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Achieving Sustainable Development through Corporate Social Responsibility: Theoretical Exposition

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ABSTRACT

This study uses phenomenological approach to examine how sustainable development can be achieved through corporate social responsibility initiatives. The phenomenological approach provides a philosophical and introductory background on the relationship between corporate social responsibility (CSR) and sustainable development. The extensive review of literature through desk research further provides insights on various definitions of corporate social responsibility (CSR), the factors behind the emergence of CSR, mode of delivery of CSR and relevant theories that underpin CSR. The study concludes that corporate social responsibility is inevitable because of the ever growing concern about sustainable development and investors on issues of company responsibility. The study advocates the enshrinement of the CSR philosophy in all organizations in order to achieve a sustainable development.

Keywords: *Corporate Social Responsibility, Environment, Stakeholder, Sustainable Development*

INTRODUCTION

The business of the twenty first century irrespective of its size is going to be part of the global business community affecting and being affected by social changes, events and pressures. This is because the business environment is dynamic, turbulent, discontinuous and highly competitive. Thus, stakeholders are likely to be more numerous, diverse and important to its success (Akanbi and Ofoegbu, 2012). The discourse of Corporate Social Responsibility (CSR) has assumed great importance globally and Nigeria with

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no exception (Olanipekun, 2015). CSR has over the decades greatly evolved both in concept and practice mostly due to the ever changing society. In this period, the relationship between business and society has changed radically (Bolanle, Adebiyi and Muyideen, 2012). Key drivers of this change have been globalization of trade, increased size and influence of corporate organizations, the repositioning of government and the rise in the strategic importance of stakeholder's relationships, knowledge, and brand reputation (Fasanya, Adegbemi and Onakoya, 2013). Advocacy has increased in the mass media for corporate organization to take a greater responsibility for the development of society by adopting best practices in the CSR initiative (Lawal and Brimah, 2012).

The core idea behind CSR is the promotion of business orientation that takes stakeholders interest into account (Maignan and Farrell, 2004). CSR is driven by the philosophy that business is part of the society and as such ought to contribute positively to social goal and aspirations (Jones, 2005). It is an approach to decision making which encompasses both social and environmental factors. Thus, it can be inferred that CSR is a deliberate inclusion of public interest into corporate decision making and the honoring of a triple bottom line which are people, planet and profit (Bedi, 2009). CSR involves integration of three dimension; economic, environment and social concerns which is called the triple bottom line (Bedi, 2009). The triple bottom line emphasizes that company do not only have one objective, profitability, but that they also have objectives of adding environmental and social value to the society.

CSR is constantly evolving and incorporating different approaches depending on circumstances and needs. At an earlier point in history, social expectations from business organization did not go beyond efficient resource allocation and its maximization. Today, it has changed as modern business organization must think beyond profit maximization towards being at least socially responsible to the society (Osemene, 2012). This is so because the interrelationship between organizations and their environment has become increasingly important as there is no business that can exist in vacuum (Bolanle, Adebiyi and Muyideen, 2012). It must have a community it associates with in terms of settlement for its successful operation.

CSR started to feature prominently in public debate in the wake of increasing social problems such as poverty, unemployment, race, gender, and religious discrimination, and pollution (Boatright, 1993). These social problems are natural outcome of continuous transformation in the market due to economic globalization, technological revolution as well as demographic and political changes (Osemene, 2012). Business organizations are now under increasing pressure to behave in socially responsible ways, to help to solve problems, to protect the environment by producing

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and providing environmental friendly products or services, support charities, exhibit ethical behaviour and moral management (Olaleye, 2011; Fasanya, Adegbemi and Onakoya, 2013).

In the last few years, there has been increased awareness of corporate organizations about economic, social and environment expectation to the stakeholders (Lawal and Brimah, 2012). Proponents of CSR have argued that business should be held accountable not only for their economic responsibilities to shareholders, but also for the non-economic consequences of their activities on the society and the natural environments. Thus, organizations are now being called upon to take responsibility for the ways their operations impact societies and the natural environment. They are also being asked to demonstrate the social and environmental concerns in business operations in their interaction with stakeholders (Akanbi and Ofoegbu, 2012).

The increasing global interest and discourse on CSR has led to several changes in the way corporate organizations do business in the global market. Varieties of strategies are now employed for dealing with the interaction of societal needs, the natural environment and corresponding business imperatives (Boatright, 1993). While many organizations are adopting a range of voluntary initiatives associated with improvement in working conditions, environmental performances and company relations with workers, consumers, local community, and other stakeholders, others continue to wrestle with the challenges of integrating economic, social and environmental expectations of their stakeholders into the overall business operations (Osemene, 2012). From the foregoing, the focus of this study is on conceptual and theoretical expositions of how sustainable development can be achieved through corporate social responsibility.

Conceptualization of Corporate Social Responsibility (CSR)

CSR has been conceptualized in various ways by different writers, thus, there are a myriad of definition of CSR. According to Carroll (1979), the majority of these definitions have attempted to integrate the three dimensions to the concept; economic, environmental and social dimensions. Carroll (1979) asserts that corporate social responsibility (CSR) encompasses philanthropy and community contributions but also reflects the way in which the firm interacts with the physical, environment and its ethical stance towards consumers and other stakeholder. World Business Council for Sustainable Development (WBSCD, 2002) defines corporate social responsibility as "the continuing commitment of business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as that of the local community and society at large". According to Macmillan

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(2005), "CSR is a term describing a company's obligation to be accountable to its entire stakeholder in all its operations and activities. CSR is the concept that an enterprise is responsible or accountable for its impact on all relevant stakeholders. McWilliams and Siegel (2001) describe CSR as actions that appear to further some social good beyond the interest of the firm. Jones and George (2003) define "CSR as manager's duty or obligation to make decisions that nurture, protect, enhance, and promote the welfare and well-being of stakeholder and society as a whole".

Luthans and Hodget (1976) note that CSR is the obligation of the businessmen to pursue policies and make decisions that are desirable in terms of objectives and values of the society. According to Hill (2006), CSR is a set of practices that form a part of good management or business practices; much of it is about transparency and disclosure. Frooman (1997) states the definition that exemplifies CSR as "an action by a firm, which the firm chooses to take, that substantially affects an identifiable social stakeholder's welfare".

The Green Paper of the European Union (2001) defines corporate social responsibility as "a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis". This is perhaps the most diffused (although not always shared) definition of an issue which is living a renewed popularity, and represents one of the top priorities of most top managers' agendas. The relevance of this issue is also due to its pervasive effect. Indeed, CSR affects all the activities and functional areas of a company, from operations to marketing and sales, from communication and external relations to human resources management, from strategy to audit. The Green Paper of the European Union proposes a classification of CSR initiatives, which are grouped into two different categories:

1) The internal dimension, including human resources management, health and safety at work, adaptation to change, management of environmental impacts and natural resources; and
2) The external dimension, including local communities, business partners, suppliers and customers, human rights and global environmental concerns.

Business for Social Responsibility (BSR, 2001) defines CSR as achieving commercial success in ways that honour ethical values and respect people, communities and the natural environment. European Foundation for Quality Management (EFQM, 2004) defines CSR as "a whole range of fundamentals that organizations are expected to acknowledge and to reflect in their actions. It includes among other things, respecting human rights, fair treatment of the workforce, customers and suppliers, being good corporate citizens of the communities which they operate and above all the conservation of the natural environment." These fundamentals are seen as not only morally and ethically desirable ends in themselves and as part of the organization's philosophy; but also as key drivers in ensuring that society will allow the organization to survive in the long term, as society benefits from the organization's activities and behaviour. EFQM presents some common characteristics for CSR which are:

i Meeting the need of current stakeholders without compromising the ability of future generations to meet their own demand.

ii Adopting CSR voluntarily, rather than as legal requirement, because it is seen to be in the long-term interests of the organization.

iii Integrating social, environmental and economic policies in day-to-day business.

iv Accepting CSR as a core activity that is embedded into an organization's management strategy.

Chandler (2001) argues that while there is no universal definition of CSR. It generally refers to transparent business practices that are based on ethical values, compliance with legal requirement and respect for people, communities and the environment. Mate (2002) sees CSR as having five themes (human rights, worker rights, environmental impact, community involvement, and supplier relations and monitoring). These themes must reflect in the company core values and impinge on its policies, strategies, decision making and operations. CSR is a concept very similar to the concept of corporate sustainability which remarks the integration of economic and social issues to business managements, and in that way a sustainable strategy is developed in the long term (Brinkman, 2003). Wood and Lodgson (2002) define CSR "as a business organization's configuration of principles of social responsibility, processes observable outcomes as they relate to the firms societal relationship". In Nigeria, the Federal Executive Council (FEC) on Wednesday, May 14, 2008 approved the development of a CSR policy (National Planning Commission, 2004) for the country, to instill ethical behaviour in Nigeria businesses. The Minister of National Planning Commission, Dr, Sanusi Daggash, who gave details of the memorandum, said it refers to the adoption of responsible business practice by organizations, to improve the society at large as contained in the National Planning Commission (2004) report. He said the policy include "beyond law commitment" and activities that would necessitate an expectation to 'give back' to the society. All the above definitions show that CSR is the concept that emphasizes on the organizations need to consider the impact of their operations and business practices on not just the shareholders but also its customers, suppliers, employees, members of the community it operates in, and even the environment. It is a way of saying thank you and expressing appreciation to all stakeholders in the business. It is a conscious effort to give back to the society which the company has benefitted immensely from.

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Carroll's Pyramid of Corporate Social Responsibility

One of the most used and quoted models is Carroll's (1991) pyramid of CSR. It indicates that CSR constitutes four (4) kinds of social responsibilities or expectations that the organization has to any given society. Carroll (1991) considers CSR to be framed in such a way that the entire range of business responsibilities is embraced. Thus, he suggests that CSR consists of four responsibilities namely: Economic, Legal, Ethical and Philanthropic.

Figure 1: Pyramid of CSR
***Source*:** Carroll, A. (1991) "The Pyramid of Corporate Social Responsibility: Toward the Moral Management of Organizational Stakeholders" *Business Horizons*, 34 (4) p.39-48

Economic Responsibility (Be Profitable): This is simply the responsibility of the business to profit and it serves as the base for other components of the pyramid. To satisfy economic responsibility, towards society, corporations should provide goods and services that the society wants at reasonable price. They also need to pay their employees, increase value for their shareholders, and take care of the interest of other stakeholders. According to Ferell (2004), the economy is influenced by the way in which the corporation relates to its stakeholders.

Legal Responsibility (Obey the law): In carrying out economic responsibility, corporations are expected to work within the framework of law and regulations as a partial fulfillment of the social contract" between corporations and society. A successful corporation should be recognized as one that fulfills its legal obligations (Conchius, 2006). The legal responsibility must be performed in a manner that is consistent with the expectations of government and laws, complying with the various Federal, State and Local governments regulations.

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Ethical Responsibility (Do what is right, fair and just): This involves how the society expects the corporations to embrace value and norms even if the valve and norms might constitute a higher standard of performance than required by law. Creyer and Ross (1997) assert that ethical responsibility embraces those standard and expectations that reflect a concern for what consumers, employees, shareholders, and the community regard as fair, just, or in keeping with the respect or protection of stakeholders moral rights. Ethical responsibility also recognizes that corporate integrity, good corporate citizenship should go beyond the requirement of laws and regulations. If corporation does something that is appropriate economically and legally, it must also be appropriate ethically (Carroll 1999).

Philanthropic Responsibility (Be a good corporate citizen): This refers to corporate activities that are in response to society's expectations of good corporate citizen. Ferrell (2004) posits that it is likely to enhance the image of corporations especially those that have high public visibility. Corporate philanthropy would also increase employee loyalty and improve customer ties (Olanipekun, 2015). Philanthropic activities include business contributions to arts, education and especially in projects that enhance a community's quality of life (Olanipekun, 2015). Strategic philanthropists argue that, although philanthropy may not generate direct economic returns, it will enhance the firm's long term competitive position through intangible gains in reputation, legitimacy or employee loyalty. Amaeshi, Adi, Ogbechie and Amao (2006) observe that indigenous Nigerian company practice CSR as a corporate philanthropy to cater for the country's socio-economic challenge.

The Emergence of CSR

CSR is constantly evolving and incorporates different approaches depending on circumstances and needs. The increased interest in CSR doctrine partly reflects continued discontent among the business community with self-interest and self-indulgence that seem to underpin the western economic worldview (Al-Attas, 1991; Steidlmeier, 1992; Al-Attas, 1995; Haneef, 1997; Sardar, 2003). The CSR started to figure prominently in public debate in the wake of increasing social problems such as poverty, unemployment, race, gender and religious discrimination, and pollution (Boatright, 1993). These social problems are natural outcomes of continuous transformation in the market due to economic globalization, technological revolution as well as demographic and political changes (Dunning, 2003).

The escalating social and economic problems brought about by globalization have raised new questions as well as expectations about governance and social responsibilities (Boatright, 1993). Perhaps, the upshot of growth in multinational companies, especially in developing countries, is a shift in the balance of power and responsibility between corporations and the State. With the extensive resources possessed by the giant companies, governments are increasingly looking at such companies to address social and economic problems. Multinational companies are seen as the key to development, through the provision of jobs, payment of taxes; transfer of technology and through charitable contributions to education and health care (Lunt, 2001). Likewise, more companies of all sizes and sectors are recognizing the importance of their role in society and the real 'bottom line' benefits of adopting proactive approaches to CSR (Sardar, 2003).

Against the above discussion, the growth of corporate social responsibility as an issue in modern society stems from a wide range of events and trends. These includes changing expectations of stakeholders regarding business, more competitive labour market where many workers, especially professional, technical or highly skilled employees are looking beyond paychecks and benefits to seek employers whose philosophies and operating practices align with their own beliefs. There is a competitive advantage that companies believe they can reap by being socially responsible. Thus, by communicating effectively about social, environmental and economic contributions, companies can strengthen their brand, enhance their corporate reputation with customers and suppliers, and attract and retain a committed and skilled workforce (Olanipekun, 2015).

Also, the growth of socially responsible investor groups increasingly pressuring companies on social issues. Similarly, investors now use the shareholder resolution process to pressure companies to change policies and increase disclosure on a wide range of CSR issues, including environmental responsibility, workplace policies, community involvement, human rights practices, ethical decision-making and corporate governance (Davies, 2003).

Furthermore, demands for increased disclosure ranging from reporting requirements to government regulations that introduces compulsory business standards by which companies of all sizes have to abide (Davies, 2003). Customers, investors, regulators, community groups, environmental activists, trading partners and others are asking companies for detailed information about their social performance (Waddock and Graves, 1997). Leadership companies are responding with a variety of reports and/or social audits that describe and disclose their social performance on one or several fronts (BSR, 2001).

Sustainable Development

The 1987 UN Commission on Environment and Development, chaired by Norwegian Prime Minister, Gro Harlem Brundtland, coined the term sustainable development, referring to "progress that meets the needs of the present without compromising the ability of future generations to meet their own needs" (UNWCED, 1987). Sustainability means not only the survival of the human species but also maintaining the productivity of natural, produced, and human assets from generation to generation (Elkington, 2004). It could also be equitable and balanced development in as much as it concerns the interests of different groups of people within the same generation and among generations and do so simultaneously in three major inter-related areas of economic, social and environment (Epstein, 2008) The concept emphasizes on all mode of human development that ensures the sustainability of natural systems and the environment (Elkington, 2004). Thus, human beings are at the centre of concern for sustainable development because they are entitles to a healthy and productive life in harmony with nature.

The concept of sustainable development requires balancing environmental, societal and economic considerations in the pursuit of development and an improved quality of life. The Johannesburg Summit on Sustainable Environment in 2002 also conceptualized Sustainable Development and redefined it to mean that all development must stand on three pillars: economic development, social development and environmental protection (WBCSD, 2002). If any of the three pillars is overlooked in our development strategies and work plans, such developments cannot be called sustainable development. Thus, the harmonization of the three concepts is applied by planners and developers in practice, i.e. in developing national strategies, work plans and day to day decisions on the utilization of natural resources. It is a governance system that is fair to all sectors and stakeholders, at the national levels and among nations development. The United Nations (2005) world summit outcome document refers to economic and social development as well as environmental protection as the interdependent and mutually reinforcing pillars of sustainable development. Thus, it is based on a triple bottom line of profit, people and planet which means having a balanced economic development, social development and environmental development.

The Classical View of CSR

The most prominent defender of the classical creed regarding role of business in society is famous Nobel laureate in economics, Milton Friedman. Friedman (1967) opines that the social responsibility of business is to increase its profits. This reasoning is in line with the market driven approach coined by Adam Smith. The invisible hand of free market would produce best result if all agents would strive to maximize their profit (O'Brien, 2001). Friedman (1967) argues that having corporate officials extend their social responsibilities beyond serving the interests of their stockholders is fundamentally a misconception of the character and nature of business in a free economy. In such an economy, there is one and only one social responsibility of business; to use its resources and to engage in activities designed to increase its profit so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception and fraud (Friedman, 1967).

Indeed, Friedman's argument reflects the prevailing worldview of neoclassical economics which has long been entrenched in the notion of self-interested economic man. Many supposedly socially responsible actions are really disguised forms of self-interest (Friedman, 1967). Unless the activities which are regarded as 'socially responsible', such as donations to the poor, contributions to schools, local charities and the like are compatible with the neoclassical view because corporations receive indirect benefits from these activities and such activities are deemed unacceptable (O'Dwyer, 2003). In other words, according to Friedman (1967), the corporations recognize 'socially responsible' activities, if and only if, such activities can be used as an effective means for generating profit and not simply voluntarily philanthropic activities. Having mentioned this, the proponents of the CSR doctrine depart from the classical theory by essentially broadening the restrictive classical framework of a firm's social responsibility, which will be discussed in the light of various theories, namely the social contract, the strategic/instrumental, legitimacy, and stakeholder theories. These theories are commonly used to analyze and explain the nature and purpose of CSR as well as to provide answers to the question of 'what' and 'how' the concept of CSR came about. These theories are imperative to construct a firm's duties in society as well as to justify the need for the firms to discharge their commitments to CSR.

Social Contract Theory

The central idea of the social contract theory is how to relate a corporation to society. This is the point that brings up the ethical or moral duties of corporations (Crane and Matten, 2007). The recognition of a set of moral and ethical rights, unregulated by law, lies at the heart of the current trend in the conceptualization of CSR (Moir, 2001). According to this theory, business must act in a responsible manner not only because it is in its commercial interest to do so, but because it is part of how society implicitly

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expects business to operate (Moir, 2001). Furthermore, according to the social contract paradigm, a business is regarded as a social institution and should join with other social structures like the family, educational system and religious institutions, to help enhance life and meet needs (Pirsch, Gupta, and Grau, 2007).

In other words, the corporate social contract theory holds that business and society are equal partners, each enjoying a set of rights and having reciprocal responsibilities. There is direct and indirect mutual need between business corporations and society. While the former requires continuous support from the latter in terms of resources and sales, the latter might expect the former to operate in a socially responsible manner since the corporations control huge amounts of economic and productive resources such as technology, finances and labour, which directly or indirectly may affect the society in which they operate (Lantos, 2002). In line with these thoughts, McWilliams and Siegel (2001) define CSR as "actions that appear to further some social good, beyond the interests of the firm and that which is required by law". Most authors also emphasize this aspect of "going beyond legislation". Lantos (2002) argues that ethical CSR is obligatory. O'Dwyer (2003) and Quazi and O'Brian (2000) contend that social responsibility should be considered irrespective of narrow economic considerations. The social contract is the basis of stakeholder theory. Once it is acknowledged that business and society need each other (Porter and Kramer, 2002), the management of the business side of the relationship becomes a crucial aspect of corporate performance. As equal partners (Lantos, 2002), business and society enjoy a set of rights and have reciprocal responsibilities. This relationship however is implicit, and not governed by rules or laws.

Instrumental Stakeholder Theory

In an attempt to further legitimize the role of corporations in society, an instrumental theory has been developed which emphasizes CSR as a strategic tool to achieve economic objectives (Jones, 2005). The proponents of this theory assert that the business may choose to support some social programmes for reasons of good image (public relations), competitive advantage or other strategic reasons without jeopardizing the interests of its primary stakeholders, namely the shareholders (Jones, 2005). The objective of CSR, both as an academic branch in business studies and as a managerial tool for practitioners, is to become aware of this relationship and understand how business activity influences society and vice-versa (Freeman, 2004). Freeman (1984) opines that systematic attention to stakeholder interests is critical to firm's success. This branch of study is called strategic CSR by Lantos (2002), modern view by Quazi

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and O'Brien (2000) and instrumental stakeholder theory by Donaldson and Preston (1995). It considers CSR as a form of investment (McWilliams and Siegel, 2001).

This conceptualization implies the recognition of an "optimum" level of CSR (McWilliams and Siegel, 2001). This would be the level at which CSR investment maximizes profit, while also satisfying stakeholder demand for CSR. Following this approach, as well as acting within the logic of ethical/moral behaviour and the social contract, organizations would be performing according to an enlightened self-interest (Porter and Kramer, 2002), calculating the potential benefits of every CSR investment and Initiative. Some of the prominent proponents of strategic CSR are Burke and Logsdon (1996), Fombrun, Gardberg and Barnett (2000), Windsor (2001), Lantos (2002), Johnson (2003), Garriga and Mele (2004). They argue that maintenance of a good corporate reputation through CSR initiatives may add to "reputational capital", by which companies may be profitable in the long run since market forces provide financial incentives for perceived socially responsible behaviour.

Stakeholder's Theory

An approach in defining and developing CSR is provided by the stakeholder's theory (Post, 2003), which has indeed become one of the most important and frequently cited theories in the literature. It is upon this theory that this study hinges. Stakeholder's theory suggests that organizational survival and success is contingent on satisfying both its economic (profit maximization) and non-economic (corporate social performance) objectives by meeting the needs of the company's various stakeholders (Pirsch, Gupta, and Grau, 2007). Donaldson and Preston (1995) see stakeholders as having legitimate interests in the procedural and/or substantive aspects of corporate activity, whose interests must be considered on their own merits. Widely acclaimed as one of the first to define stakeholder's theory, Freeman (1984) states that stakeholders are "groups and individuals who can affect or, are affected by the achievement of an organization's mission". Stakeholder theory suggests that firms are motivated to broaden their objectives to include other goals in addition to profit maximization (Freeman, 1984).

Based on this theory, many companies embrace a CSR program as a way to promote socially responsible actions and policies and to effectively respond to stakeholder demands (Maignan and Farrell, 2004). Motivation for satisfying stakeholder demands stems from the fact that addressing stakeholder needs can be correlated with a firm's survival, economic well-being, competitive advantages, and the development of trust and loyalty among its targeted customers. Each of the stakeholder groups has a right not to be treated as a means to some end, and therefore should participate in determining the future direction of the company which they have a stake (Freeman, 1984). A socially responsible organization is seen as one in which obligations to stakeholders figure prominently in the decision-making of managers (Gibson, 2000; Weiss, 2003).

Primary stakeholder groups consist of shareholders and investors, employees, customers, suppliers, public entities such as governments or other public organizations that set laws and govern economic, commerce and trade associations and environmental groups (Freeman, 1984). Meanwhile, secondary stakeholders are diverse and they include those who are not directly engaged in the organization's economic activities but are able to exert influence or are affected by the organization (Freeman, 1984).

The interaction between the corporation and its stakeholders is the essence of stakeholder theory, and in consequence terms like "participation", "inclusion", "voice", "involvement" and "partnership" is common in stakeholder literature. These terms have been put in the same basket named "stakeholder dialogue" to describe the involvement of stakeholders in decision-making processes that concern both social and environmental issues (Pedersen, 2006). Stakeholder's theory implies that it can be beneficial for the firm to engage in certain CSR activities that non-financial stakeholders perceive to be important, otherwise, these groups might withdraw their support.

Legitimacy Theory

Suchman (1995) defines legitimacy as a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed systems of norms, values, beliefs and definitions. Legitimacy refers to a concern for how the firm's actions are perceived by others. Firms within a given industry are confined by the specific norms, values, and beliefs of that industry, some of which are enacted into law (Aguilera, Rupp, Williams and Ganapathi, 2007). Legitimacy theory also supports the implementation of CSR activities as it focuses on how businesses respond to various expectations and pressures in order to survive. According to legitimacy theory, in order to survive, companies have to perform well and meet the expectations of the various parties from whom they derive power.

Palazzo and Scherer (2006) indicate that legitimacy has become a critical issue for corporations, especially for those who operate globally. It states that CSR is a response to the environmental pressures involving social, political and economic forces. According to the theory, organizations look for a balance between their actions and how they are perceived by outsiders and what is thought by society to be appropriate

(Suchman, 1995; Deegan, 2002). Society's perceptions of the organizations are crucial and may affect their survival if they have breached their 'social contract. In the event that society is not satisfied that a firm is operating in an acceptable or legitimate manner, then society will effectively revoke its 'contract' to continue operations (Davies, 1997). Moir (2001) indicates that legitimacy theory implies that there is some form of social expectation that a legitimate business will act in a particular manner and this is, in fact, a form of social contract.

CURRENT PRACTICES AND MODE OF CSR DELIVERY IN NIGERIA

Generally, there are two modes for delivering CSR in Nigeria; Organizations delivering CSR by themselves (internally) and/or paying third parties to do it on their behalf (externally). Oguntade and Mafimisebi (2011) opine that the internal delivery mode requires the corporate entity to take charge of its CSR implementation. There are three internal delivery modes commonly used in Nigeria. These are corporate philanthropy which involves the business entity giving directly to charitable organizations or to individuals in need with the intention of improving the quality of life (Oguntade and Mafimisebi (2011). It can take the form of cash gifts, product donations, and employee volunteerism (Olanipekun, 2015). The company can also engage in direct implementation of its CSR activities by establishing a full-fledged in-house unit or department for delivering the CSR without third parties' involvement. This mode of delivery requires adequate staffing of the in-house unit for CSR delivery (Oguntade and Mafimisebi (2011). Community-Based Organizations (CBOs) which provides opportunity for business entities to provide some CSR with minimal direct exposure of company employees or representatives to often hostile community members can also be used. CBOs are civil society non-profit entities that operate within a single local community or communities in a designated geographical area (Oguntade and Mafimisebi (2011).

External Mode of Delivery majorly involves outsourcing of CSR implementation to third parties (Oguntade and Mafimisebi, 2011). Organizations normally have in-house units or divisions that are saddled with the responsibilities of strategizing, planning programmes, monitoring implementations and reporting results. External delivery modes can be carried out through intermediary organizations; which is a third party that offers intermediation services between two parties. The intermediary organization deploys its expertise to deliver services for and on behalf of a business entity to beneficiaries. The merit of this mode is that it is the value added to the transaction by the intermediary organization that may be impossible by direct dealing. Engaging in strategic partnerships which involves forming alliance between two or more entities, usually formalized by one or more memorandum of understanding (MOUs) but falls short of forming a legal partnership, agency or corporate affiliate relationship. Organizations enter into strategic partnership when each possesses one or more assets that contribute to the achievement of their common objectives. In the same vein, the use of foundation is another typical example of external mode of delivery. A foundation is a legal categorization of nonprofit organizations. Foundations often have charitable purposes. This type of nonprofit organizations may either donate funds and support to other organizations, or provide the sole source of funding for their own charitable activities. Private foundations are legal entities set up by an individual, a family or a group of individuals, for a purpose such as philanthropy. Typical examples of such foundations are Leventis Foundation, MTN Foundation, Shell Foundation and British-American Tobacco, Nigeria (BATN) Foundation (Olanipekun, 2015). For example in the case of MTN Foundation, one percent profit after tax is committed to financing the MTN foundation which concentrated on three important areas such as health, education and economic empowerment programmes (Olanipekun, 2015).

The dynamic nature of CSR implementation also results in the use of Multi-stakeholder Schemes which can be borne out of government legislations which stipulate that selected companies contribute specified amounts into a pool of funds that is administered by an established entity. In Nigeria, these schemes include the mandatory contribution of business entities to the Education Tax Fund (ETF) and the Niger Delta Development Commission (NDDC). This are referred to as legislated multi-stakeholder schemes. Similarly, multi stakeholder schemes can be industry designed (Oguntade and Mafimisebi (2011). The industry designed multi-stakeholder schemes are partnership initiatives among companies in the same industry. The use of these schemes is being promoted by NGOs and multilateral agencies with a view to setting social and environmental standards, monitoring compliance, promoting social and environmental reporting and auditing, certifying good practice and encouraging stakeholder dialogue and "social learning. Through such schemes, partnerships are developed within the same industries to deliver CSR. Typical example is the partnership between the oil and gas companies that are operating deep offshore.

CONCLUSION AND RECOMMENDATIONS

Based on the findings of the desk research and extant literature reviewed, the study concludes that organizations can engage in CSR initiatives for profit motive as emphasized by proponents of the classical theory. Similarly, organization's success is contingent on satisfaction of economic and non-economic objectives. The adoptions of CSR programs have a positive impact on development of the society. This goes to say that CSR directed at communities in forms of projects such as skill acquisition, youth empowerment, support for economic, education, and health development has a ripple effect on the bottom line. On the part of the organization, these CSR initiatives generate some positive net benefits such as better image, goodwill, and loyalty on the part of stakeholders who see themselves as part of the business. The concept of CSR is inevitable because of the ever growing concern about sustainable development, environmental degradation, new concerns and expectations of citizens, increased awareness of the public and investors on issues of company responsibility. Based on the above, this study advocates the legitimization of CSR as a normative and neutral management practice. The nature of this study has made the recommendations to be directed at different parties who have direct or indirect influence on a firm's CSR. These parties are businesses, investors, and government. On this note, there is need for the enshrinement of the CSR philosophy in all organizations in order to achieve a sustainable development that the 21st century demands.

Also, since businesses cannot successfully operate in a community which they ignore and no organization can operate in an uncooperative and hostile environment, thus, to help make the community a better place to work in, business organizations should engage in activities beneficial to the society in general. The society is the major source of the enterprises workforce and it also provides clients and subscribers for the company's product and services. Given the already intense pressure brought by stakeholders globally on utilization of resources in line with the principles of sustainable development that underpins the concept of CSR, the government has a role to play in promoting CSR because they establish and monitor compliance with the legislature and regulatory framework by private corporations, and so can encourage companies to balance social, environmental and economic developments.

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