



Effect of Environmental Concerns on Crisis Management of Agribusiness Companies in Benue State

Ogidi, A.E. and Tondo, D.T.

Department of Agribusiness and Management, Michael Okpara University of Agriculture,
Umudike, Nigeria

Abstract: *The main aim of the study is to examine the extent to which environmental concerns of agribusiness companies affect crisis management in Benue State. Two hundred and fourteen respondents were chosen for the study via sample size determination. For the regression model, the study found out that limit pollution, national and international standards, best practices, health of staff and inhabitants, and policy on green energy are essential for crisis management in agribusiness companies operating in Benue State. Over the last few decades, the exploitation of our planet and degradation of our environment have gone up at an alarming rate. The study thus, concludes that, environmental concern has significant effect on crisis management by agribusiness companies in Benue State. Environmental concerns of firms should be budgeted for by agribusiness companies in order to minimize the affect of crisis on the host communities in Benue State. Land and soil pollution can be reduced to minimum if agribusiness companies help to curb their level of carbon and solid wastes should be recycles or properly disposed at waste land sites. Water pollution should be reduced by collecting effluents from the agribusiness companies are properly sealed and disposed.*

Key words: *agribusiness companies, crisis management, environmental concerns*

1. Introduction

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 and Olapede, 2013; Iqbal, Ahmad, Hamad, Bashir and Sattar, 2014). Corporate social responsibility (CSR) disclosure has attracted much attention over the past three decades (Uwuike, 2011). It 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. Environmental activities should be embarked by the firm to enhance pollution control projects, adherence to federal standards and evaluation procedures of new packages to ensure ease of disposal or possible recycling (Ezeigwe, 2010; Ogidi, 2014a). The environment must be controlled so as to reduce adverse effect on the host communities. Our Mother Earth is currently facing lot of environmental concerns. The environmental problems like global warming, acid rain, air pollution, urban sprawl, waste disposal, ozone layer depletion, water pollution, climate change and many more affect every human, animal and nation on this planet. Over the last few decades, the exploitation of our planet and degradation of our environment have gone up at an alarming rate (Ogidi, 2014c). As our actions have been not in favor of protecting this planet, we

have seen natural disasters striking us more often in the form of flash floods, tsunamis and cyclones. Different environmental groups around the world play their role in educating people as to how their small actions when combined together can play a big role in protecting this planet (Ogidi, Olutu and Olapede, 2013). If you look at the environment around us, you can see that there are a number of issues that come to our attention.

Pollution of air, water and soil take a huge number of years to recover. Industry and engine vehicle fumes are the most obvious toxins. Substantial metals, nitrates and plastic are poisons in charge of pollution. While water contamination is brought about by oil slicks, acid rain, and urban sprawl; air contamination is created by different gasses and poisons discharged by businesses and manufacturing plants and burning of fossil fuels; soil contamination is majorly created by mechanical waste that takes supplements out of the soil. Clean drinking water is turning into an uncommon thing. Water is turning into a monetary and political concern as the human populace battles for this need. Waste from industrial and agricultural activities pollute the water that is used by humans, animals and plants. Land pollution simply means degradation of earth's surface as a result of human activities like mining, littering, deforestation, industrial, construction and agricultural activities. Land pollution can have huge environmental impact in the form of air pollution and soil pollution which in turn can have adverse effect on human health (Ogidi, 2015). Climate change is yet another environmental concern that has surfaced in last couple of decades. Environmental change has different destructive impacts that include, but are not limited to, the melting of polar ice, change in seasons, new sicknesses, and change in general climate situation. Environmental asset abuse is also an important environmental concern. Fossil fuel utilization brings about discharge of greenhouse gasses, which causes environmental change. However, individuals are taking endeavors to move to renewable energy sources. Our woodlands create new oxygen and additionally help in managing temperature and precipitation. At present, timberlands cover 30% of the area, but wooded areas are being lost on a regular basis because people are looking for homes, food, and materials. Deforestation is a huge problem and will just continue to get worse. Temperature increases, like climate change, are the consequence of human practices, including the use of greenhouse gasses. When the atmosphere changes and the heat increases, it can cause a number of problems and start to destroy the world we live in.

The amount of carbon in the water and the atmosphere is continuing to be a problem in the world around us. The primary effect is on shellfish and microscopic fish, and it has similar effects to osteoporosis in humans. The current environmental concerns represent a considerable measure of danger to well-being of people, and creatures. Dirty water is the greatest well-being danger of the world and poses a risk to the health and lifespan of people and animals. The ozone layer is an undetectable layer of protection around the planet that secures us from the sun's unsafe beams. Depletion of the critical Ozone layer of the air is credited to contamination brought about by Bromide and Chlorine found in Chloroflouro carbons (CFC's). When these poisonous gasses reach the upper parts of the atmosphere, they cause a gap in the ozone layer, the greatest of which is over the Antarctic (Ogidi, 2014c). Non-renewable resources are limited and will get expired one day. Consumption of fossil fuels at an alarming rate can lead to global warming which can further result in melting of polar ice caps and increase in sea levels. Modern day agriculture practices make use of chemical products like pesticides and fertilizers to deal with local pests. Some of the chemicals when sprayed do not disappear and infact seeps into the ground and thereby harms plants and crops. Also, contaminated water is used for irrigation by farmers due to disposal of industrial and agricultural waste in local water bodies. Noise pollution

is another common form of pollution that causes temporary disruption when there is excessive amount of unpleasant noise. Construction activities, industrialization, increase in vehicular traffic, lack of urban planning are few of the causes of noise pollution. Littering simply means disposal of piece of garbage or debris improperly or at wrong location usually on the ground instead of disposing them at trash container or recycling bin. Littering can cause huge environmental and economic impact in the form of spending millions of dollars to clean the garbage of road that pollute the clean air.

1.1. Objective of the Study

The main aim of the study is to examine the extent to which environmental concerns of agribusiness companies affect crisis management in Benue State

1.2. Research Question

To what extent does environmental concern affect crisis management by agribusiness companies in Benue State?

1.3. Statement of Hypothesis

H0: There is no significant relationship between environmental concern and crisis management by firms in Benue State

2. Methodology

2.1. 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.

2.2. Population of the Study

The population consists of staff from private companies operating in Benue State, such as Ashi Rice, Miva Rice, Tito Randiarries 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.

2.3. 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.

2.4. 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.

2.5. 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.

3. Results and Discussion

3.1. 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.

3.2. Results of Hypothesis Testing

The t calculated values all showed significant values, because they are greater than the t-tabulated value (1.98). The F calculated value is 46.382, which is greater than the F tabulated value indicating significant relationship between variables of the hypothesis. The null hypothesis is rejected while the alternative hypothesis (**H1**) is accepted, which states that, “*there is significant relationship between environmental concern and crisis management by agribusiness companies in Benue State*”.

Table 1: Environmental Concern and Crisis Management (n=164)

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	0.129	0.246		0.522	0.603
LP	0.239	0.067	0.278	3.541**	0.000
NIS	0.195	0.076	0.207	2.715*	0.012
BP	0.252	0.083	0.294	4.182**	0.000
HIS	0.604	0.120	0.442	5.041**	0.000
PGE	0.499	0.144	0.358	3.475**	0.001

Note: Dependent Variable: **Crisis Management**, *, ** Correlation is significant at the 0.05 level & 0.01 level (2-tailed), F Calculated value = 46.382, R = 0.831, R² = 0.691, LP=limit pollution, NIS=national and international standards, BP=best practices, HIS=health of staff and inhabitants, PGE=policy on green energy

Source: SPSS Version 21 for Windows

3.3. Discussion of the Findings

For the regression model, the study found out that limit pollution, national and international standards, best practices, health of staff and inhabitants, and policy on green energy are essential for crisis management in agribusiness companies operating in Benue State. This is in reality with Exeigwe (2010; Ogidi, 2014b) who emphasized that environmental activities should be embarked by the firm to enhance pollution control projects, adherence to federal standards and evaluation procedures of new packages to ensure ease of disposal or possible recycling. The environment is controlled so as to reduce adverse effect on the host communities. This study is in tandem with Olawale (2014), who emphasized that the extent to which an organization is able to forge ahead in spite of this unavoidable constraint will depend much on the human resource managers on whom rests the arduous task of resolving crisis within the environment. Our Mother Earth is currently facing lot of environmental concerns. The environmental problems like global

warming, acid rain, air pollution, urban sprawl, waste disposal, ozone layer depletion, water pollution, climate change and many more affect every human, animal and nation on this planet. Over the last few decades, the exploitation of our planet and degradation of our environment have gone up at an alarming rate. As our actions have been not in favor of protecting this planet, we have seen natural disasters striking us more often in the form of flash floods, tsunamis and cyclones.

4. Conclusion

The study's findings indicate that regression coefficients or slopes of environmental concern variables have significant impacts on crisis management variables. These findings further support the alternate hypotheses 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 thus, concludes that, environmental concern has significant effect on crisis management by agribusiness companies in Benue State

5. Recommendations

- i. environmental concerns of firms should be budgeted for by agribusiness companies in order to minimize the affect of crisis on the host communities in Benue State;
- ii. land and soil pollution can be reduced to minimum if agribusiness companies help to curb their level of carbon and solid wastes should be recycles or properly disposed at waste land sites; and
- iii. water pollution should be reduced by collecting effluents from the agribusiness companies are properly sealed and disposed

REFERENCES

- Afinotan, L. A. and Ojakorotu, V. (2009). The Niger Delta crisis: Issues, challenges and Prospects. *African Journal of Political Science and International Relations*, 3 (5): 191-198.
- Alexei, M. (2000). Stockholder theory. Retrieved 2008 from www.jstor.org/doi/xm/10.2302/3858020
- Andrews, R. F. (1977). *Scale development: Theory and applications*. Newbury Park, CA: Sage.
- Baskin, O., Aronoff, C. & Lattimore, D. (1997). *Public relations: The profession and the practice*. New York: McGraw-Hill Companies, Inc.
- Benoit, Z. D. (1995, May 25). *Nike: Apology doesn't mean that we are wrong*. Retrieved Nov. 1, 1995, from Eastern Today Television (ETTV)
- Blaževi , M.A.Z., Tubi , D., and Brdar, M.A. (2012). Crisis Management–Key to Sustainable Development of Tourist Destination. *Biblografija*, 4(3): 208-215
- Brian, T. (2007). *Corporations and morality*. Englewood Cliffs, NJ: Prentice-Hall.
- Carroll, A. B. (1979). A Three-Dimensional Model of Corporate Performance. *Academy of Management Review*, 4(4), 497-505.
- Coombs, W.T. (1999). *Ongoing Crisis Communication: Planning, Managing and responding*. Thousand Oaks, C.A: sage
- Coombs, W.T. (2007). *Ongoing Crisis Communication: Planning, Managing and responding* (2nd Ed.). Thousand Oaks, C.A: sage

- Coombs, W. T. & Holladay, S. J. (2002). An analytic framework for crisis situations: better response from a better understanding of the situation. *Journal of Public Relations Research*, 10(3), 177-191.
- Coombs, W. T. (1999). *Ongoing crisis communication: Planning, managing, and responding*. Thousand Oaks, CA: Sage.
- Coombs, W. T., & Holladay, S. J. (2004). Communication and attributions in a crisis: An experimental study in crisis communication. *Journal of Public Relations Research*, 8(1), 279-295.
- Corello, G. M. (2003). *Effective public relations* (6th ed). Englewood Cliffs, NJ: Prentice-Hall
- Cormier, D., Ledoux, M. and Magnan, M. (2009). The Informational Contribution of Social and Environmental Disclosures for Investors, SSRN Working Paper
- Dhaliwal, D. S., O. Z. Li, A. H. Tsang, Y. G. Yang, (2009). Voluntary Non-Financial Disclosure and the Cost of Equity Capital: The Case of Corporate Social Responsibility Reporting, SSRN Working Paper.
- Donaldo, T. & Preston, L. (1995). The stakeholder theory of modern corporation: concepts, evidence and implications. *Academy of Management Review*, 20(1), 65-91.
- Dougherty, D. (1992). *Crisis communications*. New York: Walker and Company
- Elder, H. P. (2004). Consumer reaction to negative publicity-effects of corporate reputation, response, and responsibility for a crisis event. *Journal of Business Communication*, 41(2), 192-211.
- Elimeleh, J. M. (2007). Oil TNCs, CSR practices and conflicts: A comparative analysis of three oil companies in selected oil producing communities in the Niger Delta. In *International Conference on the Nigerian State, Oil Industry and the Niger Delta*, 11-13 March 2007 (pp. 433-444).Yenagoa, Bayelsa: Department of Political Science, Niger Delta University.
- Ezeigwe, K. B. (2010). The failure of corporate social responsibility in the Niger Delta: Toward a re-interpretation. In *International Conference on the Nigerian State, Oil Industry and the Niger Delta*, 11-13 March 2008 (pp. 267-274).Yenagoa, Bayelsa: Department of Political Science, Niger Delta University.
- European Commission (2001). Problems and effects of oil industry on the Niger Delta: Matters arising. In *International Conference on the Nigerian State, Oil Industry and the Niger Delta*, 11-13 March 2001 (pp. 433-444).
- Fink, S. (1986). *Crisis management: Planning for the inevitable*. New York: American Management Association.
- Freeman, E. & Reed, D. (1983). Stockholders and stakeholder: A new perspective on corporate governance. In C. Huizinga (Ed). *Corporate governance: A definitive exploration of the issues*. Los Angeles: UCLA Extension Press.
- Freeman, E. & Reed, D. (1983). Stockholders and stakeholder: A new perspective on corporate governance. *California Management Review*, 3 (25), p88-106
- Freeman, R. E., Winks, A. C. & Parmar, B. (2004). Stakeholder theory and The corporate objective revisited. *Organizational Science*, 15 (3), 364-369.
- Freeman, E. R. (1984). *Strategic management: A stakeholder approach*. Boston: Pitman
- Furneaux, B. (2006). Stakeholder theory. Retrieved from <http://www.istheory.yorku.ca/stakeholdertheory.htm>

- Gray, M. (2003). Corporate social responsibility theories: Mapping the territory, *Journal of Business Ethics*, 51-71.
- Grunig, J. E. & Hunt, T. (1984). *Managing public relations*. New York: Holt, Rinehart, Winston.
- Grunig, J. E. & Huang, Y. -H. (2000). From organizational effectiveness to relationship indicators: Antecedents of relationships, public relations strategies, and relationship outcomes. In J.A. Ledingham, and S.D. Bruning (Eds), *Public relations as relationship management: A relational approach to public relations* (pp. 23-54). Mahwah, NJ: Lawrence Erlbaum Associates.
- Hale, P.A., Dulek, M. & Hale, L.A. (2005). Ethics in public relations: Theory and practice. In Robert L. Heath (Ed.), *Handbook of Public Relations* (pp. 411-421). Thousand Oaks, CA: Sage.
- Heath, S. M., & Miller, G. M. (2014). *Effective public relations* (7th ed.). Englewood Cliffs, NJ: Prentice-Hall.
- Hartman, L. P. (2005). *Perspectives in business ethics* (3rd ed). New York: McGraw-Hill Companies, Inc.
- Holmes, R. E., & Watts, S. L. (2000). Managing issues and influencing public policy. *Public Relations Review*, 11, 3-16.
- Horowitz, I.L. (1986). *Communicating Ideas*. New York: The Politics of Scholarly Publishing. pg 281
- Imoish, F. (1985). *Survey research methods* (2nd ed.). Newbury Park, CA: Sage Publications.
- Iqbal, N., Ahmad, N., Hamad, N., Bashir, S. and Sattar, W. (2014). Corporate social responsibility and its possible impact On firm's financial performance in banking sector of Pakistan. *Arabian Journal of Business and Management Review (OMAN Chapter)*, 3(12):150-155.
- Irving, J.S. (2007). Fifty Key Sociologists: the Formative Theorists. pg 59
- Jones, G. R. (2004). *Organizational theory, design, and cases: Text and Cases* (4th ed). New York: Pearson Education Ltd.
- Lea, R. (2002). Corporate Social Responsibility: *IoD Member Opinion Survey*. UK: The Institute of Directors, November, 2002, p10.
- Lerbinger, G. B. (1996). ValuJet Flight 592: Crisis communication theory blended and extended. *Communication Quarterly*, 47(4), 345-375.
- Lerbinger, G. B. (1997). Social responsibility and corporate Web pages: Self-presentation or agenda-setting? *Public Relations Review*, 24(3), 305-319.
- Luttons, P.T. and Hodget, S. W. (1976). Unifying concepts in social responsibility, *The Academy of Management Review*, 2(1), 38-45.
- Margolis, J. D. and Walsh, J. P. (2003). Misery loves companies: rethinking social initiatives by business. *Administrative Science Quarterly*, 48:655-689.
- Marx and Engels (1998). *The Communist Manifesto*, introduction by Martin Malia. New York: Penguin Group, 1998), pg. 35 ISBN 0-451-52710-0
- McComb, M. (2002). Profit to be found in companies that care. *South China Morning Post*, April 14, 2002, p. 5.
- Miller, J. E. (2004). *Excellence in public relations and communications management*. Hillsdale, NJ: Lawrence Erlbaum Associates.
- Mitchell, R., Agle, B., & Wood, D. (1997). Towards a theory of stakeholder identification and salience: Defining the principle of who and what really counts. *Academy of Management*

- Review*, 22(1), 853-886
- Murawski, M., Podolski, O.B. and Grunig, J. E. (2011). Public relations and international affairs: Effects, ethics. *Journal of International Affairs*, 47(1), 137-63.
- Mitroff, G. L. and Anagnos, J. (2005). The effect of worldviews on public relations, in Grunig, J. E. (ed.), *Excellence in public relations and communication management*. Hillsdale, NJ: Lawrence Earlbaum Associates.
- Murawski, X. I., Binkyawvski, V. & Hunt, T. (2011). *Managing public relations*. New York: Holt, Rinehart and Winston.
- Odetayo, T.A., Adeyemi, A. Z. and Sajuyigbe, A.S. (2014). Impact of Corporate Social Responsibility on Profitability of Nigeria Banks. *International Journal of Academic Research in Business and Social Sciences*, 4(8): 252-263.
- Ogidi, A.E., Olotu, O.A. and Olopete, M.O. (2013). Commodification of Local Culture and Tradition for Tourism Development and Sustainability in Nigeria: Empirical Evidence of Tiv and Idoma Cultures in Benue State. *Babcock Journal of Management and Social Sciences*, 11(1): 105-128.
- Ogidi, A.E. (2014a). Women Entrepreneurship and Poverty Reduction. *SCSR Journal of Business and Entrepreneurship*, 1(1):01-08.
- Ogidi, A.E. (2014b). Effect of Urbanization on Agribusiness Development in Nigeria. *SCSR Journal of Development*, 1(3):70-75.
- Ogidi, A.E. (2014c). Cushioning the Effect of Climate Change in Nigerian Agriculture: The Role of the Agribusiness Entrepreneur. *SCSR Journal of Agribusiness*, 1(1):06-14.
- Ogidi, A.E. (2015). Key Potential Development Patterns for Promoting Agribusiness Entrepreneurial Success among Nigerian University Undergraduates. *International Journal of Ergonomics and Human Factors*, 11(2):29-50.
- Olawale, S.R. (2014). Crisis Management Strategy and its Effects on Organizational Performance of Multinational Corporations in Nigeria: Empirical Evidence from Promassidor Ltd. *European Journal of Business and Management*, 6(23):79-86
- Onwe, B.U. (2014). Effect of Corporate Social Responsibilities of Banks on Ebonyi State University. *Global Advanced Research Journal of Management and Business Studies*, 3(12): 560-569.
- Opukri, L.I. and Ibaba, P. (2008). *Strategic issues management: Organizations and public policy challenges*. Thousand Oaks, CA: Sage.
- Orlitzky, M., Schmidt, F.L., and Rynes, S.L. (2003). Corporate Social and Financial Performance: A Meta-Analysis. *Organization Studies*, 24(3): 403-441.
- Pease, K. S. (2003). *International organization: Perspectives on governance in the twenty-first century* (2nd ed). New Jersey: Prentice Hall.
- Philips, R. (2004). Some key questions about stakeholder theory. [Electronic version]. *Ivey Business Journal*, 9 (6), 1-4.
- Ritzer, G. & Goodman, D. J. (2004). *Sociological theory* (6th ed). New York: McGraw-Hill Companies, Inc.
- Ritzer, G. (2003). *Contemporary sociological theory and its classical roots: The basics*. New York: McGraw-Hill Companies, Inc.
- Saiyou, B. (2006). *Transnational oil corporation relationship with oil producing communities in Bayelsa State: A comparative analysis* (Unpublished doctoral dissertation). Institute of African Studies, Department of Peace and Conflict Studies, University of Ibadan, Ibadan,

Nigeria.

- Seitel, F.P. (2007). *The practice of public relations* (10th ed). New York: Prentice Hall
- Seithi, M. (1987). *Capitalism and freedom*. Chicago: University of Chicago Press.
- Shell (n.d.). Company history. Retrieved from http://en.wikipedia.org/wiki/Shell_Nigeria
- Schrenberg, P. L. (2005). Scales and statistics. *Review of Educational Research*, 45(2), 43-57.
- Stephens, K., Malone, P. & Bailey, C. (2005). Communicating with stakeholders during a crisis: Evaluating message strategies. *Journal of Business Communication*, 4 (42), 309-419
- Sturges, O.W., Carrel, R.N., Newson, A.W. and Barrera, M. (1991, Sep. 13). The social responsibility of business is to make profits. *The New York Times Magazine*, 32-33 and 122-126.
- Sturges, O.W., Carrel, R.N., Newson, A.W. and Barrera, M. (1999). The corporate objective revisited. *Journal of Organization Science*, 15(3), 350-363.
- Tracy, W. L. (2007). *Statistics for the social sciences* (2nd ed.). New York: Holt, Rinehart, and Winston.
- Uwakwe, S.C. (2016). Amnesty, Corporate Social Responsibility and Financial Performance of Listed Downstream Oil Companies in Nigeria. A dissertation submitted to the school of postgraduate studies, Ahmadu Bello University, Zaria, in partial fulfillment for the award of master of science (m.sc.) Degree in accounting and finance. 80 p.
- Uwuigbe, U. (2011). An Examination of the Relationship between Management Ownership and Corporate Social Responsibility Disclosure: A Study of Selected Firms in Nigeria. *Research Journal of Finance and Accounting*, 2(6): 23-29.
- Wallace, R.A. & Wolf, A. (2006). *Contemporary sociological theory: Expanding the classical tradition* (6th ed.). New Jersey: Pearson Prentice Hall.
- Warner, B. and Rel Freyman, J. E. (2003). Symmetrical presuppositions as a framework for public relations theory. In C. H. Botan & V. Hazelton (Eds.), *Public relations theory* (pp. 17-44). Hillsdale, NJ: Lawrence Earlbaum, Assoc.
- Williams, C, F., & Treadway, K. D. (1992). United Airlines' and American Airlines' online crisis communication following the September 11 terrorist attacks. *Public Relations Review*, 29, 427-441.