

**CORPORATE SOCIAL RESPONSIBILITY AND GLOBAL BUSINESSES
(A STUDY OF COCA COLA PLC, OWERRI - IMO STATE)**

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ABSTRACT

In today's socially conscious environment, employees and customers place a premium on working for and spending their money with strategic global businesses that prioritize Corporate Social Responsibility. The convenience sampling technique was used to determine a sample size of 100 from a population of 192. The study adopted a descriptive statistics of mean and standard deviation, and simple linear regression analysis to examine the impact of corporate social responsibility on Global business in Imo State, Nigeria. Reliability statistics was conducted to ascertain the reliability of the test instrument. The scale proved reliable .823 ($\alpha \geq .70$). The study concludes that CSR have a very significant impact on global businesses with a correlation coefficient of -.503 and P- value of .309 at 0.01 level of significance.

Keywords: Social responsibility, global, business, society, model.

JEL Classification Code: M10, M16, M19

1. Introduction

Corporate Social Responsibility (CSR) can positively impact a business by improving the company's image, building brand and motivating the business owners (Schooley 2019). Just as individual, corporate businesses are also an integral part of the society and their behavior shall be guided by certain social norms (Cherunilam 2010). Businesses must behave and function as a responsible member of a society, like any other individual and cannot shun moral values nor can it ignore actual compulsions. Social responsibility is a duty every individual has to perform so as to maintain a balance between the economy and the ecosystems (Cherunilam 2010). A global business is a company that operates facilities (such as factories and distribution centres) in many countries around the world. This is different from an international business which sells products worldwide but has facilities only in its home country. Business models according to Micheal Lewis is defined as a term of art. A conceptual structure that supports the viability of the business and explains how it operates, makes money, and how it intends to achieve its goals. Thus, all the business processes and policies that a company adopts and follows are part of the business model (Maria- Alejandra 2013). Similarly, Drucker in Maria-Alejandra (2013) insist that business model is a description of how a company creates, delivers, and captures value for itself as well as the customer.

A global business conducts business around the world and has access to markets that are larger than that of a local or national business. The principal objectives of a responsible business may include; the extension, development and improvement of the company's business and the building up of its financial independence, the payment of fair and regular dividends to the shareholders, the payment of wages under the best possible conditions to the workers, and the reduction in the prices to be charged to customers. A responsible business has certain secondary objectives as well. Important among them are; to enhance labour welfare; to enhance customer services and goodwill; to assist in developing the industry of which the firm is a member; and to contribute to national goals (Kotler 1972 cited in Cherunilam 2010).

Every business model intrinsically has three parts: (1) Everything related to designing and manufacturing the product, (2) Everything related to selling the product, from finding the right customers to distributing the product, (3) Everything related to how the customer will pay and how the company will make money (Osivevskyy, Troshkova, and Bao, 2018). However, business model act as the blueprint of business and a roadmap for its success (failure) as it explains how the business creates and capture value through its decisions and processes (Osivevskvy et'al 2018).

Problems emerge when companies CSR initiatives appear to be disparate and uncoordinated, run by a variety of managers without the active engagement of the CEO. Such firms cannot maximize their positive impact on the social and environmental systems in which they operate. However, the followings are some of the examples of CSR practiced by the studied manufacturing firm- Coca Cola Nigeria, situated along Onitsha road, Imo State : Change corporate policies to benefit the environment: by employing more of the indigenes to fill vacant gaps, Reduce carbon footprints to mitigate climate change: by creating its waste disposal system and do not indiscriminately dump waste products, Engage in charitable giving and volunteer efforts within the community located: by supporting indigents in health, education and economic issues, Improve labour policies and embrace fair trade: by insuring that employees are happier by offering unpaid allowances to employees. Thus, the happier the employees are, the lower labour turnover management are likely to experience (Maria-Alejandra, 2013).

Hopkins (1999) suggest that in order to reverse the negative consequences of globalization, there is a need for a 'planetary bargain' between the public and the private sectors. Continuing with the argument, Edwards (2004a) suggests that there is a mutual relationship between economic actors and civil society. Similarly, no modern society can develop and maintain sustainable social goals with access to the surplus that market economies create, and clarifies this further by saying that a 'civil society cannot survive where there are no markets, and markets need a civil society to prosper' (Edward, 2004b).

Maria –Alejandra (2013) maintain that it is obvious that there is no statutory guide and styles of CSR operating global companies should operate within their environments. There is also no clear check on CSR activities of these global firms and thus, why they have failed to maximize their positive impact on the social and environmental systems in which they operate. So many

global businesses are operating in Imo State, and yet the society generally cannot actually fill their CSR impact, hence a gap. Because global business models are designed for just organizational meta-routine that serves for value creation for the stakeholders and value appropriation for firm owners, and because CSR also have failed to affect their business models and change their methodology to benefit the company itself and society at large, society expectations and perception of their CSR is still an issue, hence the need for this study. The objective of the study is to examine the impact of corporate social responsibility on Global Business (Coca Cola PLC, Owerri Imo State).

Research question

- What is the impact of corporate social responsibility on global business?

Research hypothesis

- H₀: Corporate social responsibility have no significant impact on global business.

2. Review of Related Literature

2.1.1 Global Business: Concept, Relevance and Relationship

Social responsibility of business refers to what the business does over and above the statutory requirement, for the benefit of the society. The word responsibility connotes that the business has some moral obligations to the society (Crifo 2015).). For example, Coca Cola in 2011 helped to recycle almost 150 million pounds of bottles and cans instead of going into landfills. A firm's business model is the organizational meta-routine serving two basic purposes: (1) value creation for the firm stakeholders, and (2) value appropriation for firm owners (Osiyevskyy & Dewald, 2015a; Osiyevskyy & Zargarzadeh, 2015 cited in Chowdhury, 2017). Value creation is achieved through providing attractive value propositions to key stakeholders, while value appropriation is determined by the firm's ability to sustain the economic rents, achieved through superior bargaining power vis-à-vis essential resource providers and customers (Osiyevskyy & Zargarzadeh, 2015 cited in Chowdhury, 2017).

Importantly, it is only the combination of high value creation and appropriation that leads to a sustainable, "Winner" business model. Whereas superior results is only one of the dimensions that could lead to inherent unsustainable positions of a "Giver trap" [having happy stakeholders yet unhappy shareholders] or a "Taker trap" [companies that enjoy temporarily high profits unsupported by superior stakeholder value] (Biloshapka et al., 2016 cited in Chowdhury, 2017).

The forms of global business include importing and exporting, licensing, franchising, strategic partnership and joint venture, foreign direct investment (FDI) (sopapornchantaput.wordpress.com). What determines a global marketing may include cultural and social influences, legal issues, demographics, and political conditions, as well as changes in the natural environment and technology grouped into external and internal factors (Kogut 1999)? Coca Cola pursues an assumed global strategy, allowing for differences in packaging, distribution, and media that are important to a particular country or geographical area. Hence the global strategy is localized through a specific geographical marketing plan.

Although Coca Cola Nigeria PLC is global product with universal appeal, the company actually operates in local environments around the world, with each country having its own unique needs and requirements (academics.epu.ntua.gr). Coca Cola a global business established CSR policy with the concept of ‘Live Positively’ which include seven core areas: beverage benefits active health living, the community, energy and climate, sustainable packaging, water stewardship and the workplace (Quincey, 2019). Some of most common examples CSR include carbon footprints to mitigate climate change, improve labour policies and embrace fair trade, engage in charitable giving and volunteer efforts within your community, change corporate policies to benefit the environment. As global activities have expanded into countries, and may have entered a number of different markets, each of which needs a global strategy to adapt to each market because it essentially sells the same products in every country. The company’s Chief Marketing Officer, Marcos de Quinto, revealed a new ‘One Brand’ Global Marketing Strategy that, for the first time ever, unites Coca Cola, Diet Coca Cola, Coca Cola Zero, and Coca Cola Life under the iconic Coca Cola brand positioning in one global creative campaign (Quincey, 2019).

Global business leads to high- level competition among businesses. When any company enters the foreign markets, they have to compete with the local business in that country. Therefore, the foreign businesses must produce high quality products. Companies are able to take advantage of global labour markets without altering their institutional foundations. CSR to today’s business challenges currently has become one of the most important strategies in business. Basically, there are two aspects of CSR to consider. The first one involves companies giving out resources and funding meaningful social reasons. An example of this aspect is donation of money or staff time to supports. Actually, most people have this aspect in mind when referring to CSR. Another aspect of CSR is formulation of a real strategy to manufacture products or give services that are in conformity to the needs and wishes of the society. This takes into consideration moral business practices such as using safe materials to manufacture goods and business environmental policies. Additionally, it includes other features such as creation of employment opportunities and economic growth and give back to the society approach (ivypananda.com). CSR however promotes a vision for the accountability of businesses in a wide range of stakeholders beyond shareholders and investors (Quincey, 2019).

2.1.2 Influencing Factors of Global Business could be external or internal : External factors include the elements that are not controllable at any cost are demography, political powers, legal practices, cultural impacts, technological progression, economic conditions, work ethics and personal values, intensity and so forth. The components identified with the interior operations of a business which can also be controlled by appropriate administration are controllable or inward variables of the business environment. For example Land, Labor, Capital, Business Location and so on (Chowdhury, 2017).

2.1.3 Business benefits of CSR: CSR has many advantages that can apply to any business, regardless of its size or sector. The potential benefits of CSR to business according to Cherunilam (2010) include: Better brand recognition, increased sales and customer loyalty, organizational growth, easier access to capital, better financial performance, positive business

reputation, operational cost savings, greater ability to attract talent and retain staff, reduce regulatory burden, attract positive media attention, identify new business opportunities.

2.2 Theoretical Framework

2.2.1 Global Theory

Global theory represents an influential and popular means of understanding contemporary social and political phenomena. Human identity and social responsibilities are considered in a global context and in the light of a global human condition. A global perspective is assumed to be new and to supersede preceding social theory. However, if contemporary global theory is influential, its identity, assumptions and novelty are controversial. Global theory from Kant to Hardt and Negri scrutinizes global theory by examining how contemporary global theorists simultaneously draw upon and critique preceding modern theories. It rethinks contemporary global ideas by relating them to the social thought of Kant, Hegel and Marx, and in so doing highlights divergent ambiguous aspects of contemporary global theories, as well as the contemporary impact of the ideas of Kant, Hegel and Marx.

2.2.2 Bargaining theory

Hopkins (1999) the theory of inter-organization bargaining has been used to characterize and analyse business and government negotiation, policy-making and behaviour. The theory in broad terms focuses on the relative bargaining resources and the stakes of each participant in a bargaining situation, drawing both political and economic/commercial conclusions from the analysis. The focus is on the installation of assets, interests and abilities that the bargaining parties bring to the table; thus, economic, political and social goals and issues are involved. Since any enterprise involved in power relationships with rival firms, bargaining theory would include in Trans National Cooperation/ government negotiations, the potential response of other TNCs or even domestic enterprises.

Important phenomena such as the obsolescing bargain, trade restrictions and performance requirements are illuminated by analysis using the bargaining theory. In principle, bargaining concepts could be used to examine relations between any competitors or negotiators, and several empirical studies do so, but the theory has not been extended for use in explaining the purposes of government intervention in foreign business activities and TNC responses. Policies of TNCs and of Governments are infused with power. Kobrin (1987) cited in Hopkins (1999) found that this obsolescing bargain does not characterize the bargaining positions of manufacturing TNCs as clearly as it does extractive firms. Global business theory must, therefore, become more comprehensive. The bargaining theory approach appears well suited to encompass those considerations.

3. Methodology

The study adopts a survey research design. The population of the study consists of the staff of Coca Cola bottling company, Imo State, South-East Nigeria. The convenience sampling method

was used to determine a sample size of 100 samples. The study adopted a descriptive statistics of mean and standard deviation, Spearman's co-relational study and simple linear regression analysis to examine the impact of corporate social responsibility on Global business in Imo State, Nigeria.

Table.1: Descriptive Statistics

Variable	Mean	Standard Deviation
Corporate Social Responsibility	5.56	1.15
Global Business	5.02	1-22

Table.1 shows the mean values for the variables. On a seven-point scale, the mean score for Global Business is 5.56 (Std. Dev = 1.15). The mean score for corporate social responsibility is 5.02 (Std. Dev = 1.22). The above calculation shows the neutral score of 4, which implies that respondents' overall attitude towards Corporate Social Responsibility is positive.

Reliability Statistics

Internal reliability test was conducted to ascertain the stability and dependability of the research instrument (Malhotra, 2010). A reliability statistics (Cronbach's alpha) has been performed to test the reliability and internal consistency of each of the attributes measured. The scale proved to be internally reliable (alpha = .823). This alpha has exceeded the minimum standard ($\alpha \geq .70$). The average inter-item correlation is 0.167, falling within the acceptable range of 0.15 – 0.50 (Clark and Watson, 1995).

Table.2: Reliability Statistics

Variable	No of items	Cronbach's Alpha
Corporate Social Responsibility	13	0.79
Global Business	05	0.75

From Table.2, the dependent variable, corporate social responsibility is 0.79 and for the independent variable, Global Business is 0.75. Both alpha's exceeded the minimum standard.

Table.3: Normality statistics

Variable	Skewness Statistics	Kurtosis Statistics
Corporate Social Responsibility	- 0.193	0.000
Global Business	0.021	0.250

Table.3 shows the normality analysis of the data. Skewness and kurtosis were calculated to ascertain the normality of the data. The data does not depict significant departures from

normality as Skewness and Kurtosis values for the composite indicators are within the range of ± 1.96 (Hair, Black, Babin, Anderson and Tatham, 1998). So the data is normally distributed.

Correlation Analysis

Table.4: Correlation Matrix

	Corporate Social Responsibility	Global Business
Corporate Social Responsibility	-----	.658**
Global Business		

** Correlation is significant at 0.01 significant level (2 tailed test).

From table.4, the result shows that Corporate Social Responsibility significantly correlated with Global Business, where ($r = .658, P < 0.01$). The correlation analysis provides full support to research hypotheses. That is (H_1): Corporate Social Responsibility have significant impact on global businesses.

Regression Analysis

In order to examine the impact of the relationship between the dependent and independent variable, regression analysis is used (Khan, 2016). The basic difference between regression and correlation analysis is that regression assumes that the independent variable is a cause or a predictor of the dependent variable (Malhotra, 2010). Regression analysis is normally used to find how much independent variable can explain dependent variable. The P-value is calculated to establish the significance of the result. In order to show and prove that the results are significant by at least 95% and the P-value should be lower than 0.05, which shows that the result is significant. Similarly, the P-value of lower than 0.01 will indicate that the result significance is at least 99% (Nolan and Heinzen, 2011).

Table.5: Regression statistics

Model	R	R-Square	Adjusted R Square	Beta	F	Sig.
1	.658 ^a	.433	.417	.658	85.352	.000

a. Predictors: (Constant), Global Business

From the Table.5, R-Square value = 0.433 which means independent variable, Global Business can explain 43.3% of the dependent variable – Corporate Social Responsibility. Also, it depicts that in global business environments, Global Business is statistically and significantly related with Corporate Social Responsibility ($B = 0.658, P < .001$) which according to Cohen (1998) is a large effect. So, the result provided a full support for the hypothesis. Therefore, the regression result demonstrate that Global Business have significant impact on Corporate Social Responsibility in Imo State, Nigeria.

4. Results and Discussion of findings

The findings revealed that Global Business have a significant impact relationship with corporate social responsibility having a correlation coefficient of -. 503 and p-value of .309 at 0.01 significant level. The result obtained from the findings indicated that Global Business correlates with Corporate Social Responsibility in Imo State, Nigeria. This implies that Global Business has stimulated Corporate Social Responsibility activities in the region studied.

5. Policy Implications

Global businesses that fails to keep to the rules of the engagement and thus global business models stands to lose to some extent the potential benefits of CSR to business like, Better brand recognition, increased, customer loyalty, organizational growth, positive business reputation, operational cost savings, reduce regulatory burden, attract positive media attention, and so on. The result with a correlation coefficient of -. 503 and p-value of .309 at 0.01 significant level indicated that Global Business correlates with Corporate Social Responsibility in Imo State, implies that Coca-Cola has stimulated Corporate Social Responsibility activities in Imo State. The study provides a response to the necessity for this analysis that arises from the effects of Corporate Social Responsibility actions in Global business.

6. Conclusion

The study concludes that CSR promotes a vision for the accountability of businesses in a wide range of stakeholders beyond shareholders and investors. Global Business stimulated CSR activities by reviewing Coca-Cola business models. The results shows that Global Business have significant impact on corporate social responsibility with a correlation coefficient of -. 503 and p-value of .309 at 0.01 significant level. The result obtained from the findings indicated that Global Business correlates with Corporate Social Responsibility in Imo State, Nigeria, which consequently implies that Coca-Cola has stimulated Corporate Social Responsibility activities in Imo State.

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