

## **An Assessment of the Perception of the Image and Reputation of Rivers Vegetable Oil Company Limited (Rivoc), Port Harcourt, Nigeria**

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**ABSTRACT:** *This research work assessed the corporate social responsibility activities of Rivers Vegetable Oil Company Limited (RIVOC), Port Harcourt, Nigeria, in Elekahia, its host community. The research design used was the survey method while the sampling technique was the purposive sampling. Data for the research were gathered using structured questionnaires. Findings from the research showed that the image and reputation of the company were poor due to the company's failure to undertake some community development projects particularly in the sponsorship of educational programmes such as scholarship awards and building of educational infrastructural facilities. The study recommended the establishment of a functional Public Relations (PR) department in the company to assist in building the image of the company through the articulation of corporate social responsibility programmes on education and provision of other social amenities to the host community.*

**KEYWORDS:** *Community, Corporate Image, Corporate Social Responsibility, Public Relations, Responsibility.*

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### **I. INTRODUCTION**

Scholars and authors world over have posited that companies should assume certain responsibilities in their host communities in order to garner positive image. One of the ways through which a corporate organisation can achieve a favourable image as posited by Anuforo (2007) and Wokemezie (2010) is by being responsive to its community neighbours through the provision of basic social amenities.

Indeed public relations practitioners with foresight (Asongu, 2007), have recognised that socially responsible behaviour helps to cultivate a good reputation and favourable image in a company's host community. They recognise that the relationship that exists between a company and its host communities is a give-and-take relationship. This in public relations parlance is known as corporate social responsibility. It is against this background, predicated upon the nonchalant attitude of numerous companies towards the provision of social amenities to their host communities that this study is premised. It was aimed at investigating the performance of RIVOC in the provision of social amenities, particularly in the educational sector of its host community.

#### **1.1 Corporate Social Responsibility**

As the words corporate, social, and responsibility suggest, corporate social responsibility (CSR) covers the responsibilities that companies have to the societies within which they operate. It concerns itself with what a company could do to make its immediate communities better in terms of living conditions, social facilities and other requirements. It is a concept that enables for a wider perspective of how to conduct business, thereby strengthening the link between a company and its various publics. Corporate social responsibility addresses the issue of how a company can create sustainability by behaving in a responsible way where a high responsiveness to the environment is crucial. According to Ikpeama (1989) and Carrol (1991), CSR is a management strategy which seeks to plan and manage an organisation's relationship with all those involved or affected by its activities. The need to play a part in community affairs, according to Black (1989), is now generally accepted by industries and this takes a number of forms. This kind of participation in community affairs does much to establish a company as a good corporate neighbour. Peak (1991) and Garriga and Domenec (2004), posit corporate social responsibility as a public relations tool which institutions use to maintain and enhance it's environment to the benefit of itself and the community, while McCombs (2002) posits that CSR refers to a company linking itself with ethical values, transparency, employee relations, compliance with legal requirements and overall respect for the communities in which they operate. This explains why it is seen as a vital tool in improving the corporate image of some of the world's largest corporations.

## 1.2 Brief History of Rivoc

Rivers Vegetable Oil Company Limited (RIVOC) was established by the Rivers State Government in 1973 as a state owned company. Located in the Elekahia axis of the Trans-Amadi Industrial Layout in Port Harcourt Local Government Area of Rivers State, the company was established essentially to extract crude palm kernel oil. It became operational in 1977. Two years after commissioning the plant, the company was shot down as a result of management and technical problems which resulted in colossal financial losses to both the company and the Rivers State Government. In July 1988, the Rivers State Government privatised the company in accordance with the Federal Government's privatisation and commercialisation policy. Following its privatisation, ownership of RIVOC shifted from the Rivers State Government to the Nigeria Engineering Works Limited, Port Harcourt, a company owned by the Birla Group of India. Birla Group which had the majority share also had other shareholders namely Kanem Farms Limited, Birla Associates Pvt Limited Singapore, Maxwell Resources Limited and Risonpalm Limited (RIVOC, 2006a).

Within six months, the new management successfully refurbished the crucial machinery of the company's rundown plant. With the reactivation exercise completed, the Solvent Extraction plant was re-commissioned for production in early 1989. Presently, RIVOC operates seven active major plants and is the third largest vegetable oil processing company in Nigeria and a manufacturer of Fast Moving Consumer Goods. It is also the single largest producer of crude palm kernel oil and palm kernel extraction in the country. The company's brands of products include Refined Palm Kernel Oil, Refined Palm Olien, Bakery Fat, Margarine, Toilet Soaps, Laundry Soaps and Detergent Soaps (RIVOC, 2006b).

## II. METHODOLOGY

### 2.1 Research Design

The researchers employed the survey method research design in which they made use of the purposive sampling technique. The method tried to elicit the perception of the host community on the company as a good corporate citizen.

### 2.2 Population of the Study, sample and Sampling techniques

The population of the study comprised a total of 500 males and females aged twenty-five (25) years and above made up of chiefs/elders, elites/opinion leaders, women groups, youth bodies and social clubs that reflect the mind of the people. They were drawn from Elekahia, the host community of RIVOC. The Krejcie and Morgan's (1970) prescription (Table 1) below and Asika (2006), were adopted to assign the sample size.

**TABLE 1: Krejcie and Morgan's (1970) prescription of sample size for different population at 95% confidence level**

S/NO	POPULATION SIZE	SAMPLE SIZE	S/NO	POPULATION SIZE	SAMPLE SIZE
1	50	44	15	260	155
2	75	63	16	280	162
3	100	80	17	300	169
4	120	90	18	400	196
5	130	97	19	500	217
6	140	103	20	1000	278
7	150	108	21	1500	306
8	160	113	22	2600	322
9	170	118	23	3000	241
10	180	123	24	4000	351
11	190	127	25	5000	357
12	200	132	26	10000	370
13	220	140	27	50000	381
14	240	148	28	100000	384

### 2.3 Research Instruments

The instrument adopted were short-structured questionnaires designed using the close-ended approach that generated quantitative data.

## 2.4 Method of Data Collection

The questionnaires were administered on the sampled population of the respondents (500) drawn from among chiefs/elders, elites/opinion leaders, women groups, youth bodies, and social clubs in the community. Four hundred and sixty-seven (467) copies of the questionnaires, representing 93.40% were retrieved from the respondents.

## 2.5 Method of Data Analysis

Simple percentages and frequencies were employed in data presentation and analysis. The highest percentage of respondents represented the majority view of the respondents.

## III. RESULTS

### 3.1 Research Question 1:

How would you assess the image of the company in your community as a socially responsible corporate organisation?

The above research question was split into sub-questions (i) - (vii) to elicit responses from the respondents on their perception of the image and reputation of the company vis-a-vis undertaking some community development projects particularly in the sponsorship of educational programmes such as scholarship awards and building of educational infrastructures.

(i) How would you picture the company in respect to your answer above?

**TABLE 2: Respondents' perception of the company.**

Response category	Number of Respondents	Percentage Response (%)
Very friendly to host community	-	-
Friendly to host community	13	2.8
Unfriendly to host community	420	89.9
Uncertain	34	7.3
<b>TOTAL</b>	<b>467</b>	<b>100</b>

Data contained in table 2 showed that no respondent indicated very friendly to the host community, 13 (2.8%) respondents indicated friendly to host community, 420 (89.9%) respondents indicated unfriendly to host community while 34 (7.3%) respondents indicated uncertain.

(ii) Does the company have good rapport with the community?

**TABLE 3: Company's rapport with the community**

Response category	Number of Respondents	Percentage Response (%)
YES	18	3.9
NO	421	90.1
PARTIALLY	28	6.0
<b>TOTAL</b>	<b>467</b>	<b>100</b>

Table 3 above showed that 18 (3.9%) of the respondents said yes, 421 (90.1%) respondents said no while 28 (6.0%) respondents said partially.

(iii) Has your community ever made your feelings known to the company?

**TABLE 4: Community's expression of feeling on the company**

Response category	Number of Respondents	Percentage Response (%)
YES	426	91.2
NO	41	8.8
<b>TOTAL</b>	<b>467</b>	<b>100</b>

In table 4 above, 426 (91.2%) respondents indicated YES while 41 (8.8%) respondents indicated NO.

(iv) Please indicate which of these means your community used to make your feelings known to the company?

**TABLE 5: Means through which they express their feelings**

Response category	Number of Respondents	Percentage Response (%)
Letters	31	6.6
Delegation	69	14.8
Protests	12	2.6
All of the above	355	76.0
None of the above	-	-
<b>TOTAL</b>	<b>467</b>	<b>100</b>

Table 5 above showed that 31 (6.6%) respondents indicated letters, 69 (14.8%) respondents indicated delegation, 12 (2.6%) respondents indicated protest, 355 (76%) respondents indicated all of the above while no respondent indicated none of the above.

(v) How would you generally assess the company in its community development efforts?

**TABLE 6: Assessing the company's community development efforts**

Response category	Number of Respondents	Percentage Response (%)
Very Good	-	-
Good	13	2.8
Very poor	371	79.4
Poor	52	11.2
Uncertain	31	6.6
<b>TOTAL</b>	<b>467</b>	<b>100</b>

Data contained in table 6 above showed that no respondent said very good, 13 (2.8%) respondents said good, 371 (79.4%) respondents said very poor, 52 (11.2) respondents said poor while 31 (6.6%) respondents said that they were uncertain.

(vi) How would you rate the company's performance in its corporate social responsibility to your community?

**TABLE 7: The Company's rating by the host community**

Response category	Number of Respondents	Percentage Response (%)
Excellent	-	-
Very good	-	-
Good	6	1.3
Poor	183	39.2
Very poor	278	59.5
<b>TOTAL</b>	<b>467</b>	<b>100</b>

The table 7 above showed that 0% respondents indicated excellent and very good respectively, 6 (1.3%) respondents indicated good, 183(39.2%) respondents indicated poor while 278 (59.5%) respondents indicated very poor.

(vii) How would you rate the company's image in your community?

**TABLE 8: Rating the company's image in the host community**

Response category	Number of Respondents	Percentage Response (%)
Excellent	-	-
Good	-	-
Fair	13	2.8
Poor	139	29.8
Very poor	315	67.4
<b>TOTAL</b>	<b>467</b>	<b>100</b>

Data contained in table 8 above showed that 0% respondents indicated excellent and good respectively, 13 (2.8%) respondents indicated fair, 139 (29.8%) respondents indicated poor, while 315 (67.4%) respondents indicated very poor.

**3.2 Research Question 2:**

How can the company’s image be improved in its host community?

The above research question was split into sub-questions (viii) and (ix) to elicit responses from the respondents on how the company’s image can be improved in the community.

(viii) Do you think that the company’s image can be improved in your community?

**TABLE 9: Improving the Company’s image in its host community**

Response category	Number of Respondents	Percentage Response (%)
YES	459	98.3
NO	2	0.4
Not certain	6	1.3
<b>TOTAL</b>	<b>467</b>	<b>100</b>

Table 9 above showed that 459 (98.3%) respondents said YES, 2 (0.4%) respondents said NO while 6 (1.3%) respondents said NOT CERTAIN..

(ix) If yes, through what means can RIVOC improve its image in your community?

**TABLE 10: Ways to improve the company’s image**

Response category	Number of Respondents	Percentage Response (%)
Dialogue and communication	16	3.4
Provision of social amenities	102	21.8
Sponsorship of educational programmes	40	8.6
Awarding scholarships to indigenes of host community	31	6.6
All of the above	278	59.6
None of the above.	-	-
<b>TOTAL</b>	<b>467</b>	<b>100</b>

Data contained in table 10 above showed that 16 (3.4%) respondents said dialogue and communication, 102 (21.8%) respondents said provision of social amenities, 40 (8.6%) respondents said sponsorship of educational programmes, 31 (6.6%) respondents said awarding scholarships to indigenes of host community and 278 (59.6%) respondents said all of the above while 0% respondents said none of the above.

**IV. DISCUSSION**

**Research Question I**

This research question was answered using items i – vii of the questionnaire. From the findings of the responses to this research question, it is quite clear that the host community’s assessment of the company’s image is rather low due to its failure to make a positive impact. The company is perceived in the host community as unfriendly and very poor in community development records. For instance, Table 3 above shows that 18 (3.9%) respondents agreed that they have good rapport with the company, whereas a whopping 421 (90.1%) respondents said they do not have good rapport with the company, while 28 (6.0%) respondents said they have a partial rapport with the company. Similarly, in Table 6 above, the assessment of the company in its host community shows that 2.8% respondents assessed the company as good, 79.4% respondents assessed the company very poorly, 11.2% said poor, 6.6% were uncertain, while no respondent said very good. Also, no respondent rated the company excellent and very good respectively, 1.3% respondents rated the company good, 39.2% respondents rate the company poor while 59.5% respondents rated the company very poor. The above findings show that the company is not mindful of the obvious benefits of pursuing a CSR strategy especially in its host community.

The findings of this research work shows that RIVOC does not have a good rapport with their host community. Consequently, the host community's rating of the company's image is rather poor especially in its community development efforts.

### **Research Question 2**

Findings to the above research question reveal that the respondents agree that the company's image can be improved especially when the company embraces the practice of CSR in its host community. This is illustrated in tables 9 and 10 above. Table 9 above ascertains whether the company's image can be improved in its host community. 98.3% respondents said yes, 0.4% respondents said no while 1.3% respondents were not certain that the company's image can be improved in its host community.

Table 10 showed that if the company incorporates the tenets of CSR in its decision making strategy, it will no doubt enhance its image and reputation in its host community. The Table shows that 3.4% respondents indicated that the company's image can be improved through dialogue and communication, 21.8% respondents indicated provision of social amenities, 8.6% respondents indicated sponsorship of educational programmes, 6.6% respondents indicated award of scholarships to indigenes of the host community, 59.6% respondents indicated all of the above while no respondents indicated none of the above.

## **V. CONCLUSION**

This study has assessed the corporate social responsibility activities of RIVOC and how it has affected the company's image and reputation in its host community. There is no doubt that the company has failed in its CSR activities and has as a result earned a battered image for itself. As a company, it has failed to assume some responsibilities for the consequences of its operation in its host community.

Based on the research findings, it is evident that there is total lack of mutual relationship between the company and its host community. The company should realise the need to play a part in the community development of its host community. It is only when the company assumes such responsibility that it would enjoy mutual relationship in its host community. This is so because CSR is a part of corporate activity that cannot be neglected or glossed over any more by the company.

It is hoped that the company would develop a good corporate citizenship as continuous failure would further put the company in the doldrums of battered image which ultimately may engender community agitations.

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