

Social Responsibility and Ethics Practices on Purchase Intention of Female Mobile Phone Users in Nigeria

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Abstract: Corporate social responsibility (CSR) and ethic practices has become dominant issues in business reporting, with every corporation having a policy concerning CSR and producing report annually detailing its activities. The society on the other hand, are interested in the way corporations are carrying out their activities, whether it is ethical done or otherwise. This study examined the effects of social responsibility and ethics practice on purchases intention of female mobile phone users in Ekiti State. The total population for the study was 9495 with the sample of 357 gotten from Krecie and Morgan sample size table. The data were analysed from the information collected through questionnaire. The research makes use of chi-square to check the relationship between the explanatory variables and the dependent variable at 0.05 level of significant. The results revealed that 85% of the respondents totally agreed that social responsibility influence purchase intention among mobile phone users in Ekiti State. While only 5% are undecided and the other 10% of the respondents strongly disagreed with the statement. Therefore, it is clear that social responsibility has an influence on the purchase intention of female mobile phone users in Ekiti State. It was concluded that for any organization to survive, it has to properly take part in social responsibility activity as more women approve of it. The study recommended that company should expand their activities by going into other areas like health, education, charity giving, instead of focusing sport and entertainment.

Keywords: Ethic Practice, Social Responsibility, Purchase Intention

1. Introduction

Ethics refers to principles or values that guide behaviour [31]. It is sometimes said that business and ethics do not mix; for some, the profits that are the basis of a firm's survival are said to take precedence over moral principles or values [1]. The assumption is that the cost of ethical behaviour outweighs any benefits of deceptive advertising that might for example, lead to higher sales [21]. This rejection of ethics ignores the role of a business as part of the social fabric and thus subject to moral constraints [7]. We expect a good life and a good society from a free market system and this demands a fair distribution of goods and services [10]. Also important are the social demands related to pollution, the depletion of natural resources, the quality and character of the work environment, and the safety of consumers [26].

The survival of every business depends on the accomplishment

of its objectives [4]. The two broad categories of business objectives expected to be accomplished include economic objectives and social objectives. This study focused on the social objectives otherwise known as social responsibilities and ethics practice on purchase intention in Nigeria [8].

Social responsibility is the obligation which a firm has to satisfy the financial interest of its stockholders as well as to meet the needs of the society [13]. Social responsibility has been in practice for centuries. It can be traced back to the Quakers in 17th and 18th centuries whose business philosophy was not targeted at profit maximization only but also, to add value to the larger society [19]. In their view, there is interdependence between business and the society meaning that they rely on each other for survival²¹. In Nigeria, social responsibility gained importance in the 1990s as a result of the interest shown by the international communities in the conflict between oil and gas companies and their host

communities [24].

The mobile telecoms industry in Nigeria is currently going through intense competition as several communication companies (MTN, Globacom, Airtel and Etisalat, Visa phone, Multichoice, Starcomms among others) jockey for fair share of market space [17]. Consequently, it would not be out of place for communication firms to device strategies and programs capable not only to contend the forces of competition, but also to achieve and sustain competitive advantage [5]. Beside the well-known generic strategies dominating the literature, telecoms companies globally are currently considering socially responsible behaviours as a viable strategy with a view to winning and sustaining customers' patronage [18]. The mobile telecoms industry in Nigeria is currently going through intense competition as several communication companies (MTN, Globacom, Airtel and Etisalat, Visa phone, Multichoice, Starcomms among others) jockey for fair share of market space [9]. Consequently, it would not be out of place for communication firms to device strategies and programs capable not only to contend the forces of competition, but also to achieve and sustain competitive advantage [3]. Beside the well-known generic strategies dominating the literature, telecoms companies globally are currently considering socially responsible behaviours as a viable strategy with a view to winning and sustaining customers' patronage [20]. Having known all these, it is imperative to understand that out of many factors that influence purchase decisions, gender is seen as a factor that needs attention which makes men and women approach to purchase behaviour a key factor. There is a long worth of empirical research on what is considered right and wrong by different gender, this shows that there are observable differences in how men and women behave as shoppers.

2. Conceptual Clarification

2.1. Concept of Social Responsibility

Social responsibility (SR) has received increasing attention in the past decades, both among practitioners and in the academic literature [22]. The definition of social responsibility (SR) is an issue that dominates the existing literature. There is also a disagreement on the definition of corporate social responsibility among those that see corporate social responsibility as an ethical attitude and those who argue that it is a firm's strategy [33]. Corporate social responsibility concept is to show that ethical principles, from wherever derived, can improve reasoning and harmonize decisions, especially in complex situations and thus, enhance performance [25]. The unclear state of corporate social responsibility definition is recognized also by [27]. It has become a necessity for companies to deal with issues that concern all kinds of stakeholders, either internal or market-related [28], emphasized this need by arguing that corporate social responsibility is the company's commitment to behave socially and environmentally responsible while striving for its economic goals. However, a corporate social

responsibility action ought to be correlated with the financial state and outcomes of firms. Therefore, many studies were concentrated on the link between corporate social responsibility and economic or financial firm's performance.

2.2. Role of Ethics in the Business Environment

Ethics refers to moral principles or values that guide behaviour for deciding what is right and wrong [2]. It revolves around three concepts namely "self", "good" and "other". Ethical behaviour is the result of deciding what is good for oneself as well as others and is thus by nature concerned with the quality of the interaction. The concepts of "self", "good" and "other" can be extended to the business environment. Within the business environment, ethical behaviour is concerned with what is "good" that guide an organisation in its interaction with its stakeholders [6, 23]. Stakeholders are any group of people affected by an organisation's objectives and typically include stockholders, consumers, suppliers, employees and host communities [29]. Hence, the practice of business ethics is to give content to the "good" and to determine whether the interaction between the organisation and its stakeholders lives up to the "good" [30].

2.3. Theory Underpinning the Study (Stakeholder Theory)

The theoretical framework underpinning in this study is stakeholder's theory because it is a theory of organizational management and business ethics that addresses morals and values in managing an organization. Stakeholder's theory attempts to address the principle of whom or what really counts [24].

The stakeholder theory holds that business organizations must play an active social role in the society in which they operate. [16], one of the advocates of stakeholder theory, presented a more positive view of managers' support of corporate social responsibility. He asserts that managers must satisfy a variety of constituents (e.g. investors and shareholders, employees, customers, suppliers, government and local community organizations) who can influence firm outcomes [11]. According to this view, it is not sufficient for managers to focus exclusively on the needs of stockholders, or the owners of the corporation. Stakeholder theory implies that it can be beneficial for the firm to engage in certain corporate social responsibility activities that non-financial stakeholders perceive to be important, otherwise, these groups might withdraw their support [33]. The stakeholder theory maintains that corporations must recognize their responsibilities to various stakeholder groups in society, beyond just their own stockholders; in this regard, these responsibilities among others include [15]:

- i. Providing customers to produce safe high-quality products at reasonable prices;
- ii. Treating suppliers with honesty and with integrity;
- iii. Ensuring that employees and managers are provided with profitable work opportunities and to be rewarded in an open and just way.

3. Methodology

3.1. Research Design

The research design that was adopted in this study was descriptive survey research design [14]. A unique advantage of survey research design is that it allows the collection of data from a large population [12]. This design is considered appropriate for this study because it provide a contextual understanding of the effect of social responsibility and ethics practices on purchase intention in Nigeria Telecommunication Company. The independent variable was social responsibility and the dependent variable was the purchase intention of female mobile users in Nigeria.

3.2. Population of the Study

The study was conducted among female mobile phone users in Ekiti state, Nigeria., [32] assess population of the study as a census of all items or subject that possess the characteristics, or that have knowledge of the phenomenon being study. The population of the study comprised of nine thousand four hundred and ninety-five (9495) female mobile phone users in Ekiti State.

3.3. Sample

The researcher used Krecie and Morgan sample size table [32]. The entire population were given equal chance of being included in the sample. Therefore, the sample size for this study will be three hundred and fifty-seven (357) based on Krecie and Morgan 1970 table for determining sample size for finite population.

3.4. Data Analysis

Chi-square was used to analyse the data generated from the socio-demographic variables in order to provide answers to the research questions and test the hypotheses that have been formulated. All the hypotheses for the study was subjected to the SPSS version 17 windows (a computer based statistical programme) analyses and the decision rule was tested at 0.05 level of significance.

4. Results

Hypothesis 1: Social responsibility has no significant relationship on purchases intention among female mobile phone users in Ekiti State.

Table 1. Showing the relationship between social responsibility and purchases intention among female mobile phone users.

Response	X	%	χ^2_{cal}	Df	χ^2_{Tab}
SA	53	53.00	80.640	3	7.815
A	41	41.00			
SD	1	1.00			
D	5	5.00			
Σ	100	100			

*p<0.05.

Table 1 indicated that 94.4% of the respondents agreed that there is significant relationship between social responsibility and purchases intention among female mobile phone users in Ekiti State, while 6% disagreed with the statement.

The result when subjected to chi-square revealed that chi-square (χ^2) = 80.640 which was greater than table value of 7.815 at 0.05 alpha level. Hence the null hypothesis that there is no significant relationship between social responsibility and purchases intention among female mobile phone users was rejected. In another world there is significant relationship between social responsibility and purchases intention among female mobile phone users in Ekiti.

Hypothesis 2: Ethics has no significant effect on purchase intention among female mobile phone users in Ekiti state.

Table 2. Chi-square showing how ethics practices affected purchase intention among female mobile phone users.

Response	X	%	χ^2_{cal}	Df	χ^2_{Tab}
SA	36	36.00	8.540	3	7.815
A	27	27.00			
SD	17	17.0			
D	20	20.00			
Σ	100	100			

*p<0.05.

Table 2 indicated that 63% of the respondents agreed that ethics practices leads to purchase intention among female mobile phone users while 37% disagreed with the statement.

The result when subjected to chi-square (χ^2) = 8.560 which was greater than table value of 7.815 at 0.05 alpha level. Hence, the null hypothesis that ethics practice has not leads to purchase intention was rejected. In another word, ethics practice has led to a purchase intention.

Hypothesis 3: There is no significant difference between the influence of ethics and social responsibilities on purchase intention among female mobile phone users in Ekiti State.

Table 3. Chi-square showing the difference between the influence of ethics and social responsibilities on purchase intention among female mobile phone users.

Response	X	%	χ^2_{cal}	Df	χ^2_{Tab}
SA	37	37.00	44.080	3	7.815
A	30	30.00			
SD	3	3.00			
D	20	20.00			
Σ	100	100			

*p<0.05.

Table 3 indicated that 67% of the respondents agreed there is influence of ethics and social responsibilities on purchase intention among female mobile phone users towards network service providers while 23% of the respondents disagreed with the statement.

The result when subjected to chi-squared revealed that chi-square (χ^2) = 44.080 which was greater than table value of 7,815 at 0.05 level of significant.

Hence the Null hypothesis that there is no influence of ethics and social responsibilities on purchase intention

among female mobile phone users towards service providers was rejected. In another word, there is influence of ethics and social responsibilities on purchase intention among female mobile phone users towards network service providers.

5. Conclusion and Recommendation

In conclusion, social responsibility and ethics practices can therefore be best described as a total approach to business growth. Social responsibility creeps into all aspect of operations. Like quality it is something that you know when you see it. It is something that business today should genuinely and wholeheartedly be committed to. By engaging in behaviours that are ethical company enjoys an increase in public trust and build a positive image for themselves. The dangers of ignoring social responsibility are too dangerous when it is remembered how important brands are to the overall company's value. Corporate social responsibility is therefore something that a company should try and get right in implementing.

Recommendation

Based on the result of the study, recommendations were made that telecommunication company should expand their social responsibility activities to other areas like health, education, charity giving, instead of focusing only on sport and entertainment. Telecommunication company should also focus their social responsibility programme on the rural areas.

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