Assessing the Role of Infrastructure on Crisis Management by Agribusiness Companies in Benue State

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Abstract: The study objective was to determine the extent to which infrastructure affects crisis management by agribusiness companies in Benue State. The study employed correlational survey research design. The population consists of staff from private companies operating in Benue State, such as Ashi Rice, Miva Rice, Tito Randiaries and Gushen Water. The total population was made up of 460 staff who had worked for more than 5 years in the above mentioned agribusiness companies. Two hundred and fourteen (214) respondents were arrived at through sampling determination. Primary data was used in this study. This was made possible by the administration of research questionnaires. Secondary data from literature was used to complement primary data results. The data for the study was analyzed using computer-based Statistical Package for Social Sciences (SPSS version 21 for Microsoft Windows). Infrastructure aided host communities to develop and maintain a calm status towards the firm operating in its domain. Infrastructure is central to sustainable development and economic competitiveness of any nation. The study concludes that, there is significant relationship between infrastructure and crisis management of companies operating in Benue State, Nigeria. Agribusiness companies should enact at least one single laudable infrastructure to serve as an icon to the host communities in Benue State. Involving important elements in the infrastructural planning and development by the agribusiness companies will go a long way in reducing the tension between the host communities and agribusiness companies.

Key words: agribusiness companies, crisis management, infrastructure, Benue State

1. INTRODUCTION
Infrastructure is a basic component of Corporate Social Responsibility (CSR). CSR is the relationship between firms and society in which they operate and interact. The ability of firms to care for its immediate community is what we refer to as social responsibility it could be through monetary or non monetary donations to the community (Onwe, 2014; Ogidi, 2014a). Society is defined in broader sense and many levels which include all stakeholders and groups that keep interest in supplier, Government, local communities and even the environment (Ogidi, Olotu & Olapede, 2013; Iqbal, Ahmad, Hamad, Bashir & Sattar, 2014). Corporate social responsibility (CSR) disclosure has attracted much attention over the past three decades (Uwuigbe, 2011). It reduces the information gap between the firm and stakeholders and thus lowers the firm’s cost of capital (Dhalilwal, Li, Tsang & Yang, 2009; Cormier, Ledoux & Magnan, 2009; Ogidi, 2014b) and enhances firm value (Orlitzky, Schmidt & Rynes, 2003; Margolis & Walsh, 2003). Corporate social responsibility (CSR) can simply be defined as the act of taking care of one immediate community (Onwe, 2014). One basic component of CSR is “infrastructure” which could be through provision of electricity, pipe borne water, building of good roads and ensuring security in the society in the environment where the firm operates (Ogidi, 2014c). One of the
major causes of conflicts is host communities’ distrust for firms operating in their domains. Consequent on the poor relationship between the two parties, host communities believe that companies exploit them by destroying their natural habitat. The companies however, fail to adequately compensate them by putting in place basic infrastructure to meet the needs of the community.

1.1. Objective of the Study
To determine the extent to which infrastructure affects crisis management by agribusiness companies in Benue State

1.2. Research Question
To what extent does infrastructure affects crisis management by agribusiness companies in Benue State?

1.3. Statement of Hypothesis
H0: There is no significant effect of infrastructure on crisis management by agribusiness companies in Benue State

2. LITERATURE REVIEW
2.1. Theoretical Framework
Conflict Theory: Of the classical founders of social science, conflict theory is most commonly associated with Karl Marx (1818–1883) (Marx and Engels, 1998). Based on a dialectical materialist account of history, Marxism posited that capitalism, like previous socioeconomic systems, would inevitably produce internal tensions leading to its own destruction. Marx ushered in radical change, advocating proletarian revolution and freedom from the ruling classes. At the same time, Karl Marx was aware that most of the people living in capitalist societies did not see how the system shaped the entire operation of society. Two early conflict theorists were the Polish-Austrian sociologist and political theorist Ludwig Gumplowicz (1838–1909) and the American sociologist and paleontologist Lester F. Ward (1841–1913). Although Ward and Gumplowicz developed their theories independently they had much in common and approached conflict from a comprehensive anthropological and evolutionary point-of-view as opposed to Marx's rather exclusive focus on economic factors. Gumplowicz, in Grundriss der Soziologie (Outlines of Sociology, 1884), describes how civilization has been shaped by conflict between cultures and ethnic groups. Gumplowicz theorized that large complex human societies evolved from the war and conquest. The winner of a war would enslave the losers; eventually a complex caste system develops (Irving, 2007). Horowitz says that Gumplowicz understood conflict in all its forms: "class conflict, race conflict and ethnic conflict", and calls him one of the fathers of Conflict Theory (Horowitz, 1986).

Conflict theory posits that in a society or an organization, each individual participant and/or group struggles to maximize certain benefits and this inevitably contributes to social change. This change may include political struggles and revolution. The theory focuses on the idea that personal or group’s ability has a role to play in exercising influence and control over others in producing social order. Hence, conflict theorists believe that there is a continual struggle between all different elements of a particular society. According to Wallace & Wolf (2006), conflict theory evolved as a major alternative to the functionalist approach to analyzing a society’s general structure. Ritzer (2003) also observes that apart from the theory’s origination in
reaction to structural functionalism, it also has other roots that include Marxian theory and works of Georg Simmel on social conflict. Conflict theory provided an alternative to the functionalist approach in the 1950s and 1960s. Although it was superseded by a variety of neo-Marxian theories after the 60s (Ritzer & Goodman, 2004), it has become increasingly popular and relevant in modern sociology (Wallace and Wolf, 2006). Functionalists consider societies and social institutions as systems in which equilibrium is created through the interdependence of all the parts. They do not deny the existence of conflict; however, they believe that the society evolves means of controlling it. This forms the basis of functionalist analysis. Conflict theorists, on the other hand, perceive the society in a different light. Contrary to functionalists’ view of the existence of interdependence and unity in the society, conflict theorists view the society as an arena where groups contend for power. For conflict to be controlled, one group must be able to, at least temporarily, suppress its rivals. Conflict theory focuses on the shifting balance of power among competitors in the society, rather than the creation of equilibrium through interdependence and cooperation (Wallace & Wolf, 2006). This Marxist perspective has been specifically applied to international organizations/multinational corporations, which are the focus of this study. According to Pease (2003), Marxists argue that international organizations are products of hegemony. However, traditional Marxists and Gramscian Marxists have two separate notions of hegemony, thereby leading them to different conclusions on the nature of international organizations. While traditional Marxists tend to equate hegemony with military and both class and national boundaries without compromising the dominant class’ position.

2.2. Conceptual Framework

a) Concept of Infrastructure: Infrastructure is necessary for host communities to develop and maintain a calm status towards the firm operating in its domain. Businesses are recognizing that adopting an effective infrastructure approach to CSR can reduce the risk of business disruptions, open up new opportunities, drive innovation, enhance brand and company reputation and even improve efficiency (Ezeigwe, 2010).

Human (national) development is about meeting and satisfying basic human needs and aspirations, protecting their freedoms and rights, minimising risks to their survival, enhancing human security, and empowering them to tap and maximise their potential (Jega, 2010). Infrastructure is central to sustainable development and economic competitiveness of any nation. A nation without infrastructure is like a body without anatomy. Today, inadequate infrastructure is holding back Africa’s economic growth per capita by two per cent each year, and reducing firms’ productivity by as much as 40 per cent (ICA,2010). Sub-Saharan Africa is also lagging behind the rest of the world in its level of infrastructure development, thereby blocking the quick movement of goods and people on the continent and increased transport costs to as much as twice that in any typical Asian country (ICA, 2005).

The largest deficit in infrastructure can be found in the power sector where only one in four Africans have access to electricity with about 30 African countries estimated to be experiencing regular blackouts due to power shortages. Even though firms struggle to cope by installing their own back-up generators, this costs three to four times as much as the cost of grid electricity. The 48 sub-Saharan African countries including Nigeria, with some 800 million people, produce collectively only about as much power as Spain, which has only 1/18th of the population (USAID, 2009). The lack of affordable and reliable power is cited by investors as the number one constraint to doing business in most African countries, Nigeria inclusive.
Despite Africa’s great potential which includes clean energy resources such as hydropower, solar, wind, and geothermal, these problems continue to persist because investments in new facilities and maintenance of existing infrastructure have been woefully inadequate, leaving many African countries with degraded and inefficient electricity services; poor quality roads, railways, and ports; and an inadequate ICT backbone (USAID, 2009).

Nigeria by its size and population of about 170 million bears at least 20 per cent of this burden, and the citizens are generally disillusioned with the level of development and distrusting of government because not much has been done in the provision of physical infrastructure 55 years after independence.

It is a recurring decimal of pains that the country faces with poor road, water and sanitation conditions, inadequate electricity, gas, and fuel oil supply, leading to high use of solid fuels (fuel woods) especially for domestic chores. As reported by the World Health Organisation, Nigeria has the highest rate of deaths attributable to solid fuel use, at 79,000 annually and four per cent national burden of disease.

The first power station in Nigeria was established by the Public Works Department in Lagos in 1896, with a capacity of 60MW, while the first private electricity company, Nigerian Electricity Supply Company was set up in 1929, with a capacity of 19MW. The scheme, a hydro-electricity plant on Kura Falls was originally meant to supply electricity to the Tin mines in Jos, but later extended its services to Bukuru, Jos Townships and Kafachan. In subsequent years, other exploitable hydro power sites with cumulative potential of over 12,000MW were identified. With 120 years of public sector experience, and 87 years of private sector, what is our story?

The National Integrated Power Project scheme was designed as a fast-track Federal Government initiative to resolve the power supply problem in Nigeria, by expanding Generation, Transmission and Distribution capacities. The scheme was conceived in the late 2004 and implementation commenced in 2006 under the administration of President Olusegun Obasanjo, but ran into a hitch shortly after the new administration of President Umaru Yar’Adua came on board in May 2007. The initial contentious issue was the legality of the funding process. The Revenue Mobilisation Allocation and Fiscal Commission had instituted a legal action against the mode of utilisation of the proceeds of the excess crude account for the project. As the argument raged on, another controversy arose as to the actual expenditure on the project up to the time. Various amounts were bandied by officials of both the old and the new administration and the media was awash with all manner of sensational news and commentaries. The matter however came to a head when via a motion moved by the Minority Leader, the House of Representatives resolved to have its Committee on Power probe the entire project. President Yar’Adua, in deference to the House, ordered a stop to further fund disbursements to the project until the outcome of the probe. This decision created apprehension among the contractors, and work stopped for a long while until the resumption of payment to contractors and grant of a 70 per cent waiver on charges incurred on all longstanding containers belonging to the NIPP that were lying at the terminal for about three years.

The NIPP is an amalgam of generation, transmission and distribution projects packaged as Engineering Procurement Construction contracts managed by the Niger Delta Power Holding Company incorporated by government for the purpose. The project at the outset, according to the Forum of NIPP Consultants and Contractors, engaged the services of a total of 108 consulting
and contracting firms, including 34 consulting and 53 contracting Nigerian firms, with about 5000 Nigerian employees as of August 2007. Now, with this array of experts, how did it happen that feedstock, route reconnaissance and delineation issues were not addressed? How did it happen that the construction of Mambilla Dam with an assured 2,600MW, was not commenced immediately since it had a longer completion timeline, and the NIPP didn’t have all the time in the world? Today, we have quite some turbines that have not been cranked years after installation with attendant repercussions.

Could all these and more be due to inadequate planning, negligence and poor management? Could it be due to the fact that the Niger Delta Power Holding Company is managed by a non-engineer? Are the consulting firms, multi-disciplinary partnerships or single family or sole businesses? Are they ACEN firm members? Are these questions even relevant? If not, what are the relevant questions? I engaged a number of important stakeholders and they had so much to say in hush voices. Certainly, engineering, not political questions, as happened in the House of Representatives, need to be asked now as to what really happened that we are where we are at.

The bottom line however is that so much resources have been committed, but of what benefit to the generality of the people? This is the perception among a large segment of the society, and one cannot in good conscience discountenance their opinion. I believe that a technical audit of this project, spearheaded by ACEN is necessary to put paid to the controversies around the projects, learn lessons and develop more sustainable templates for future projects. There are about 200,000km of roads in Nigeria, and 36,000km belong to the Federal government. Of the latter, only about 30 per cent that are in good condition. The shares of the states and local governments are in terribly worse conditions. The issues here revolve around poor institutional arrangements. The Ministry of Works is combining policy formulation with implementation and this is proving Herculean. It is common knowledge that the ministry is the only one without fully enabled parastatals for implementation. The road sector bills have been on the table since 2008. They were eventually sent to the Seventh National Assembly but there isn’t enough interest in them yet.

b) Concept of Crisis Management: Authors of crisis management did suggest various strategies for effective management of crises. Various approaches depend on the situation in question. Important steps to crises management comprise an early identification of the cause, mitigation and management of crises (Warner and Pelfreyman, 2003; Elimeleh, 2007; Brian, 2007; Murawski et al., 2011). The authors confirmed that the end of a crisis does not put a stop to the management activities. Instead, it should be the time that the organization not only enjoys the accomplished success but sits back to reevaluate actions taken so as to prepare a better delivery in subsequent situations.

3. METHODOLOGY
3.1. Research Design
The study employed correlational survey research design. A survey research design seeks to obtain information that describes existing phenomenon by asking individuals about their perceptions, attitudes and values.
3.2. Population of the Study
The population consists of staff from private companies operating in Benue State, such as Ashi Rice, Miva Rice, Tito Randiaries and Gushen Water. The total population was made up of one hundred and sixty (460) staff who have worked for more than 5 years in the above mentioned private firms.

3.3. Sample Size and Sampling Determination
Two hundred and fourteen (214) respondents were chosen for the study through the use of Yaro-Yamene (1967) sample size determination technique.

3.4. Method of Data Collection
Primary data was used in this study. This was made possible by the administration of research questionnaires. Secondary data from literature was used to complement primary data results.

3.5. Data Analysis Techniques
The data for the study was analyzed using computer-based Statistical Package for Social Sciences (SPSS version 21 for Microsoft Windows). Statistics from multiple regression analysis was formally used to test the hypothesis for this study; the t-statistical tests were used to test the individual independent variable influence on the dependent variable.

4. RESULTS AND DISCUSSION
4.1. Survey Response
A total of 214 questionnaires were sent-out and 177 were retrieved; after careful scrutiny, 13 were rejected, because they were defaced or improperly filled. A successful response rate of 82.7% was achieved as 164 of the questionnaires were considered acceptable.

4.2. Test of Hypothesis
Four of the t test values showed significant values, because they are greater than the t-tabulated value of 1.98. The F calculated value is 48.258, which is greater than the F tabulated value indicating significant relationship between the dependent and independent variables and of hypotheses three. The null hypothesis is rejected while the alternative hypothesis (H1) is accepted, which states that, “there is significant effect of infrastructure on crisis management by agribusiness companies in Benue State”.

Table 9: Infrastructure on Crisis Management (n=164)

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>2.539</td>
<td>0.331</td>
<td>7.674**</td>
<td>0.000</td>
</tr>
<tr>
<td>CID</td>
<td>0.604</td>
<td>0.120</td>
<td>0.442</td>
<td>5.041**</td>
</tr>
<tr>
<td>SDP</td>
<td>0.499</td>
<td>0.144</td>
<td>0.358</td>
<td>3.475**</td>
</tr>
</tbody>
</table>
Note: Dependent Variable: Crisis Management. **Correlation is significant at the 0.01 level (2-tailed), F Calculated value = 48.258 at 0.05, R = 0.790, R² = 0.624, CID=contribution to infrastructure development, SDP=sustains developmental projects, CIL=contributes to ICT and learning, EPD=evaluation of developmental programs, CU=crisis are unlikely

Source: SPSS Version 21 for Windows

4.3. Infrastructure and sustainable development and crisis management
Our study is in tandem with Blažević, Tubić and Brdar (2012) which determined crisis management as key to sustainable development of tourist destination. The aim of the study is to point out that the responsible management and crisis management in the recessionary economic environment is requirement for the competitiveness of tourist destinations and potential opening of blue ocean to Croatian tourism. The study was conducted on 25 town's tourist associations in Croatia. Economic development in Republic of Croatia requires frenetic changes within the economic system. Therefore, crisis management is aimed at identifying problems and finding effective solutions to promote infrastructure and sustainable economic development during the recession. The current global economic crisis, as well as the perennial Croatia's economic crisis, sets a number of challenges for the creation of adequate tourism policy. Incentive impulse of economic policy leaders is slow to reflect on the tourism aggregate, so a valid question is: is it not to late for the blue ocean strategy. The concept of socially responsible business forms latest trends in tourism development that should be considered in the context of the development of tourism and the latest economic and socio-cultural trends.

4.4. Discussion of the Findings
For the model, contribution to infrastructure development, sustains developmental projects, contributes to ICT and learning, evaluation of developmental programs, and crisis are unlikely were very significant in crisis management of companies operating in Benue State. This study is in line with Jega (2010) who emphasized that human (national) development is about meeting and satisfying basic human needs and aspirations, protecting their freedoms and rights, minimising risks to their survival, enhancing human security, and empowering them to tap and maximise their potential (Jega, 2010). Infrastructure are necessary for host communities to develop and maintain a calm status towards the firm operating in its domain. Businesses are recognizing that adopting an effective infrastructure approach to CSR can reduce the risk of business disruptions, open up new opportunities, drive innovation, enhance brand and company reputation and even improve efficiency (Ezeigwe, 2010). Infrastructure is central to sustainable development and economic competitiveness of any nation. A nation without infrastructure is like a body without anatomy. Today, inadequate infrastructure is holding back Africa’s economic growth per capita by two per cent each year, and reducing firms’ productivity by as much as 40 per cent (ICA, 2010). Sub-Saharan Africa is also lagging behind the rest of the world in its level of infrastructure development, thereby blocking the quick movement of goods and people on the
continent and increased transport costs to as much as twice that in any typical Asian country (ICA, 2005).

5. Conclusion
The study’s findings indicate that regression coefficients or slopes of infrastructure variables have significant effect on crisis management variables. These findings further support the alternate hypothesis that these regression coefficients or slopes are significantly different from zeros and have predictive powers in estimating crisis management of companies operating in Benue State. The study concludes that, there is significant relationship between infrastructure and crisis management of agribusiness companies operating in Benue State, Nigeria.

6. Recommendations
i. Enacting at least one single laudable infrastructure to serve as an icon by the agribusiness companies to the host communities in Benue State;
ii. Involving important elements in the infrastructural planning and development by the agribusiness companies will go a long way in reducing the tension between the host communities and agribusiness companies; and
iii. Employment of host communities to manage infrastructure put in place by the agribusiness companies will manage crisis in the study area.

REFERENCES


