Effect of Legal (Payment of Taxes) Social Responsibility on Productivity of Dangote Cement Plc, and Lafarge Cement Plc, Nigeria

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Abstract

The primary aim of this research is to investigate the impact of legal obligations, specifically the payment of taxes, as a component of corporate social responsibility on the productivity of Dangote Cement Plc in Obajana, Kogi State, and Lafarge Cement Nigeria Plc in Calabar, Cross River State. This study employed a descriptive survey design and an ex-post facto research design. Data sources included both primary and secondary data, collected from the annual financial statistical bulletins of the two manufacturing firms under examination, covering the years 2011 to 2020. The study population comprised 3,274 employees from Dangote Cement Plc and 3,033 employees from Lafarge Cement Nigeria Plc in Calabar, Cross River State. The sample included 104 employees from Dangote Cement Plc and 124 respondents from the local community surrounding Dangote Cement. Additionally, 224 employees from Lafarge Cement and 115 respondents from the host community of Lafarge Cement were included, yielding a total sample size of 568 respondents. This

sample size was determined using Taro Yamen's Sample Size Formula. Bowley's Formula and a Simple Random Sampling Technique were also utilized for gathering information from various groups and sub-groups. Data were analyzed using descriptive statistics, including simple percentages, means, frequencies, and trend analysis. The hypothesis was tested through simple linear regression analysis. The findings revealed a positive relationship between legal social responsibility and productivity. The research recommends that companies consistently adhere to national and international employment and business laws. It is also advised that these companies comply with inspections from national factory authorities.

Keywords: Corporate Social Responsibility (CSR), Legal Social Responsibility, Productivity, Business Organizations.

Introduction

It is widely recognized that achieving adequate patronage is only possible when corporate organizations engage in legal corporate social responsibility within their local environments. Organizations do not operate in isolation; rather, they exist within an environment that encompasses various demographic, climatic, and ecological conditions that influence their operations. Consequently, the environment for any organization comprises both internal and external elements. The components of an organization's environment include individuals, physical resources, market conditions, and government regulations. This environment presents both resources and constraints for business organizations, determining the opportunities available and the threats they may face. Therefore, organizations must adapt to their environments to remain successful (Adrain, 2014).

Historically, societal expectations of business organizations were limited to efficient resource allocation and profit maximization. However, this perspective has evolved. Modern businesses are now required to think beyond mere profit and consider their legal responsibilities to society. This shift raises questions regarding the attitudes of business organizations toward legal social responsibility. Legal corporate social responsibility entails the obligation of businesses, firms, or managers to fulfill social obligations that enhance societal well-being and compensate for any disruptions caused by their operations. The operational

environment of a company is shaped by a combination of internal and external factors, including legal, social, economic, political, technological, and demographic conditions. Legal social responsibility requires business organizations to comply with the laws and regulations of the countries in which they operate. Organizations demonstrate this compliance through adherence to tax laws, labor laws, and regulations set forth by factory inspectors. Legal corporate social responsibility involves fulfilling the requirements imposed by state laws, such as tax payments (Adeyanju, 2015). It also acknowledges the role of various stakeholders in corporate social responsibility, including creditors, customers, directors, employees, government, suppliers, host communities, and unions.

Furthermore, it is essential for the management of Dangote Cement Plc in Obajana, Kogi State, and Lafarge Cement Nigeria Plc in Calabar, Cross River State, to evaluate organizational performance using productivity as a key metric. Productivity is a deliberate effort to measure the efficiency of personnel, machinery, factories, processes, and systems in converting inputs into valuable outputs (Udochukwu, 2017). This assessment allows organizations to identify strengths and weaknesses, facilitating adjustments aimed at achieving synergistic benefits. Such improvements necessitate a robust corporate culture that prioritizes corporate social responsibility values and competencies (Simon, 2014). This paper aims to investigate the impact of legal social responsibility, specifically tax payments, on the productivity of the selected cement industries.

Statement of the Problem

Dangote Cement Plc, located in Obajana, Kogi State, and Lafarge Cement Nigeria Plc, based in Calabar, Cross River State, have made commendable efforts in the areas of electrification and the provision of quality pipe-borne water. However, they have paid relatively little attention to financial tax obligations, which do not align with the profits generated by these organizations. In many instances, factory managers encounter difficulties in allowing access to federal factory inspectors (Idemudia, 2010). If business organizations fulfill their tax responsibilities and collaborate with government agencies, it could improve public perception and foster a positive image within their host communities and society at large. Conversely, if effective measures are not taken to establish a good relationship

between government agencies and these companies, along with adherence to tax regulations, there is a risk that the government may withdraw its support and revoke the licenses of these companies.

In light of this, the study aims to assess the impact of legal social responsibility, specifically the payment of taxes, on the productivity of Dangote Cement Plc in Obajana, Kogi State, and Lafarge Cement Nigeria Plc in Calabar, Cross River State.

Related Literature Review

Conceptual Framework

Corporate Social Responsibility

Srinivas (2016) defined corporate social responsibility (CSR) as a managerial intellectual concern and practical engagement with social issues that arise from a business's interdependence with its local community. The scholar further elaborated that CSR encompasses how an organization perceives and addresses challenges that extend beyond the strict economic, technical, and legal obligations associated with its operational activities. These challenges are manifestations of environmental fluctuations and unexpected events that a firm must navigate to ensure stability.

Legal Social Responsibility

Legal social responsibility refers to the obligations imposed on business organizations by state laws. Smith (2017) emphasized that, alongside ensuring profitability, organizations must comply with these laws. Legal obligations encompass adherence to financial regulations, tax laws, labor laws, and compliance with factory inspections. Legal social responsibility is a cornerstone of corporate social responsibility.

Obi (2015) asserted that businesses must adhere to laws and regulations as a crucial aspect of their legal social responsibility. Laws are seen as the codification of societal moral views; thus, compliance is essential for any discussions around social responsibilities. Corporations must fulfill legal requirements to remain operational, similar to how they must meet economic responsibilities to be deemed socially responsible.

Mordi, Opeyemi, and Ogo (2015) highlighted that various Nigerian legislations include expectations that regulate corporate social responsibility practices. For instance, Section 299(4) of the Companies and Allied Matters Act of 1990 mandates that a company's director must consider both the interests of the company's members and its employees during decision-making. They noted that Nigerian businesses are not prohibited from fulfilling their social obligations towards the environment; rather, they must ensure their articles of incorporation and memorandum of association reflect socially responsible policies. Several environmental protection laws have been implemented to promote responsible behavior, often imposing criminal penalties for non-compliance. The National Environmental Standards and Regulations Enforcement Agency Act of 2007 exemplifies such legislation, setting standards for environmental compliance and outlining corresponding offenses and penalties.

Currently, a bill concerning corporate social responsibility is under discussion in the Nigerian National Assembly (National Assembly of Nigeria, 2022). This bill aims to establish the Corporate Social Responsibility Commission (CSR Commission), responsible for creating, executing, supervising, and providing policies and relief for host communities affected by business operations (Igwe, 2015). The proposed legislation includes five major sections detailing the commission's establishment. Its passage would signify significant reform in Nigeria's corporate social responsibility practices and foster corporate ethics among Nigerian businesses (Ibekwe, 2015).

Agodi (2014) articulated that society does not only endorse businesses for profit but also expects compliance with federal, state, and local laws. These laws form the framework within which businesses must operate, aligning their economic missions with legal standards as part of the "social contract" between business and society. Legal social obligations embody "codified ethics," reflecting fundamental legal principles for fair operation (Ikpeama, 2017).

However, Hurst (2014) identified challenges to legal social responsibility. He noted that some companies adhere strictly to traditional business principles, focusing on maximizing profits at the expense of environmental considerations. This conventional mindset adversely impacts environmental protection.

Additionally, the inefficiency of existing legislation poses a challenge. Corporate social responsibility legislation is limited, and those in place are often poorly managed or unenforceable. While laws are meant to govern societal conduct, inadequate enforcement leads to negative outcomes.

Smith (2017) criticized the inadequacy of existing Nigerian laws, particularly in environmental protection, to safeguard citizens' rights. For example, the Nigeria Federal Environmental Protection Agency Act holds individuals and corporations accountable for discharging hazardous substances unlawfully. However, the effectiveness of financial penalties raises concerns about adequately compensating individuals harmed by pollution.

Jacob (2018) lamented the lack of compliance among companies regarding legal requirements, attributing this to a lack of awareness within Nigerian society about the importance of social responsibility towards the environment. He also pointed to governmental insensitivity and lack of security, exemplified by inadequate responses to harmful corporate practices like gas flaring. The Nigerian government's focus on generating income from corporate non-compliance—or "defaulters"—fosters a culture of insincerity towards corporate social responsibility. Consequently, the acceptance of financial compensation in lieu of genuine environmental stewardship undermines conservation efforts (Egbue, 2016).

While businesses must adhere to local laws, fulfilling ethical social responsibilities is equally crucial. Maignan and Ferrell (2014) defined corporate social responsibility as the obligation of businesses to account for actions that negatively impact the environment, communities, or individuals. Ogbemi and Akpoveta (2015) further elaborated that corporate social responsibility encompasses a company's accountability towards all stakeholders in its operations and activities.

Corporate Social Responsibility Stakeholders

Stakeholders refer to individuals, groups, or organizations that have an interest or concern in an organization. They can influence or be influenced by the organization's actions, objectives, and policies. Stakeholders are categorized as either internal or external. Internal stakeholders are individuals who have a direct

financial or personal interest in a company. This category includes owners, employees, and investors. External stakeholders, on the other hand, are those who are affected by a company's actions and outcomes but do not work directly for the organization. Examples of external stakeholders include suppliers, borrowers, and government organizations. In summary, stakeholders are essential individuals or groups that support the organization; their involvement is crucial for its existence (Ukpabi, Ikaba, Enyindah, Orji & Idatoru, 2018).

Stakeholders in the context of this research include;

i. Creditors
ii. Customers
iii. Directors
iv. Employees
v. Government (and its agencies)
vi. Shareholders (Owners)
vii. Suppliers
viii. Local Communities
ix. Union

Organisational Performance

Ikpeama (2017) described organizational performance as the ultimate measure of an organization's routines. In this context, financial performance refers to assessing a company's operations and policies in monetary terms. Market performance evaluates how effectively a company or product operates within the marketplace, while financial performance can be gauged by analyzing its return on investment. Moreover, human resources play a crucial role in ensuring that the organization achieves success through its people. Greening and Turban (2015) emphasize that analyzing the role of organizational performance in human resource management recognizes that organizations consist of individuals who collaborate to meet both personal and organizational objectives. Both private and public organizations facilitate the movement of people within the organization to realize these goals. The attainment of these objectives is reflected in the organization’s overall performance.

Productivity

There exists a strong relationship between legal social responsibility and productivity. Complying with state policies regarding timely tax payments and cooperating with government agencies, including factory inspectors, allows companies to operate with peace of mind, ultimately enhancing productivity. Micah (2015) asserts that productivity is a term often encountered in both academic and practical discussions, yet it is frequently misused and poorly defined. He notes that definitions of productivity are often influenced by the reviewer's perspective and the context in which they are applied. Various fields such as technology, engineering, economics, and business organizations examine productivity from slightly different angles. Generally, verbal definitions of productivity seek to clarify its meaning, while mathematical definitions serve as a basis for measurement, with the primary aim of improving productivity.

Nzube (2014) highlights that productivity has been a focal point for measuring organizational performance due to its critical significance for competitiveness and prosperity since the onset of industrialization. Productivity is arguably one of the most significant and influential factors affecting business activities. Uzonicha (2017) argues that high productivity can serve as a major source of competitive advantage for businesses and contributes positively to societal well-being. Thus, productivity emerges as a crucial instrument for assessing organizational performance.

Similarly, Uzochukwu (2017) emphasizes that the mounting pressure of global competition has compelled businesses to focus even more on product improvement. The concept of productivity has been the subject of extensive discussion, leading to various interpretations. Although the term is widely used by both academics and practitioners, Uzochukwu notes that many often confuse it with terms like profitability and performance. He insists that most managers lack a clear understanding of what productivity entails, its importance for success, and how it can be measured, analyzed, or improved. This suggests that productivity should be the foundation for measuring organizational performance. Furthermore, Bernolak (2017) defines productivity as "how much and how goods were manufactured from the materials used," while the European Association of National Productivity Centres (2015) describes it as "how efficiently and

effectively products and services are being produced." In this context, efficiency can be viewed as the skill of executing tasks correctly or utilizing available resources to achieve desired outcomes. Conversely, effectiveness pertains to the extent to which customer requirements are fulfilled at any given moment. Effectiveness highlights the importance of goal achievement, whereas efficiency focuses on the methods or means employed to reach those goals (Windell, 2016).

Ohamasi (2015) identifies several factors that determine organizational productivity, some of which can be quantitatively assessed, while others require qualitative analysis. According to Ohamasi, it is essential for organizations to thoroughly understand each major factor influencing productivity when evaluating it in relation to organizational performance. Additionally, the performance of these drivers must be assessed both individually and collectively, as changes in one driver can impact others. Effective assessment, therefore, involves comprehending how each driver contributes to overall productivity.

Aki (2014) defines productivity as the relationship between the amount of input factors used by an organization to generate output and the volume of output produced. He points out that output may take the form of either a product or a service, depending on the results. This indicates that both physical and human resources constitute the input factors. Consequently, to enhance productivity, an organization must either produce the same goods with fewer resources or improve the quality of goods with the same resources. Productivity improvement is thus defined as an increase in the ratio of produced goods or services to the resources utilized.

Review of Carroll's Pyramid of Csr Model (Legal Social Responsibility)

Carroll's Pyramid Model, developed by Archie B. Carroll, organizes corporate social responsibility into four tiers:

1. Economic Responsibility – Be profitable (the foundation).
2. Legal Responsibility – Obey laws and regulations.
3. Ethical Responsibility – Do what is right beyond the law.
4. Philanthropic Responsibility – Contribute to the community.

This model helps businesses understand that meeting legal obligations is not just compliance, but a critical part of being socially responsible (Carroll & Shabana, 2010). Legal responsibilities in Carroll's model emphasize that businesses must obey tax laws, follow environmental and labour regulations, and respect contractual agreements. Legal CSR includes paying taxes as mandated by the government. Taxes fund public services (roads, power, security, etc.), which companies rely on for their operations. For instance, a cement company that regularly pays taxes contributes to infrastructure development, which in turn supports its own supply chain efficiency and logistics.

Linking legal social responsibility to productivity explains how efficiently a company turns inputs (labour, raw materials) into outputs (for instance, cement production). Thus, a company that pays tax regularly tax builds goodwill with government agencies and local communities. This reduces risks of legal sanctions, penalties, or shutdowns and smoothens operations which lead to higher productivity. Again, compliant companies are more likely to benefit from government incentives, tax holidays, and grants, boosting their capacity for expansion and improved productivity. This claim is supported by Akinleye and Adedayo (2020), who noted that legal compliance attracts favourable regulatory treatment. Through legal compliance, taxes fund roads, electricity, and water supply, which are essential for cement manufacturing. There is also improved infrastructure which lowers operational bottlenecks, leading to faster and more efficient production. And finally among others, legal compliance includes fair labour practices and tax-related social security payments which improves employee satisfaction and reduces turnover and enhancing productivity.

Application the legal compliance to to Dangote Cement Plc and Lafarge Cement Plc, both companies are major players in Nigeria's industrial sector and are expected to comply with Federal Inland Revenue Service (FIRS) tax regulations, local government levies, and employee pension and payroll deductions. This is because legal CSR (paying taxes) is key to maintaining their operating environments and workforce stability, which directly boosts productivity.

Methodology

This study employed a descriptive survey research design alongside an ex-post facto research design. This approach facilitated the collection of information from employees of Dangote Cement Plc in Obajana, Kogi State, and Lafarge Cement Nigeria Plc in Calabar, Cross River State, as well as their respective host communities. Data sources included both primary and secondary data, specifically annual financial statistical bulletins from the two manufacturing firms under study for the years 2011-2020. The study's population comprised 3,274 employees from Dangote Cement Plc and 3,033 employees from Lafarge Africa Plc in Calabar, Cross River State. Additionally, the research included a total of 180 host communities associated with Dangote Cement Plc (including Apata, Obajana, Iwaa, and Oyo) and 162 host communities linked to Lafarge Africa Plc (including Ikot-Qmin, Ikot-Ansa, Atekong, and Creek Town) in Calabar, Cross River State, Nigeria. A sample size of 356 respondents from Dangote Cement Plc and 124 respondents from its host communities were selected, along with 353 respondents from Lafarge Cement Nigeria Plc and 115 respondents from its host communities. These sample sizes were determined using Taro Yamane's formula and Bowley's formula, in conjunction with simple random sampling techniques for data collection across groups and sub-groups. The study utilized a five-point Likert scale format for the questionnaire, which included options ranging from "Strongly Agree" to "Strongly Disagree." Content validity was established, and the Cronbach Alpha model analysis yielded a benchmark of 0.70, as reviewed by Field (2009). Data were analyzed and presented using descriptive statistics, including simple percentages, frequencies, and means. The hypothesis was tested using Pearson Moment Correlation Coefficient Analysis.

RESULTS

Response to Legal Social Responsibility (Staff only)

Table 1: Response to Legal Social Responsibility (Staff only)

Statements	VHE	HE	LE	VLE	Total	$\bar{x}$
1. In what extent has your company compliance with its statutory obligations in relation to payment of taxes	192 63.0%	113 37.0%	- -	- -	305 100	3.62

2.	To what extent does company deals with issues relating to employment law or policies	143 46.9%	95 31.1%	43 14.1%	24 7.9%	305 100	3.17
3.	In what extent has your company complied with factory inspectors	216 70.8%	71 23.3%	18 5.9%	- -	305 100	3.64

Source: Field Survey, 2024 Decision rule: mean >2.5 adopted, mean < 2.5 rejected.

Table 1 presents the responses regarding legal social responsibility. A significant 70.8% of respondents strongly agreed that their company complies with factory inspectors. Additionally, 63.0% of respondents strongly agreed that their company meets its statutory obligations concerning tax payments. Furthermore, 46.9% of respondents strongly agreed that their company diligently addresses issues related to employment law or policies. The analysis utilized a mean value decision rule, where a mean value greater than 2.5 was accepted, while a mean value less than 2.5 was rejected. The results indicate that company assistance to host communities in terms of job provision for unemployed youth has a mean value of 3.60. Company compliance with statutory tax obligations has a mean value of 3.62, and the diligent handling of employment law issues has a mean value of 3.17. Since all research statements regarding legal social responsibility exceed the 2.5 threshold, the researcher confirms that the studied firms provide substantial economic and legal social responsibility to their host communities.

Response to Legal Social Responsibility (Host Communities only)

Table 2: Response to Legal Social Responsibility (Host Communities only)

	Statements	VHE	HE	LE	VLE	Total	$\bar{x}$
1.	Does the company comply with levies payment and memorandum of understanding sign with your community	63 28.9%	77 35.3%	47 21.6%	31 14.2%	218 100	2.78

2.	To what extent does company deals with issues relating to employment law or policies?	70 32.1%	98 45.0%	40 18.3%	10 4.6%	218 100	3.04
3.	In what extent has your company complied with factory inspectors?	71 32.6%	123 56.4%	5 2.3%	19 8.7%	218 100	3.15

Source: Field Survey, 2024 Decision rule: mean > 2.5 accepted, mean < 2.5 rejected

The level of compliance with legal social responsibility, as reported by host communities, is presented in Table 2. The findings indicate that 56.4% of respondents strongly agreed that the companies studied complied with factory inspectors. Additionally, 45.0% of respondents strongly agreed that these companies addressed issues related to employment law and policies. Furthermore, 35.3% of respondents indicated that the companies complied with levy payments and adhered to memorandums of understanding with their communities. The precision of this analysis follows the mean value decision rule, where a mean value greater than 2.5 is accepted, while a mean value less than 2.5 is rejected. Based on the results, three statements demonstrated a mean value exceeding the accepted threshold of 2.5.

Trend Analysis

Line graph are presented in Figure below to illustrate the trend exhibited by the selected variables in the study:

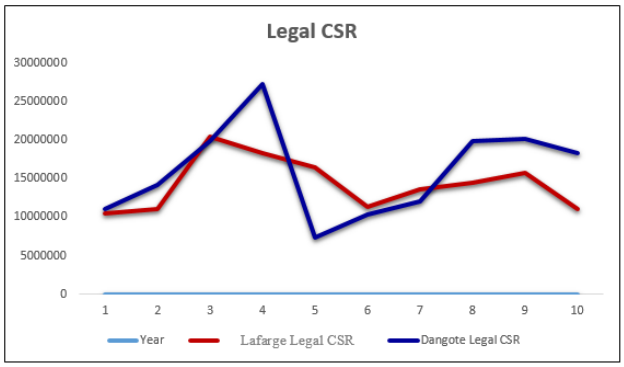


Figure 1: Trend Analysis of Legal CSR Proxied by Amount Spend on Tax and Levies paid from the 2011 – 2020, as represented by 1 – 10 in the trend.

Figure 1 illustrates the trend of legal corporate social responsibility (CSR) from 2011 to 2020 for Dangote Cement Plc and Lafarge Cement Nigeria Plc. From 2011 to 2014, there was a significant increase in legal CSR for Dangote Cement Plc, while Lafarge Cement Nigeria Plc experienced growth from 2011 to 2013. However, between 2014 and 2016, both companies allocated minimal funds toward levies and tax payments within their communities. During the period from 2017 to 2019, the amounts designated for legal CSR increased significantly; however, there was a noticeable decline in 2020. In conclusion, between 2011 and 2020, Dangote Cement Plc, located in Obajana, Kogi State, and Lafarge Cement Nigeria Plc, situated in Calabar, Cross River State, exhibited fluctuating trends in their legal CSR investments.

Test of Hypoheses

H_{O2}: There is no significant relationship between legal social responsibility and productivity of Dangote Cement and Lafarge Cement

Table 4.9: Pearson Moment Correlation Coefficient Analysis of the Relationship between Legal Social Responsibility and Productivity of Dangote Cement and Lafarge Cement

Correlations

		Productivity	LegalCSR
Productivity	Pearson Correlation	1	.485**
	Sig. (2-tailed)		.000
	N	523	523
LegalCSR	Pearson Correlation	.485**	1
	Sig. (2-tailed)	.000	
	N	523	523

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

The Pearson moment correlation coefficient matrix illustrates a significant relationship between legal social responsibility and productivity for both Dangote Cement and Lafarge Cement Nigeria Plc. The findings indicate a positive correlation, suggesting that an increase in legal social responsibility correlates with

a rise in sales turnover and productivity for these companies, quantified at 0.485. This signifies that legally mandated corporate responsibilities have a notable impact on organizational productivity. Specifically, the results indicate that 48.5% of the increase in productivity for Dangote Cement and Lafarge Cement Nigeria Plc can be attributed to the legal corporate responsibilities undertaken during the specified period. This aligns with the research conducted by Uchehara (2019), which explored the enhancement of corporate competitiveness through social responsibility initiatives. Uchehara examined the role of corporate social responsibility in boosting competitiveness within firms in Nigeria's consumer goods sector. Using a pooled sample and ordinary least squares (OLS) regression analysis, the study revealed that corporate social responsibility exerted positive and significant effects on key performance metrics, including Return on Sales (ROS) and Return on Investment (ROI). The researcher concluded that legal social responsibility serves as an effective management strategy for enhancing the corporate competitiveness of businesses in Nigeria.

Discussion of Results

There is positive relationship between legal social responsibility and productivity of Dangote Cement Plc and Lafarge Cement Nigeria Plc

The Pearson moment correlation coefficient matrix indicates a significant relationship between legal social responsibility and productivity for Dangote Cement and Lafarge Cement Nigeria Plc. The results reveal a positive correlation, suggesting that an increase in legal social responsibility corresponds to an increase in sales turnover and productivity for both companies, with a correlation coefficient of 0.485. This implies that legally mandated corporate responsibility significantly impacts organizational productivity. Specifically, 48.5% of the increase in productivity for Dangote Cement and Lafarge Cement Nigeria Plc can be attributed to legally related corporate responsibility incurred during the specified period. These findings align with Uchehara (2019), who researched the enhancement of corporate competitiveness through social responsibility initiatives. Uchehara examined the role of corporate social responsibility in boosting competitiveness for firms in Nigeria's consumer goods sector. Results from a pooled sample using ordinary least squares (OLS) regression analysis demonstrated that corporate social responsibility positively influences firm Return on Sales (ROS) and Return on Investment (ROI). The researcher concluded

that legal social responsibility is a crucial management strategy for enhancing corporate competitiveness in Nigeria.

Further supporting these findings, Dickson and Nwosu (2018) investigated the impact of corporate social responsibility on the organizational performance of selected firms, including Mobile Telephone Network and Lafarge Cement Nigeria Plc. Their findings revealed a strong positive relationship between customer satisfaction and sales for both organizations at a 0.01 significance level. Additionally, their study found a positive correlation between tax payments and returns on investment, also significant at the 0.01 level (2-tailed). Furthermore, the research conducted by Sandaruwau and Ajward (2018) examined the effect of corporate social responsibility on financial performance, utilizing data from 153 public limited companies listed on the Colombo Stock Exchange. The study concluded that there is a significant and positive relationship between corporate social responsibility and financial performance.

Conclusion

The empirical results indicate a positive relationship between legal social responsibility and the productivity of Dangote Cement and Lafarge Cement Nigeria Plc. Corporate social responsibility (CSR) management refers to the ongoing commitment of business organizations to act ethically and contribute to human and economic development. This commitment also aims to enhance the quality of life for the workforce, the local community, and society as a whole. CSR management encompasses a company's obligation to be attentive to the needs of all stakeholders involved in its business operations.

Recommendations

The following recommendations are proposed based on the findings of this study:

1. Organizations should adhere to national and international labor and tax laws.
2. Compliance with national factory inspections will benefit stakeholders and enhance shareholder wealth.

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