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Corporate Social Responsibility By Public Sector Entities In Nigeria

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Abstract

Corporate Social Responsibilities (CSR) of private entities are being addressed continuously by academics and professionals based on various theoretical standpoints. It is significant, however, to note that consideration is not being given to CSR activities by Public Sector Entities (PSEs). Public Sector Entities are established through enacted laws in a particular jurisdiction, to perform specified functions of the state. They are not for profit making, therefore, they are part of government means of delivering social goods. It is observed that PSEs engage in CSR activities in Nigeria. This study assesses the rational for CSR activities by these entities based on the various theoretical points of view, the laws establishing the entities and stakeholders opinion. The study reviewed the general Law relevant to Nigerian public sector entities in this regard. The study also collected data through administration of questionnaires, on a Likert Scale of 1 - 5, which was analyzed using Wilcoxon sign rank test of difference between rank of population mean and sample mean. The study found out that activities of PSEs are as prescribed by their establishing Law/regulations therefore CSRs may not be possible if not provided for in the Laws. The study however found out that PSEs do embark on CSR activities. It was also found that some PSE laws gave allowance for such and it is supported by stakeholders. Based on the findings, the study recommends that relevant CSR activities should be encouraged for public sector entities and that CSR provision should be included within the laws of relevant entities to among other things regulate the deployment of the activities and to prevent abuse.

Key Words: Corporate Social Responsibility, Public Sector Entities, Public Sector Rules & Laws, Public Sector Responsibilities

1. INTRODUCTION

The primary goal of business corporations is to make profit. To achieve this, a nexus of contract is created among many parties. These include the principal-agent relationship between the providers of capital (owners of the corporation) and the managers, the contracts between the corporation and its employees, suppliers and customers, and those between it and the government and the society in which it operate. Of all these, the overriding contract is that between the managers of the corporation and its owners because all other contracts are entered into in order to provide its owners with returns (dividends) on their investments. This is in line with the efficiency theory of Friedman (1962) on shareholders' value which argues that the only objective of the firm is to make profit by using its resources efficiently within the boundaries of legal system.

However in the quest to maximize the returns to the owners, the interests of other parties have been argued in literature to be as important as that of the owners. For example, if for reasons of maximizing profits sub-standard products are produced and sold to customers, the survival of the corporation will be at stake as customers will seek alternative from competitor firms. If taxes are evaded, the heavy fines and penalties that is suffered when detected by the revenue service along with the cost of hiring tax experts in law suits, cuts the profit that should otherwise be available to shareholders, heavily. If employees are not happy and their remuneration package is not sufficient, it disrupts the effective and efficient running of the corporation and consequently cases of operational inefficiencies, frauds and misappropriations, high labor turnover with its attendant costs and labor actions; all of which have rippling effects on the achievement of the primary goals of the business corporation. In realization of these, corporations seek to strike a balance between these interest groups. This is in line with the stakeholder theory of Freeman (1984) that argues that the operation of the firm affects and/or is affected by the stakeholders with which the firm has important relationships such as employees, customers, suppliers, shareholders, investors, creditors, public authorities, non-governmental organizations and finally the communities in which they operate (Akbas, Caliskan & Durrer, 2011). Corporations that carry on with their activities in line with the expectations of the Stakeholder theory

are said to be socially responsible. Thus, the need to maximize profit by corporations without jeopardizing the interest of other stakeholder groups is christened Corporate Social Responsibility (CSR).

A multi-dimensional approach has been adopted to assess CSR of corporations in literature. One of the widely used approach is the Carroll (1991) model that maintains that CSR is a multidimensional construct consisting of four sets of responsibilities: economic, legal, ethical and philanthropic responsibilities. Literatures along this line (for example, Adeyanju (2012); Akbas, Caliskan & Durrer (2011); Akdogan, Tanc & Cingoz (2011); Rahim, Jalaludin & Tajuddinn (2011) have mainly focused on business (private sector) entities.

However, some public sector entities engage in CSR activities in Nigeria, It is important to note that the public sector entities are set up by laws in Nigeria to perform a specific function of the state and not for profit making. One would have thought that CSR should be a topic for discuss in the private (profit making) sector domain only since existing literatures rarely considered the CSR activities of the public sector entities. However, due to the publicity recently given to CSR activities by public sector entities in Nigeria, this study assesses the rational for CSR activities by these entities based on the various theoretical points of view. The study thus set out to shape the perceptions of stakeholder on the applicability of CSR to public entities. To do this, the study evaluates the enabling laws of some of the PSEs with the view to understanding the roles expected of them and the extent to which CSR activities are allowed in the laws. The study also evaluated the extent to which they are able to achieve the purposes for which they are established and stakeholders' opinion of their CSR activities.

2. LITERATURE REVIEW

2.1 The Concept of Corporate Social Responsibility

Scholars have defined CSR in different languages. According to Whitehouse (2006), definitions of CSR range from.... "view of the one and only social responsibility of business being "to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game" to the "conception which encourages companies to obey the law, be profitable, be ethical, and be a good corporate citizen". The school of taught that business enterprises is "being concerned with CSR only to the extent that it contributes to the aim of business, which is the creation of long-term value for the owners of the business" is referred to as the profit approach. The school of taught at the other end "that organizations are not only accountable to its shareholders but should rather balance a multiplicity of stakeholders interests that can affect or are affected by the achievement of an organization's objectives" is referred to as stakeholder approach (Marrewijk, 2003).

Most of the definitions of CSR are those that encourage companies to be good corporate citizens. According to Fisher (2004), "Corporate social responsibility is defined as an obligation of the organization to act in ways that serve both its own interests and the interests of its many external stakeholders". "Organizations have a social responsibility to protect and enhance the society in which they operate". Epistien (1987) sees social responsibility as "...achieving outcomes from organizational decisions concerning specific issues or problems which have beneficial rather than adverse effects upon pertinent corporate stakeholders". In similar tone, Strike, Gao and Bansal (2006) defined CSR as "the set of corporate actions that positively affects an identifiable social stakeholder's interests and does not violate the legitimate claims of another identifiable social stakeholder (in the long run)". Marrewijk, (2003) simply put CSR as "more humane, more ethical and a more transparent way of doing business". Although with different degrees of freedom for corporations, the scholars all believe, that organization is not only about the owners.

Carroll (1991) identified four responsibilities (economic, legal, ethical and philanthropic responsibilities) of the firm which according to Akbas, Caliskan & Durrer (2011), is one of the most widely accepted and operationalized models of the modern CSR. In business institutions, the economic responsibility is satisfied by providing goods and services that society wants at reasonable prices (Rahim, Jalaludin & Tajuddinn, 2011). As all other business functions are predicated on this assumption, economic responsibilities represent the fundamental responsibility of firms (Akbas, Caliskan & Durrer, 2011). In carrying out their economic responsibility, corporations are expected to work within the framework of laws and regulations as a partial fulfillment of the "social contract" between corporations and societies (Rahim, Jalaludin & Tajuddinn, 2011). This may include compliance with various laws and regulations including labor laws, environmental protection laws, tax laws and capital market

regulations. However, legal responsibilities do not embrace the full range of behaviors expected of corporations by society. Laws are important, but they are often inadequate. First, they cannot possibly address all of the issues or areas that a corporation may face. Second, laws often lag behind more recent concepts of what is considered right behavior, and third, laws may represent the personal interests and political motivations of legislators (Carroll, 1998). This necessitates the ethical responsibility of corporations. Ethical responsibilities represent what a firm has to follow socially established ethical standards. Finally, according to the last component, the philanthropic responsibilities, a firm has to serve to improve the quality of life by attempting to help other people and contribute to well-being of society.

Other Theories of CSR (Garriga and Mele, 2004)

Instrumental theories: Are theories under which 'CSR is seen only as a strategic tool to achieve economic objectives and, ultimately, wealth creation' (Garriga and Mele, 2004). Theories here include:

- Shareholders value maximization under which the supreme objective is the contribution to maximizing shareholders wealth.
- Strategies for achieving competitive advantages under which CSR activities are seen as serving the purpose of achieving long-term social objective and gaining competitive advantage, and
- Cause-related marketing that rewards customers engaged in a revenue-providing exchanges that satisfy organizational and individual objectives.

Political theories 'focus on interactions and connections between business and society and on the power and position of business and its inherent responsibility' (Garriga and Mele, 2004). Theories here include:

- Corporate constitutionalism that advocates responsible deployment of the social power, which firms generates from both internal and external sources.
- Integrative social contract theory that social contract exist between business and society therefore, business have obligation to be responsible and fulfill her side of the contract.
- Corporate citizenship where the business unit is seen as a citizen expected to play social and philanthropic roles or as much as playing government role where the state have failed.

Integrative theories 'look at how business integrates social demands, arguing that business depends on society for its existence, continuity and growth' (Garriga and Mele, 2004). Theories here include:

- Issues management which includes social responsiveness and extending to the expectation of the businesses to respond to social issues.
- The principle of public responsibility which extends the role of business beyond discovery and creation of goods or creating jobs and other opportunities to actually contributing to public policies.
- Stakeholder management 'oriented toward individuals or organizations who affect or who are affected by the action and inaction of the organization and vice versa.
- Corporate social performance integrate some of the previous theories and the most comprehensive of which is expressed on institutional, expressed at organizational and individual levels, processes of corporate social responsiveness

Ethical theories 'focus on the ethical requirements that cement the relationship between business and society' (Garriga and Mele, 2004). Theories here include, normative stakeholder theory; Universal rights; Sustainable development and the common goods approach.

Summary of Responsibilities Expected of a Business

Kasum (2013) summarized by identifying CSR expected of entities to include:

- To produce and sell goods/render services, at a price,
- To produce/render adequate quality and quantity of goods and services, respectively,
- To (adequately) reward employees and other inputs of production,
- To make profit for owners
- Management of the impacts of business on environment,

- To pay tax and other levies of government,
- To comply with all relevant regulations and standards
- Healthy competition/rivalry, and
- Philanthropy.

2.2 Public Sector Entities

According to the Institute of Internal Auditors (2011), the public sector consists of government and all publicly controlled or publicly funded agencies, enterprises, and other entities that deliver public programs, goods, or services. Based on the level of government, it consists of national governments, regional (state, provincial, territorial) governments, local (city, town) governments and related governmental entities (agencies, boards, commissions and enterprises); while based on the types of organizations, it consists of three types viz: core government, agencies, and public enterprises. The core government consists of a governing body with a defined territorial authority. Core governments include all departments, ministries, or branches of the government that are integral parts of the structure, and are accountable to and report directly to the central authority – the legislature, council, cabinet or executive head. Agencies consist of public organizations that are clearly a part of a government and deliver public programs, goods, or services, but that exist as separate organizations in their own right – possibly as legal entities – and operate with a partial degree of operational independence. They often, but not necessarily, are headed by a board of directors, commission, or other appointed body. Public enterprises are agencies that deliver programs, goods, or services, but operate independently of government and often have their own sources of revenue in addition to direct public funding. They also may compete in private markets and may make profits. However, in most cases the government is the major shareholder and these enterprises partly follow the acts and regulations that govern the core government. Public sector entity is one or more legal bodies managed as a coherent operational entity with the primary objective of providing goods or services that deliver social benefits for society (Chartered Institute of Public Finance and Accountancy, 2013).

Omolehinwa and Naiyeju (2011) cited the list in Appendix I as the Corporations, Agencies and Government-Owned Companies that come under the provision so the Fiscal Responsibility Act (2007)–the act which clearly identifies the financial control tasks to be performed by various officers and institutions of government and aimed at installing best practices in public financial management in Nigeria by enthroning transparency, accountability and good governance. The Act requires the government corporations listed in the schedule to the Act, which have not been privatized (or any other one that may be included by the Minister of Finance) to:

i. Submit to the Minister of Finance. their estimated revenues and expenditures for the next three years;

ii. Prepare the annual budgets derived from the three-year estimates not later than August in each financial year;

iii. Prepare the projected operating surplus in conformity with acceptable accounting practice;

iv. Establish general reserve fund which should be credited at the end of the financial year with 20% of the operating surplus for that year;

v. Pay into the Federal government consolidated revenue fund account, the balance of 80% of the operating surplus;

vi. Prepare and publish its audited financial accounts not later than three months after the end of the financial year; and

vii. The documents on annual budget and operating surplus of each corporation are to be attached by the Minister of Finance to the appropriation bill presented by the President to the National Assembly.

Each of these corporations, agencies and government-owned companies are established by their respective Acts of the National Assembly to carry out a specific function of the state in the interest of the society. In so doing, the government usually set sector priorities in its agenda and on this basis allocates funds to these sectors in the interest of the general public.

3. METHODOLOGY

3.1 Research Design

This study could be classified as an exploratory survey that is interested in understanding the opinions of stakeholders about a phenomenon. Samples therefore have been drawn from different states of Nigeria, to able to generate as diverse enough opinion on the subject matter. Accordingly, questionnaires have been administered to

Government Office Holders, Government Partners, Analysts & Experts, Business People, Employee, Media & NGO, Citizens and Others

Data were collected through administration of questionnaires, which contained demographic questions and questions about opinions of respondents on public sector CSR. The data collected are, basically, of the opinions of respondents that have been mentioned above on the relevance of CSR to public sector entities. A total of Three hundred and thirty (330) questionnaires were administered with the expectation that Three hundred (300) would be returned, providing 10% for waste and unreturned questionnaire. Three hundred and eleven (311) questionnaires were returned but 9 out of it were either mutilated or badly completed and therefore could not be used. The remaining 302 questionnaires were used in this study. The 302 were distributed thus: Government Office Holders: 19%, Government Partners: 7%, Analysts & Experts: 14%, Business People: 12%, Employee: 14, Media & NGO, Citizen: 28% and others: 10% (Total 104%). This is because respondents are allowed to choose multiple stakes if they are relevant to them and out of the 302 questionnaire, eight (8) respondents chose two stakes and accordingly, three hundred and ten (310) responses were finally analyzed in this study.

Whereas relevant options were provided for the demographic questions, the operational questions were gathered on a Likert scale of '1-5' with '1' being the score for the highest 'disagree' response and '5' for the highest 'agree' response.

Attention was focused on the relevant operational questions for our inferential analysis. All operational data were analyzed using descriptive statistics of mean and standard deviation. For testing hypotheses, Wilcoxon Sign Ranked statistics were computed. The Wilcoxon related sample test, computed in the study statistically compared the rank of the observed opinion with the rank of our set hypothetical equal representation of possible response scores.

3.2 Statement of Hypotheses

Hypothesis One

Public sector entities are created for the specified purposes within the laws establishing them ($\chi = \mu$).

Hypothesis Two

The Law establishing Public Sector entities do not permit CSR activities ($\chi = \mu$).

Hypothesis Three

Public sector entities do not engage in CSR activities ($\chi = \mu$).

Hypothesis Four

Public sector entities' CSR should not be encouraged.

4.0 RESULT AND CONCLUSION

4.1 Result

The results presented here are based on the responses gathered from field, on the perception of stakeholders of public sector CSR. They are presented, processed and interpreted based on the methods prescribed in the above section.

Table 1: Percentage Distribution of Responses

	Questions	Strongly Disagree	Disagree	Indifference	Agree	Strongly Agree
1	Public sector entities are creations of the state for a specified purpose	31	33	59	99	88
2	Public sector entities are established to provide social related services as part of the whole state function	23	46	68	84	89
3	The functions and responsibility of a public sector entity is usually prescribed by the Law establishing it	24	41	64	91	90
4	Public sector entities are expected to act within the Laws establishing them	32	31	69	83	95
5	CSRs are embarked upon by some public sector entities	23	27	124	57	79
6	CSRs are not usually part of the responsibilities contained in the laws of public sector entities	30	44	66	98	72

7	Other CSRs should be discouraged for public sector entities, since they are part of state social service	83	89	37	56	45
8	CSRs are made possible within the Laws establishing of some public sector entities	34	35	132	63	46
9	State entities may be allowed to embark on CSR projects	31	50	70	101	58
10	Only state entities that have related necessary CSRs activities should allowed embarking on CSR projects	44	87	48	107	24
11	Core government units may embark on CSR projects	18	51	78	133	30
12	Government agencies may embark on CSR project	32	39	48	120	71
13	Government Parastatal may embark on CSR projects	32	82	60	107	29
14	Government Business entities may embark on CSR projects	32	53	47	124	54
15	CSR provisions may be included in the laws of all public sector entities	23	42	60	126	59
16	CSR provisions should be included in the laws of relevant public sector entities only	30	89	42	96	53

Source: Field Study, 2014

Table 2: Descriptive and Inferential Statistics

	Statement	Mean	Standard Dev	Z-Stat
1	Public sector entities are creations of the state for a specified purpose	3.58	1.28	13.30
2	Public sector entities are established to provide social related services as part of the whole state function	3.56	1.24	13.19
3	The functions and responsibility of a public sector entity is usually prescribed by the Law establishing it	3.59	1.25	13.53
4	Public sector entities are expected to act within the Laws establishing them	3.57	1.30	13.38
5	CSRs are embarked upon by some public sector entities	3.46	1.18	10.93
6	CSRs are not usually part of the responsibilities contained in the laws of public sector entities	3.45	1.26	11.79
7	Other CSRs should be discouraged for public sector entities, since they are part of state social service	2.65	1.41	10.39
8	CSRs are made possible within the Laws establishing of some public sector entities	3.17	1.15	4.90
9	State entities may be allowed to embark on CSR projects	3.34	1.24	9.93
10	Only state entities that have related necessary CSRs activities should allowed embarking on CSR projects	2.94	1.23	2.29
11	Core government units may embark on CSR projects	3.34	1.05	8.19
12	Government agencies may embark on CSR project	3.51	1.26	12.19
13	Government Parastatal may embark on CSR projects	3.06	1.18	2.16
14	Government Business entities may embark on CSR projects	3.37	1.24	10.10
15	CSR provisions may be included in the laws of all public sector entities	3.50	1.16	12.30
16	CSR provisions should be included in the laws of relevant public sector entities only	3.17	1.28	6.37

Wilcoxon Signed Ranks Test

		N	Mean Rank	Sum of Ranks
	Negative Ranks	0a		
	Positive Ranks	179b	0	0
	Ties	131c	90	16110
VAR00001 - VAR00017	Total	310		
	Negative Ranks	0d		
	Positive Ranks	174e	0	0
	Ties	136f	87.5	15225
VAR00002 - VAR00017	Total	310		
	Negative Ranks	0g		
	Positive Ranks	183h	0	0
	Ties	127i	92	16836
VAR00003 - VAR00017	Total	310		
	Negative Ranks	0j		
	Positive Ranks	179k	0	0
	Ties	131l	90	16110
VAR00004 - VAR00017	Total	310		
	Negative Ranks	0m		
	Positive Ranks	130n	0	0
	Ties	180o	65.5	8515
VAR00005 - VAR00017	Total	310		
	Negative Ranks	0p		
	Positive Ranks	139q	0	0
	Ties	171r	70	9730
VAR00006 - VAR00017	Total	310		
	Negative Ranks	108s		
	Positive Ranks	0t	54.5	5886
	Ties	202u	0	0
VAR00007 - VAR00017	Total	310		
	Negative Ranks	32v		
	Positive Ranks	85w	59	1888
	Ties	193x	59	5015
VAR00008 - VAR00017	Total	310		
	Negative Ranks	4y		
	Positive Ranks	110z	57.5	230
	Ties	196aa	57.5	6325
VAR00009 - VAR00017	Total	310		
	Negative Ranks	44ab		
	Positive Ranks	25ac	35	1540
	Ties	241ad	35	875
VAR00010 - VAR00017	Total	310		
	Negative Ranks	32ae		
	Positive Ranks	139af	86	2752
	Ties	139ag	86	11954
VAR00011 - VAR00017	Total	310		

	Negative Ranks	0ah		
	Positive Ranks	154ai	0	0
	Ties	156aj	77.5	11935
VAR00012 - VAR00017	Total	310		
	Negative Ranks	33ak		
	Positive Ranks	53al	43.5	1435.5
	Ties	224am	43.5	2305.5
VAR00013 - VAR00017	Total	310		
	Negative Ranks	8an		
	Positive Ranks	124ao	66.5	532
	Ties	178ap	66.5	8246
VAR00014 - VAR00017	Total	310		
	Negative Ranks	3aq		
	Positive Ranks	160ar	82	246
	Ties	147as	82	13120
VAR00015 - VAR00017	Total	310		
	Negative Ranks	9at		
	Positive Ranks	63au	36.5	328.5
	Ties	238av	36.5	2299.5
VAR00016 - VAR00017	Total	310		

Source: Authors Computation, 2014

Table 1 showed that 60% of respondents agreed to that public sector entities are created by government for a specific purpose. 21% disagreed and the remainders are indifferent. On Table '2', the responses resulted in a mean score of '3.58' and standard deviation of '1.28'. 56 % of respondents agreed to that that public sector entities are created for social related services as part of government function, while 22% disagreed. The mean of their responses was 3.56 and standard deviation 1.28 as show in Table 2. About 58% agreed that the functions and responsibilities of public sector entities are prescribed by law, while 21% disagreed with same. The resultant mean and standard deviation were 3.59 and 1.25 respectively. More of the respondents (50%) agreed that public sector entities are expected to act within relevant laws while only 20% failed agreed with the statement. The mean result of 3.57 of table 2 support the result while the standard deviation was 1.30. 44% of the respondents agreed that CSR Programmes are undertaken by public sector entities, but 16% disagreed. The resultant descriptive statistics are 3.46 and 1.18 for the mean and standard deviation respectively. More than half of the respondents agreed that CSRs are not provided for in the laws establishing state entities and similarly on the succeeding statement, 56% disagreed that CSR projects outside the relevant laws of the entities should not be encouraged. Means were 3.45 and 2.65 for the earlier and latter respectively. 36% of the respondents agreed that some public sector entities' establishing laws made CSR projects possible while 22% disagreed with the statement. Mean and standard deviation computed for the responses were 3.15 and 1.15 respectively. Whereas 52% agreed that public sector entities may be allowed to embark on CSR projects, 43% agreed that only entities with related CSR activities should embark on such, 42% disagreed same. Means were 3.34 and 2.94 respectively. From question 11 – 14, the study seeks the opinion of respondent on the CSR possibilities of different types of public sector entities. 53% of respondents agreed that core government entities may embark on CSR projects, 62% agreed on same about government agencies, 44% agreed in the case of government parastatal while 57% agreed for government business entities. 23%, 23%, 36% and 27% disagreed that the different government types may embark on CSR projects. The means are 3.34, 3.51, 3.06 and 3.37 respectively. 60% of respondent agreed that CSR

provisions may be included in public sector entities laws, while 48% agreed that such provisions should be included for only relevant public sectors.

In summary, all the statements except statement number 7 in table two have mean score greater than the population mean of three and the standard deviations are normal having ranged between 1.05 and 1.41. In the same table, all the Wilconxon Z-statistics are statistically significant.

From table 3, statements 1, 2, 3, 4 and 15 have more positive ranks, followed by tied ranks and all but statement 15 have zero negative ranks. Statements 5, 6, 8, 9, 12, 13, 14, 16 have more tied ranks, followed by positive ranks and all but statements 5 and 6, in the list have some negative ranks. Statements 7 and 10 have more negative ranks than positive ranks, but the number of tied ranks are the largest in the both cases. Lastly, statement number 11 have equal number of positive and tied ranks, which are more than the negative ranks.

4.2 Testing of Hypotheses

Hypothesis One

Public sector entities are created for the specified purposes within the laws establishing them ($\chi > \mu$).

Table 4: Statistics for the purposes of Public Sector Entities

	Statement	Positive Ranks	Negative Ranks	Z-Stat
1	Public sector entities are creations of the state for a specified purpose	179	0	13.30
2	Public sector entities are established to provide social related services as part of the whole state function	174	0	13.19
3	The functions and responsibility of a public sector entity is usually prescribed by the Law establishing it	183	0	13.53
	Average	178.67	0	13.34

Source: Authors Computation, 2014

From the table above, both the individual and the average ranks are in support of the statements which all support the stated hypothesis. The related Z-Statistics in all cases are also above 1.96 and therefore, statistically significant at 5%. Based on the above, the study accepts the hypothesis that 'Public sector entities are created for the specified purposes within the laws establishing them'. The implication of this is that respondents agreed that the activities carried out by public sector entities are as prescribed by the laws that are related to their establishment and which regulate them.

Hypothesis Two

The Law establishing Public Sector entities do not permit CSR activities ($\chi > \mu$).

Table 5: Statistics for CSR for Public Sector Entities

	Statement	Positive Ranks	Negative Ranks	Z-Stat
4	Public sector entities are expected to act within the Laws establishing them	179	0	13.8
6	CSRs are not usually part of the responsibilities contained in the laws of public sector entities	139	0	11.79
7	Other CSRs should be discouraged for public sector entities, since they are part of state social service	0	108	10.39
	Average	103	36	11.85

Source: Authors Computation, 2014

The hypothesis tested in the above table is stated in the negative. The questions asked too are such that when they are agreed with it gives a negative implication. The Z-Statistics show that all the results are statistically significant at 5% level. On the average, there are more positive ranks, which are

largely influenced by the first two items in the list. Based on this result, the study suggests that the hypothesis 'The Law establishing Public Sector entities do not permit CSR activities' should be accepted. This will imply that respondent agreed that the activities prescribed by the laws for public sector entities do not include those about CSR. The independent result of the third item above, however suggest that CSR should be encouraged for such entities.

Hypothesis Three

Public sector entities in Nigeria currently engage in CSR activities ($\chi > \mu$).

Table 6: Statistics for current CSR activities of Public Sector Entities

	Statement	Positive Ranks	Negative Ranks	Z-Stat
5	CSRs are embarked upon by some public sector entities	130	0	10.93
8	CSRs are made possible within the Laws establishing of some public sector entities	85	32	4.90
9	State entities may be allowed to embark on CSR projects Average	110	4	9.93
	Average	108.33	12	8.59

Source: Authors Computation, 2014

From Table 5 above, both the individual and the average results have more of positive ranks. The related Z-Statistics are also statistically significant at 5%. Based on the results, the study accepts the hypothesis that 'Public sector entities in Nigeria currently engage in CSR activities'. The implication of this is that respondent agreed that public sector entities are engaging in CSR activities whether it is provided for in their Act or not. The third item in the analysis is specifically interested in the encouragement of CSR activities by the public sector.

Hypothesis Four

Public sector entities' CSR should not be encouraged ($\chi > \mu$).

Table 7: Statistics for CSR for Public Sector Entities

	Statement	Positive Ranks	Negative Ranks	Z-Stat
6	CSRs are not usually part of the responsibilities contained in the laws of public sector entities	139	0	11.79
7	Other CSRs should be discouraged for public sector entities, since they are part of state social service	0	108	10.39
10	Only state entities that have related necessary CSRs activities should be allowed embarking on CSR projects	25	44	2.29
	Average	54.67	50.67	8.16

Source: Authors Computation, 2014

Just like in hypothesis two, the hypothesis tested with table 7 is stated in the negative and the questions asked too are such that an agreed response will give a negative meaning. The average results have more of positive ranks. However, two out of the statements recorded more negative rank and they are both statistically significant result having had a Z-score greater than 1.96. Based on these results, the study failed to accept the hypothesis that 'Public sector entities' CSR should not be encouraged'. Specifically, respondents disagreed with statements two and three which directly suggest that CSR should be discouraged or limited to only some entities. The result therefore suggests that respondents' opinions are that public sector entities may embark on CSR activities.

4.3 Conclusion

The major findings of this study include that the nature of activities engaged in by public sector entities are as prescribed by the Law(s) establishing them and other laws that may be relevant to the entities. The implication is that if CSR activities are not provided for in the laws, the entities may not be

legally allowed to embark on them. Notwithstanding the above, stakeholders still expect them to engage in some activities, especially when CSR is looked at comprehensively like for example the different categories summarized by Kasum (2013). In the list, only few items like profit making, tax payment will actually exclude public sector entities.

Linked to the above is the fact that the study finds out that stakeholder are actually supportive of CSR involvement by public sector entities. Respondent significantly agreed that State entities may be allowed to embark on CSR projects. This may not be unconnected with the fact that the Private sector of the Nigerian economy is dominated by foreign MNC who are said not be interested in developmental CSRs.

Whereas developmental issues like education, science and technology, and research and development are the major CSR issues in developed nations, the kinds of CSR delivered in developing countries include sponsorship of football clubs, games, celebrities, entertainments and highly expensive promotions, which may not necessarily add any developmental value to a country per se (Kasum & Mermod 2014). The study also suggest that CSR provisions are not really provided for in the laws of public sector entities and stakeholders agreed that those provision should be included.

Based on the findings, the study concludes that although CSR activities are not popular as a public sector activity since they are bound to work within laws establishing and regulating them. However, it is believed that CSR are still engaged in by some of them and stakeholders expect it to be encouraged, but also regulated. Based on this conclusion, this study recommends that relevant CSR activities should be encouraged for public sector entities. The study also recommends that CSR provision should be included within the laws relevant to the entities to among other things regulate the deployment of the activities and prevent abuse.

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APPENDIX I

LIST OF CORPORATIONS, AGENCIES AND GOVERNMENT-OWNED COMPANIES THAT COME UNDER THE PROVISIONS OF THE FISCAL RESPONSIBLY ACT (2007)

1. Nigerian National Petroleum Corporation
2. Nigeria Deposit Insurance Corporation
3. Bureau of Public Enterprises
4. National Agency for Science and Engineering Infrastructure
5. Nigerian Social Insurance Trust Fund
6. Corporate Affairs Commission
7. National Clearing and Forwarding Agency*
8. Nigerian Unity Line*
9. Nigerian Airspace Management Agency
10. Nigerian Shippers Council
11. Nigerian Maritime Authority
12. Raw Material Research and Development Council
13. Nigerian Civil Aviation Authority
14. National Sugar Development Council
15. Nigerian Postal Services
16. Nigerian Ports Authority
17. Federal Airport Authority of Nigeria
18. Nigeria Mining Corporation*
19. Nigeria Re-insurance*
20. Nigerdock Nigeria Plc*
21. Securities and Exchange Commission
22. National Insurance Corporation of Nigeria*
23. Nigeria Re-insurance Corporation*
24. Nigerian Telecommunication
25. National Automotive Council
26. Nigerian Tourism Development Corporation
27. National Communication Commission
28. National Agency for Food & Drug Administration & Control
29. Nigerian Customs Services
30. Federal Inland Revenue Service
31. Central Bank of Nigeria

*The seven corporations that have since been privatized and hence the provisions of FRA no longer apply.

Congruence

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