groups by offering them the knowledge and tools required to effect positive changes in their own neighborhood (Maimunah, 2009).

The main goal of a business organisation in the society is to act responsibly toward stakeholders as well as to generate profit (Harrison, & Freeman 1995

as cited in Ahmad, Hajah & Muhammad 2020). Businesses located in a community can support initiatives as well as activities that would see to the well-being of the community being one of its stakeholders (Nwoba & Michael, 2016). Organisations must make conscious, deliberate efforts to support host community development. These efforts are made through corporate social responsibility (CSR). All community stakeholders must be willing and prepared to collaborate in order to build the community. Businesses must be prepared to contribute to the welfare of society because they do not operate in a vacuum.

The idea of CSR as an academic concept was first developed in the 1950s, but it only really got attraction in the 1970s and 1980s as a result of heightened public exposure and attention on the image of organisations. This led to an increase in the statistic of elements used to operate, estimate, communicate, and reinforce corporate social responsibility. The ranges of activities that make up CSR initiatives is broad and up for discussion, but most definitions contain the three fundamental pillars of social improvement, community development, and economic growth.

Adapting private and public sector practices to address social values, such as eliminating excess packaging, valuing human resources, such as personal development training and occupational health & safety programs and improving environmental performance through recycling and pollution abatement, such as emission reductions, are all components of CSR. Supporting community activities is another element, which may include promoting a local sporting club, event or competition. CSR focuses on the overall approach taken by a corporation to strike a balance between its responsibility to key stakeholders and its external environment (Ebert & Griffin, 2017).

CSR is thought to be distinct from philanthropy. When successfully implemented, it has a positive impact on how a firm conducts business and becomes ingrained in the principles and culture of the organisation. CSR becomes embedded in an organization's vision and brand thereby influencing its marketing and promotion strategies. Corporate organisations actively engage in CSR activities assess their general performance to include facing cultural and social challenges, with the aim of improving their goodwill and broadening their reach. In addition to boosting sales and profits, CSR models encourage global advancement and change, which constantly involves rendering assistance to those with limited or

no resources. If the company is currently carrying out its plan, the CSR model is advantageous to it. Contrarily, making ambiguous assertions that providing help to those in need can bring about social change could result in public censure.

A company's brand and financial health are at stake if it ignores corporate social responsibility. Having a poor reputation in the social and environmental spheres can have a significant negative impact on a company's overall profitability and success. This is because consumers today prefer to buy goods and services from businesses that share their values and adhere to moral business practices. Companies that choose to disregard this trend do so at their peril.

Despite all the advantages that stakeholders can derive from CRS, there are a few flaws that might cause organisations to hesitate in acting in the host community's best interests; spending a large portion of revenue on the host community has thus become a terrible idea because businesses are constantly under pressure from various stakeholders. For example, employees are under constant pressure to recognise certain employee rights at work, consumers want businesses to set fair prices and produce safe products, the community and the environment expect businesses to not endanger the safety of the host community (Harrison, & Freeman, 2001). It is unavoidable for firms to turn to CSR due to the numerous stakeholder pressures. As a result, the society has high expectations and the poor corporate attitudes have led to hostility, a lack of peace and harmony between the host communities and organisation. Generally speaking, corporate organisations are motivated by a desire to increase profits at the expense of the local population.

Furthermore, some corporate organisations are unaware of the value of CSR activities in fostering the growth of host communities. As a result, they are unable to determine what can be done to foster community growth, refuse to devote significant resources to CSR initiatives and see CSR as a waste of resources. Additionally, philanthropic, economic and legal activity in host communities has not been used to gauge CSR.

Moreover, there is barely any indication of corporate social responsibility in most neighborhoods; unemployment seems to be very high and there is little to no growth of human capital in terms of education and finances, in addition to poor roads and a lack of basic utilities. This has had a significant impact on host communities and has impeded their development.

Meanwhile, some researchers had expressed concern about the CSR's effectiveness or lack thereof. For instance, Carlsson and Akerstom (2008), Odetayo, Adeyemi, & Sajuyigbe (2014), Ojo (2010), Uwaloma and Egbide (2012), Adeboye and Oslawale (2012), and Adeyanju (2012) have examined various aspects of the relationship between CSR and host community development. However, little has been done to examine the effects of CSR activities using philanthropic, economic, and legal activities as variables on host community development in South West, Nigeria. It is against this backdrop that this study examined the effect of corporate social responsibility on host community development in selected manufacturing firms in South West, Nigeria.

### 1.1 Research Questions

The following questions were formulated for the study:

- To what extent do philanthropic activities influence the development of host communities among manufacturing firms in Southwest, Nigeria?
- What are the relationship between economic activities and host community development of manufacturing firms in Southwest, Nigeria?

### 1.2 Objectives of the Study

The broad objective of the study was to examine the effect of corporate social responsibility on host community development among manufacturing firms in Southwest, Nigeria. The specific objectives were to:

- investigate the influence of philanthropic activities on development of host communities among manufacturing firms in Southwest, Nigeria.;
- determine the relationship between economic activities and host community development among manufacturing firms in Southwest, Nigeria.

### 1.3 Hypotheses

The following hypotheses were generated for the study:

**H<sub>01</sub>:** There is no significant effect of philanthropic activities on the development of host communities among manufacturing firms in Southwest, Nigeria.

**H<sub>02</sub>:** Economic activities have no significant effect on host community development among manufacturing firms in Southwest, Nigeria.

## 2. Literature Review

### 2.1 Concept of Corporate Social Responsibility

Corporate social responsibility, also known as corporate responsibility, corporate citizenship, or responsible business, refers to an organisation's independent decisions, strategies, and initiatives that seem to enhance societal well-being beyond its immediate financial interests and legal responsibilities (Alafi & Al Sufy, 2012). According to the idea of CSR, businesses have obligations beyond those to treat investors fairly and abide by the law, including moral, ethical, and charitable duties (Ijaiya, 2014). CSR highlights an organisation's capacity to operate and engage in philanthropic work beyond what is required by law, ethics, and morality. The topic of corporate social responsibility (CSR) in business is not new. According to Steiner and Steiner (2006), CSR dates back to the philanthropic efforts of affluent businessmen John D. Rockefeller and Andrew Carnegie, who donated huge amounts to charitable organisations. According to the literature, there are two main schools of thought that define CSR. First, there are theorists who contend that businesses have a duty to maximize profits while taking ethical considerations into account (Levitt 1995 as quoted in Ahmad, Hajah, and Muhammad 2020), secondly, there are those who maintain an extensive variety of commitment towards society (Carroll, 1991).

Despite the fact that businesses are beginning to recognise CSR more and more, the idea of CSR is still a topic of public discussion because certain large organisations have to be challenged to act responsibly for the benefit of society. The majority of academics concur that corporate organisations have duties to society beyond maximising profits (Carroll, 1999). Many argue that corporations have obligations to a wide range of stakeholders than just their shareholders and investors, including employees, suppliers, communities, the government, and the society (Jamali, 2008).

### 2.2 Philanthropic Activities

Philanthropy is the practice of performing charitable deeds or other commendable deeds, such as giving of your time or energy to others or improving society at large. For some, philanthropy is making financial contributions, frequently sizable ones, to support or establish research institutes, university buildings, or

scholarships for four-year colleges. Others define charitable deeds as an annual gift to a community theater, food bank, or school. Large-scale charity donations to deserving causes are a component of philanthropy, but it encompasses much more. Rich people occasionally create private foundations to support their philanthropic endeavours. Philanthropy is an endeavour undertaken by an individual or organisation out of an altruistic goal to increase human wellbeing (Adam, 2022). From a small-scale to a large-scale level, there are many ways to donate to charity. Both corporate and individual donors do this. Altruism, tax benefits, or a combination of the two may motivate someone to give to charity. Anyone who donates their talent, time, money, or abilities qualifies as a philanthropist (Adam, 2022).

Greek society is where philanthropy first emerged. For instance, the renowned philosopher Plato directed his nephew to utilize the revenues of the family property to support the academy he created in his will in 347 B.C. The funds were used to support the academy's staff and students. A large portion of the finances for a Roman school for young students were provided by Pliny the Younger some 150 years later. The rest was to be provided by them; he told the students' fathers. The intention was to prevent young Romans from attending foreign universities. John Winthrop of the Massachusetts Bay Colony instructed Puritan migrants in 1630 that the wealthy should aid the poor because they were unable to help themselves. And John Harvard founded Harvard University in 1638 after leaving the school a half-interest in his estate. Moving on, renowned benefactors over the ages include Mother Teresa and Norman D. Rockefeller. People and businesses, such as Warren Buffett, Melinda Gates, and Dolly Parton, continue to engage in philanthropy in the twenty-first century (Adam, 2022).

### 2.3 Economic Activities

When certain commodities or services are produced, an economic activity occurs when resources like labour, manufacturing processes, capital goods, and intermediary items are integrated. As a result, the characteristics of an economic activity are an input of resources, a production process, and an output of products (goods or services). Economic activities are human endeavours that result in financial gain. Primary, secondary, and tertiary economic activities are generally categorised. (George, 2020).

Since primary activities involve using the earth's resources, such as land, water, building materials, and minerals, they are thus entirely reliant on the

environment. Due to the outside nature of their employment, individuals engaging in primary activities are referred to as red-collar workers. By converting raw materials into valuable products, secondary activities increase the value of natural resources. Thus, Secondary activity is concentrated in the manufacturing, processing, and building (infrastructure) industries. Workers in blue-collar jobs are individuals who perform supplementary tasks. Production and exchange are both included in tertiary activities. The "supply" of services that are "consumed" is a component of production. Exchange entails the use of facilities for trade, transportation, and communication to cross physical distances (George, 2020).

Quaternary activities in the "Knowledge Sector" are specialized tertiary activities that necessitate a different classification. Demand and consumption of information-based services have grown significantly, from mutual fund managers to tax advisors, software engineers, and statisticians. This group of services includes employees who work in offices, elementary schools, university classrooms, clinics, theaters, hospitals, and brokerage firms. Quinary activities are businesses that create, reorganise, and interpret both new and old ideas as well as assess data and make use of and evaluate new technologies. The so-called "gold collar" professions, which include senior company executives, government officials, research scientists, financial and legal advisors, etc., represent another part of the tertiary sector. They are significantly more significant than they are in the structure of advanced economies. Quinary activities are carried out by the top tier of decision- or policy-makers (George, 2020).

### 2.4 Host Community Development

Community is defined as group of individuals with same interest and purpose, who are interdependent for satisfaction of certain needs, live in close vicinity and interrelate constantly (Maimunah, 2009). Development, according to the United Nations as cited by Omale and Ebiloma (2005), is a process whereby the people's efforts are combined with those of the government or other organizations to improve the social, physical, economic, and cultural circumstances of communities and to integrate these communities into the national mainstream. and to enable them to have a part in the growth of the nation. Community development (CD) refers to initiatives launched by the community in alliance with corporate organizations or corporations to empower individuals and groups of people by equipping these groups with the relevant skills they

need to champion changes in their communities. Enwereonye Ugorji, Alozie, & Awurumibe (2015). The definition of CD that is most frequently used is the one provided by the United Nations (United Nations, 1971), which states that CD is the coordinated effort of people in a community organized so as to help meet communal challenges with little assistance from outside groups. Governmental and non-governmental organizations, as well as businesses of all shapes and sizes, including small and medium-sized businesses (SMEs) and global corporations, are considered external organizations (MNCs). For corporate organizations, community development is of utmost importance.

### 3. Theoretical Review

#### 3.1 Legitimacy Theory

This study was anchored on the legitimacy theory to explain the relationship between CSR and host community development. This framework was chosen for this study because it infers that there is an interlinkage between groups and society and it also stresses the nexus between the organisation and its operating environment

Legitimacy theory was developed by Dowling, J. and Pfeffer, J. in 1975. The legitimacy theory is regarded as a widely acknowledged idea that can throw light on a company's social reporting practices. According to this, businesses will take steps to make sure that their operations are clear to be legal from the perspective of the society that the organisation is presumed to function in. In other words, they will make an effort to make societal values that are directly or indirectly related to their actions and the standards of proper conduct in the larger social system to which they are part. Therefore, the legitimacy theory suggests that managers would not partake in any activities that society will view as being illegitimate. By participating in social reporting; they tend to increase the financial statements and profits' relevance by fostering confidence in the accuracy of the information included therein and by offering extra details on topics other than earnings and financial data. However, this can divert users' attention from the revenue total.

As long as the economic entity satisfies societal expectations, it is presumed that it will have the "legitimate" right to carry on operating in society. Otherwise, the social contract between the entity and society would have been broken, and sanctions, such

as fines, legal action, and a decline in the market for its product, will be implemented. For instance, under legitimacy theory, not only are investor rights taken into account but also a much larger picture of the public at large, society may decide to revoke the organisation's "license to function" or provide it a contract to continue operating.

#### 3.2 Empirical Review

Ibrahim and Abubakar (2020) examined how CSR influences organizational image, using selected food and beverage companies in Nigeria. The survey research design was employed which covers Federal Capital Territory. The findings of the study revealed that CSR activities are the principal factors in organizational image building. Szegedi, Khan, and Lentner (2020) examined the relationship between CSR and financial performance evidence of Pakistani listed banks. The findings showed an improvement in CSR disclosure that will lead to increased accounting-based financial performance of the listed banks. Similarly, Al-Samman and Al-Nashmi, (2016) explored the relationship between CSR and non-financial organisational performance using public and private enterprises in Yemen. They found that the four dimensions of CSR (economic, legal, ethical, and philanthropic) had a significant relationship with financial and non-financial organisational performance.

Mohamed, Reham, and Ehab (2014) used cross-sectional data gathered from non-financial enterprises in Egypt to investigate CSR and its effect on firm performance. Regression analysis was used to investigate the associations between the two variables. The study's findings showed a strong and favorable correlation between corporate social responsibility and business performance. In the study approved by Boafo and Kokuma (2016) on the impact of CSR on organizational performance, using Vodafone Ghana limited. The study which was designed as a descriptive survey design found that CSR activities can bring a good image to the organisation.

Mining companies in Ebonyi State were studied in terms of community development, social corporate responsibility and the growth of their host communities by Nwoba, et al (2016). The study used a descriptive survey design and a range of qualitative research techniques which was based on Edward Freeman's Stakeholders Theory of 1948. For a better understanding of the practical aspects of CSR, the competencies needed by CSR managers were examined. The fundamental step for resolving the issue between mining firms and host communities in

the state was suggested through effective collaboration between mining corporation managers and community leaders.

**4. Methodology**

The study adopted a descriptive survey research design, based on the data obtained from selected respondents comprising of employees of three breweries in the South West, Nigeria. The population of the study consisted of 515 employees of International Brewery Plc Ilesa of which 183 were senior and management staff; Nigeria Brewery plc Ibadan with a total population of 490, of which 165 were senior and management staff and Guinness Nigeria Plc with a total population of 580, of which 210 were senior and management staff. Stratified sampling technique was used to arrive at the sample size for the study. The Taro Yamane (1973) formula was use to arrive at a sample size of 304. A total of 304 copies of the questionnaire were administered on the respondents, out of which 255 were retrieved and analysed.

The 5-point Likert scale of agreement was adopted using: 1- Strongly Disagree (SD); 2-Disagree (D); 3- Undecided (U); 4-Agree (A) and 5-Strongly Agree (SA). Inferential statistics in the forms of regression and correlation analysis through the use of SPSS were used to test the hypotheses. The sample size for the study was arrived at through the application of the Taro Yamane (1973) formular as follows:

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

Where;

n = sample size

N = population size and

e = level of confidence or error term (0.05).

Sample size drawn from International Breweries Plc Ilesa:

$$\begin{aligned} n_1 &= 135/ 1+135(.05)^2 \\ &= 135/ 1+135(.0025) \\ &= 135/ 1+0.3375 \\ &= 135/1.3375 \\ &= 100.934579 \\ &= 101 \text{ approximately.} \end{aligned}$$

Sample size drawn from Nigeria Breweries Plc Ibadan:

$$\begin{aligned} n_2 &= 118/1+118(.05)^2 \\ &= 118/1+118(.0025) \\ &= 118/1+0.295 \\ &= 118/1.295 \\ &= 91.1196911. \\ &= 91 \text{ approximately.} \end{aligned}$$

Sample size drawn from Guinness Nigeria Plc, Lagos

$$\begin{aligned} n_3 &= 155/1+155(.05)^2 \\ &= 155/1+155(.0025) \\ &= 155/1+0.3875 \\ &= 155/1.3875 \\ &= 111.7117712 \\ &= 112 \text{ approximately.} \end{aligned}$$

Therefore, total sample size = n<sub>1</sub> + n<sub>2</sub> + n<sub>3</sub> = 101+91+112 = 304

**Table 1: Sample Size Drawn from Each Stratum**

S/N	Department	Int. Breweries	Nig. Breweries	Guinness Nig.	Total
1	Production	55/135 x 101 = 43	55/118 x 91 = 42	64/155 x 112 = 46	131
2	Purchasing	18/135 x 101 = 13	15/118 x 91 = 12	22/155 x 112 = 16	41
3	Quality Control	16/135 x 101 = 12	10/118 x 91 = 08	18/155 x 112 = 13	33
4	Store	08/135 x 101 = 06	09/118 x 91 = 07	11/155 x 112 = 08	21
5	Finance	18/135 x 101 = 14	16/118 x 91 = 12	20/155 x 112 = 15	40
6	Logistic	10/135 x 101 = 08	08/118 x 91 = 06	10/155 x 112 = 07	21
7	Marketing	07/135 x 101 = 05	05/118 x 91 = 04	10/155 x 112 = 07	17
	<b>Total</b>	<b>101</b>	<b>91</b>	<b>112</b>	<b>304</b>

Source: Researchers’ Field Survey (2022)

**Test of Hypotheses**

**H<sub>01</sub>:** There is no significant effect of philanthropic activities on the development of host communities among manufacturing firms in Southwest, Nigeria.

Independent Variable: Philanthropic Activities

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.487 <sup>a</sup>	.237	.094	.57143

Source: Researchers’ Field Survey (2022)

In Table 2, regression coefficient of R = 0.487 or 48.7% indicated that there existed a relationship between independent variables and dependent variables. This was supported by coefficient of determination R<sup>2</sup> = 0.237 or

23.7% or 24%. This implied that 24% of the variation in development of host communities in South West Nigeria was explained by philanthropic activities. The standard error of estimate indicated that on the average, observed development in host community deviated from the predicted regression line by a score of 0.57143. This was attributed to measurement error in independent variables as well as other factors that influenced the development in host community.

**Table 3: ANOVA Result of Hypothesis 1**

ANOVA						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	10.119	5	2.024	6.198	.000 <sup>b</sup>
	Residual	80.000	245	.327		
	Total	90.120	250			

**Source:** Researchers’ Field Survey (2022).

From Table 3, the results indicated that the overall model was statistically significant. These results implied that independent variable (philanthropic activities) was a good predictor of the dependent variable (development of host community) in South West Nigeria. This was supported by F statistic of 6.198 and p value of 0.000 which was less than the critical p of 0.05. In this work, lower-tailed test was adopted. Decision rule for lower-tailed test is to reject the null hypothesis when test statistic is less than given critical value, which in this work, was 0.05. Hence, the null hypothesis which stated that, there is no significant effect of philanthropic activities on the development of host communities among manufacturing firms in Southwest, Nigeria, was rejected. It was therefore concluded that philanthropic activities have statistical significant effect on the development of host communities among manufacturing firms in Southwest, Nigeria.

**Table 4: Regression of Coefficient Result of Hypothesis 1**

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant).	1.795	.217		8.272	.000
	Long-term strategic planning	.126	.048	.163	2.623	.009
	Charitable gifts report	.007	.043	.011	.163	.878
	fostering self-sufficiency	-.058	.046	-.087	-1.261	.213
	Creating jobs & promoting skills development	.161	.046	.225	3.515	.001
	Improving project quality	.118	.047	.162	2.511	.013

a. Independent Variable: Philanthropic activities b. dependent variable: Development of host community

**Source:** Researchers’ Field Survey (2022)

The results of the regression of coefficients in Table 4 showed that philanthropy involves a long-term strategic planning, creating jobs, promoting skills development, and providing assistance in employment and voluntarily participation in projects aimed at improving the quality of community life were positive and significantly related to their various predicted variables. Charitable gifts report was positive but not significantly related with  $r = .007$  and  $p = .878$ . Fostering self-sufficiency has no relationship with the development of host community and was not significant ( $r = -0.058$  and  $p=0,213$  which was greater than 0.05). Generally, since p-values of three out of five predictors were less than 0.05, the null hypothesis was rejected. This implied that philanthropic activities have significant influence on the development of host communities in South West Nigeria.

**H<sub>02</sub>:** Economic activities have no significant effect on host community development among manufacturing firms in Southwest, Nigeria.

**Table 5:** Correlations Analysis to Measure the Relationship between Economic Activities and Development of Host Community.

Correlations		Development of the host community	Legal provisions	Awareness campaign.	Quality assurance frame work	Community on air quality	Coordination body
Development of the host community	Pearson Correlation Sig. (2-tailed) N	1 255					
Legal provisions	Pearson Correlation Sig. (2-tailed) N	.449** .000 255	1 255				
Awareness campaign	Pearson Correlation Sig. (2-tailed) N	.514** .000 255	.449** .000 255	1 255			
Quality assurance frame work.	Pearson Correlation Sig. (2-tailed) N	.437** .000 255	.494** .000 255	.524** .000 255	1 255		
Community on air quality	Pearson Correlation Sig. (2-tailed) N	.692** .000 255	.243** .000 255	.235** .000 255	.244** .000 255	1 255	
Coordination body	Pearson Correlation Sig. (2-tailed) N	.720** .000 255	.335** .000 255	.398** .000 255	.381** .000 255	.485** .000 255	1 255

\*\* . Correlation is significant at the 0.01 level (2-tailed).

**Source:** Researchers’ Field Survey, 2022

Table 5, shows a significant positive relationship between economic activities and the development of host community among manufacturing firms in Southwest, Nigeria. Legal provision has the correlation value of .449 with development of host community. Awareness campaign has correlation value of .514. Quality assurance frame work has a correlation value of .437. Community on air quality has a correlation value of .692 and coordination body has correlation value of 720.

Table 5 further revealed the variables measured for economic activities that have positive relationship with the development of host community of the selected manufacturing firms in Southwest, Nigeria. The variables were statistically significant at 95% confidence level and sig 0.000. This implies that a significant correlation existed between economic activities and the development of host community in Southwest, Nigeria (about 44.9% legal provision; 51.4% awareness campaign; 43.7% quality assurance; 69.2% community on air quality and 72.0% coordination body). This revealed that there is a positive correlation between economic activities and development of the host community in Southwest, Nigeria. The results were statistically

significant at sig = 0.05 and 0.01. The null hypothesis was rejected. It was concluded therefore, that there is a significant relationship between economic activities and development of the host community in selected manufacturing firms in Southwest, Nigeria.

**Discussion of Findings**

The main objective of this study was to examine the effect of corporate social responsibility on the development of host community among selected manufacturing firms in Southwest, Nigeria. In order to achieve this objective, analysis was conducted based on the data obtained in line with the formulated hypotheses.

The study revealed that development of host communities is significantly influenced by philanthropic activities of the selected manufacturing firms in Southwest, Nigeria. This implies that, corporate organisations should voluntarily take part in initiatives that could impact the quality of community life by generating jobs, making philanthropic contributions, fostering the development of skills, assisting individuals in finding employment, and many more.

Moreover, the findings on whether economic activities have a significant relationship with the development of host community revealed a significant correlation between economic activities and the development of host community. The variables were statistically significant at 95% confidence level and sig = 0.000. This implies that the conduct of economic activities in the selected manufacturing firms was governed by laws, quality assurance framework, public awareness campaign, well established committee for feasibility studies and a coordination body for the planning and organising of the economic activities established in the host community.

### 5. Conclusion and Recommendations

Having empirically examined the effect of corporate social responsibility on the development of host community among the selected manufacturing firms in Southwest, Nigeria and in line with the findings of the study, it was concluded that a significant relationship existed between corporate social responsibility and the development of host community. The study further concluded that, there is a sufficient evidence to show that corporate organisations who engage in philanthropic activities as a form of corporate social responsibility have a sense of satisfaction and/or fulfillment by serving as benefits to other people and developing the host community. It therefore becomes imperative that a coordinating body should be established to plan and organise economic and philanthropic activities in the host communities.

Based on the conclusion and findings of the study, it was recommended that:

- Corporate organisations should concentrate on charitable endeavours that will enhance the standard of living for residents in their host community
- Corporate entities should help their host communities employ people, create jobs, and advance skill development.
- A coordinating body for the planning and management of the economic activities should be established in the host community.
- A committee should be established by a corporate organisation in the host community to do feasibility studies on the local air quality.

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