

TITLE PAGE

**SOCIAL ACCOUNTING: A METHOD OF ASSESSING THE IMPACT
OF NIGERIAN ENTERPRISES DEVELOPMENT ACTIVITIES.**

BY

ONUNZE ANGELA NKECHI

PG/MBA/O7/46711

**BEING A RESEARCH PROJECT SUBMITTED IN PARTIAL
FULFILMENT OF THE REQUIREMENTS FOR THE AWARD OF THE
DEGREE OF MASTERS OF BUSINESS ADMINISTRATION (MBA) IN
ACCOUNTANCY**

**DEPARTMENT OF ACCOUNTANCY
FACULTY OF BUSINESS ADMINISTRATION
UNIVERSITY OF NIGERIA
ENUGU CAMPUS**

MAY, 2009

CERTIFICATION

This is to certify that Onunze Angela .N. a postgraduate student in the Department of Accountancy with Registration Number: PG/MBA/07/46711 has satisfactorily completed the requirements for project research in partial fulfillment of the requirements for the award of Masters Degree of Business Administration (MBA) in Accountancy.

Dr. (Mrs) R.G. Okafor

Project Supervisor

Date:.....

Dr. (Mrs) R.G. Okafor

Head of Department

Date:.....

DEDICATION

This project is dedicated to Almighty God, the author and finisher of our faith for his infinite mercies and grace upon my life and also to all genuine seekers of truth and wisdom.

ACKNOWLEDGEMENT

My heart-felt gratitude goes to my supervisor, Dr Mrs Regina .G. Okafor for all her inestimable assistance and guidance towards the realization of this research work despite her numerous official and domestic engagements. Also to other lecturers and authors under whose tutelage the above dream was able to come true.

I acknowledge the assistance of the staff of private and public sector organizations within Enugu Metropolis for their moral and material support towards the success of this work.

My appreciation goes to my beloved husband, Cmdr. Rasine Daniel Ekponta for his support- morally and otherwise. I love you sweetie.

Words are inadequate to express my gratitude to my parents and siblings for their patience, commitment and denial of my little resources contributions throughout the period of this programme. May God bless them all in Jesus Name Amen.

Most profoundly I wish to acknowledge the kind gesture of my course mates; Esom Stanley, Ngozi Eze, Nnenna Izu, Ogbu Ogbonnaya, Innocent Okonkwo and others for their moral and material support which I found quite useful for my research.

Worthy to mention also are Mr John .N. Nnamani, Chinenye Ogbodo for their support, prayers and encouragement, I say a big sail on to you all. I am sure there are many others who notably contributed in one way or the other, but not specifically mentioned here, kindly accept my felicitations.

Finally, all the glory, honour and majesty should always go to God Almighty for his gift of knowledge, grace and protection during the period of this programme and the research.

Onunze Angela.N.

PG/MBA/07/46711

May, 2009.

ABSTRACT

The project work discusses Social Accounting: A method of assessing the impact of enterprises development activities. This study was therefore necessitated by the need to give appraisal of the recognition and growing of sophistication of Social Accounting Techniques for a good practice in corporate social responsibilities. Specifically the objectives of the study are to answer among others; to ascertain the input/effects of social accounting in enterprise development activities in Nigeria, to evaluate various techniques of using social accounting to estimate enterprises income/earning, to determine how to solve organizational conflicts between shareholding interest and social consideration and to evaluate some of the problems encountered in assessing social accounting activities in Nigeria enterprises. To accomplish the above objectives, the researcher made use of both historical and survey research; data were collected by use of oral interview and questionnaires. Data collected were subjected through analysis using simple percentage, tables, and charts while the stated hypothesis were tested using Chi-Square (X^2) to ascertain its reliability and objectivity. The result of the research shows that the effective use of social accounting approach improves transparency, accountability and compliance in the organization. The application of social accounting method of assessment has external/ internal environmental impact on the Nigeria enterprises development activities; it has significant relationship between the corporate image of the organization and the environment and it shows that the conflict of interest between stakeholders and management has hindrance on the auditing and reporting of accounting, where as stakeholders engagement with the organization improves ethical standard and learning.

TABLE OF CONTENTS

CHAPTER ONE

	Pg
INTRODUCTION	
1.0 Background of the study-----	1
1.1 Statement of the problem-----	5
1.2 Research questions-----	6
1.3 Objectives of the study-----	7
1.4 Hypotheses-----	8
1.5 Significance of the study-----	9
1.6 Scope and limitations of the study-----	10
1.7 Definition of terms-----	11
Reference-----	13

CHAPTER TWO

2.0 Review of related literatures-----	14
2.1 Definition of social accounting-----	16
2.2 Scope of enterprises social responsibilities-----	19
2.3 Principles of AA 1000 process model and accountability-----	22
2.4 Application of social accounting in enterprise development-----	26

2.5	Social and ethical accounting, auditing and reporting in social accounting development enterprise-----	29
2.6	Challenges of social accounting techniques-----	32
2.7	Types of social accounting-----	33
2.8	Benefits of social accounting techniques-----	40
2.9	Social accounting and impact assessment-----	42
2.10	Summary of review of related literature-----	46
	Reference-----	48

CHAPTER THREE

3.0	Research methodology-----	50
3.1	Research design-----	51
3.2	Area of study-----	52
3.3	Sources of data-----	52
3.4	Data collection and administration of the instrument -----	53
3.5	Population of the study-----	54
3.6	Sample size determination and sampling method-----	54
3.7	Techniques of data analysis-----	55
	Reference-----	58

CHAPTER FOUR

4.0	Introduction-----	59
4.1	Presentation and analysis of data-----	60
4.1.1	Method of calculation-----	60
4.2	Test of hypothesis-----	98
	Reference-----	118

CHAPTER FIVE

5.0	Summary of Findings-----	119
5.1	Conclusion-----	121
5.2	Recommendations-----	122
5.3	Suggestion for Further Research-----	123
	Bibliography-----	124
	Appendix/Questionnaire-----	128

LIST OF TABLES AND FIGURES

Figure 1	The AA1000 principles.	23
Figure 2	The AA1000 process model.	25
Table 4.1.1	Analysis of question returned.	61
Figure 3	Diagrammatical presentation of table 4.1.1	61
Table 4.1.2	Percentage analyses of sex of the respondents.	62
Figure 4	Diagrammatical presentation of table 4.1.2	62
Table 4.1.3	Percentage analyses of age of the respondents.	63
Figure 5	Diagrammatical presentation of table 4.1.3	64
Table 4.1.4	Percentage analyses of educational qualifications of the respondents.	65
Figure 6	Diagrammatical presentation of table 4.1.4	65
Table 4.1.5	Percentage analyses of occupational status of the respondents.	66
Figure 7	Diagrammatical presentation of table 4.1.5	67
Table 4.1.6	Percentage analyses of marital status of the respondents.	68
Figure 8	Diagrammatical presentation of table 4.1.6	68
Table 4.1.7	Percentage analyses of staff strength of accounts department.	69

Figure 9	Diagrammatical presentation of table 4.1.7	70
Table 4.1.8	Percentage analysis of staff that has formal knowledge of accounting as related field.	71
Figure 10	Diagrammatical presentation of table 4.1.8	72
Table 4.1.9	Percentage analyses of staff that acquired knowledge as a result of experience or length of service in the job.	73
Figure 11	Diagrammatical presentation of table 4.1.9	73
Table 4.1.10	Percentage analyses of organization that disseminate financial information to the stakeholders.	74
Figure 12	Diagrammatical presentation of table 4.1.10	75
Table 4.1.11	Percentage analyses of the effect of stakeholders' engagement with the organization on ethical standard and learning.	76
Figure 13	Diagrammatical presentation of table 4.1.11	77
Table 4.1.12	Percentage analyses of the impact of AA1000 principles and model on social accounting.	78
Figure 14	Diagrammatical presentation of table 4.1.12	78
Table 4.1.13	Percentage analyses of organizational benefit of social accounting approach.	79
Figure 15	Diagrammatical presentation of table 4.1.13	80

Table 4.1.14	Percentage analyses of information on the method of assessing the impact of enterprises development activities.	81
Figure 16	Diagrammatical presentation of table 4.1.14	82
Table 4.1.15	Percentage analyses of staff familiar with the various techniques of social accounting.	83
Figure 17	Diagrammatical presentation of table 4.1.15	84
Table 4.1.16	Percentage analyses of social accounting techniques as an essential and a reliable method for assessing the impact of enterprises development activities.	85
Figure 18	Diagrammatical presentation of table 4.1.16	86
Table 4.1.17	Percentage analyses of the popularity of social accounting techniques among business enterprises in Nigeria.	87
Figure 19	Diagrammatical presentation of table 4.1.17	88
Table 4.1.18	Percentage analyses of the effective uses of social accounting approach to improve transparency, accountability and compliance in your organization.	89
Figure 20	Diagrammatical presentation of table 4.1.18	90
Table 4.1.19	Percentage analyses of the environmental impact of social accounting method of assessment on the Nigerian enterprises development activities.	91

Figure 21	Diagrammatical presentation of table 4.1.19	92
Table 4.1.20	Percentage analyses of social accounting significant relationship between the corporate image of the organization and the environment.	93
Figure 22	Diagrammatical presentation of table 4.1.20	94
Table 4.1.21	Percentage analyses of the effect of conflict of interest between stakeholders and management on auditing and reporting of accounting.	95
Figure 23	Diagrammatical presentation of table 4.1.21	96
Table 4.1.22	Percentage analyses of social accountings encouragement to the integration of social objectives into strategic plan.	97
Figure 24	Diagrammatical presentation of table 4.1.22	97
Table 4.2.1	Evaluation of Hypothesis One (Refer to Question 15, Table 4.1.16)	99
Table 4.2.2	Computation of Observed and Expected Frequencies	100
Table 4.2.3	Computation of chi square X^2 testing table 4.1.16.	102
Table 4.2.4	Evaluation of Hypothesis Two (Refer to Question 16, Table 4.1.17)	105
Table 4.2.5	Computation of Observed and Expected Frequencies	106
Table 4.2.6	Computation of chi square X^2 testing table 4.1.17	107

Table 4.2.7	Evaluation of Hypothesis Three (Refer to Question 17, Table 4.1.18)	109
Table 4.2.8	Computation of Observed and Expected Frequencies	110
Table 4.2.9	Computation of chi square X^2 testing table 4.1.18	111
Table 4.2.10	Evaluation of Hypothesis Four (Refer to Question 18, Table 4.1.19)	112
Table 4.2.11	Computation of Observed and Expected Frequencies	113
Table 4.2.12	Computation of chi square X^2 testing table 4.1.19	114
Table 4.2.13	Evaluation of Hypothesis Five (Refer to Question 19, Table 4.1.20)	115
Table 4.2.14	Computation of Observed and Expected Frequencies	116
Table 4.2.15	Computation of chi square X^2 testing table 4.1.20	117

CHAPTER ONE

INTRODUCTION

1.0 BACKGROUND OF THE STUDY

Social accounting as an approach began developing in the U.K in the early 1970s, when the Public Interest Research Group established Social Audit Limited. This organization carried out, and publicized investigations into the operations of large public companies, without necessarily gaining their permission or co-operation. Whilst lending support to consumer pressure, there is an argument that this had a negative effect on accountability, as organizations sought to ensure that sensitive information was hidden from such investigations.

Globalization has brought with it a wide realization that companies do not operate in isolation, but can have marked impacts on the environment and people at local, national and global levels, (Chris, 2006:1). This has led to an increasing awareness of Corporate Social Responsibility (CSR) and the “triple bottom-line” of business success measuring the business not only in the financial performance, but by its social and environmental impact as well. Traidcraft and the New Economics Foundation (NEF) pioneered a form of social accounting in

the early 1990s that is voluntary in nature and rooted in engagement with stakeholders. This can assist organizations, both commercial and NGO, in understanding and improving their social impact.

The concepts of Social accounting is growing in recognition and sophistication, as it becomes one of the foundations of good practice in corporate social responsibility (CSR), interest is growing within large corporations, consultancies and voluntary organization alike. If large companies are using a social accounting methodology to assess their social impact, the question sensibly arises as to whether this is something that can be usefully adopted by those seeking to assess the impact of enterprise development activities. Most of the organizations that adopt this concept are concerned with poverty reduction and enterprise development.

Social accounting is a way of demonstrating the extent to which an organization is meeting its stated social or ethical goals, whilst independently verified the organization itself on the process of data collection and analysis and the process is driven by indicators, the organization sets in consultation with stakeholders as opposed to being based on standards or criteria determined externally. This is balance by the principle of benchmarking which whilst still developing, should enable organizations where possible, (Chris, 2006:2).

Technically, the term “social accounting or social audit” refer to specific parts of a process now bestowed with the much more unwieldy title of “Social and Ethical Accounting, Auditing and Reporting” (SEAAR). In practice, the shorter titles tend to be used interchangeably to refer to the entire process. Whichever title that is used, the process should involve the following three steps:

- Internal data collection and analysis procedures, (accounting)
- An independent audit of the result (auditing).
- A mechanism for disseminating the outcome more widely (reporting).

One of the leading voices in the world of social accounting is ISEA, which is the institute of social and ethical accountability. This leading voice was founded in the UK in 1996. ISEA is an international professional body committed to strengthening social responsibility and ethical behaviour of the business community and non-profit organizations. ISEA promotes best practice in SEAAR and develops standards and accreditation procedures for professionals in the field. It was ISEA that further developed the social accounting methodology first employed by Traidcraft in 1993 and launched the Accountability 1000 (AA1000) standard in 1999.

Rose (1997:163), observed that social accounting is a system of record keeping that reports transaction between the principle sectors of the economy, such as: households, financial institutions, corporations and units of government. As more organizations got involved in the field of enterprise development with social accounting, auditing and reporting, the question that will arises is as to how this relates to our traditional understanding of impact assessment? The question provides the answer that Social accounting “provides a comprehensive and systematic framework for accounting, auditing and reporting against an organizational social objective.

Social accounting development process within an organization involves commitment to on-going stakeholders’ dialogue and the development of a management information system based on indicators of social impact. It is important to note that social accounting has an organizational impact, rather than project impact. However, one of the issues of social accounting as with impact assessment is the level of which stakeholders’ dialogue can be carried out by the enterprises development activities to involve chain/series of inter-related interventions. It is unreasonable to expect parties that do not have direct relationship with the enterprise to be involved in making a regular assessment of how it has performed against social indicators.

1.1 STATEMENT OF THE PROBLEM

Over the decade, many Public limited liabilities companies across the globe failed to recognize the need of social accounting techniques as a suitable tool for estimating the distribution of enterprise earnings/profits. In Nigeria the use of the technique is not popular among the business enterprises in the country because stakeholders are not adequately informed on the effectiveness and efficiency of reporting audit and accounting information.

In view of this research project work, other problems confronting the researcher in the course of embarking on this work include: lack of integrating management information systems with the organizational plans, bewildering proliferation of ethical standard and guidelines to corporate social responsibility (CSR), none commitment of stakeholders dialoguing regularly with the management, inadequate estimation of the pattern of income and expenditure of the enterprises or business group within the environment.

Above all, these problems have not only emanated in the Public limited liability enterprises but has transcended to both private companies and NGOs.

1.2 RESEARCH QUESTIONS

This study shall seek to answer the following questions:

What are the factors responsible for social accounting problems in Nigeria enterprises?

What is the usefulness of social accounting in assessing corporate social responsibility on stakeholders?

What are the various techniques of social accounting used for estimating enterprises income?

What are the benefits of social accounting on organizational information systems?

Has social accounting any impact on corporate image of the organization and the environment?

Why is a social accounting method neither an essential nor a reliable method for assessing the impact of enterprises development activities?

Why is the use of social accounting techniques not popular among the Nigerian enterprises?

1.3 OBJECTIVES OF THE STUDY

Specifically, the objectives of the study are as follows:

- i. To help determine why the use of social accounting is not popular among enterprises in Nigeria.
- ii. To evaluate various techniques of using social accounting to estimate enterprises income/earnings.
- iii. To find out the impact of financial measurement on stakeholders of social accounting enterprises.
- iv. To determine how to solve organizational conflicts between shareholding interest and social consideration.
- v. To evaluate some of the problems encountered in assessing social accounting activities in Nigeria enterprises.
- vi. To ascertain the input/effects of social accounting in enterprise development activities in Nigeria.

1.4 HYPOTHESES

A research hypothesis is a generalized and verifiable statement about a state of phenomena which may be true or false.

According to Onu (1996:13), the validity of a hypothetical statement is subject to verification which must be based on adequate information on which decisions could be objectively based for either to accept or reject such a hypothesis. Thus, a research hypothesis is defined further as a rule of accepting or rejecting the validity of a statement on the basis of random sample from the chosen population.

Therefore, to further to test the relevance of the information on some of research questions put –up, the following hypothesis will be empirically tested in this research work.

Social Accounting Techniques (SAT) is neither an essential nor a reliable method for assessing the impact of enterprises development activities.

Social Accounting Techniques (SAT) are not popular among the Nigerian business enterprises.

Effective use of social accounting approach does not improve transparency, accountability and compliance in the organization.

Social accounting method of assessment has no impact on the Nigerian enterprises development activities.

Social accounting has no significant relationship between the corporate image of the organization and the environment.

1.5 SIGNIFICANCE OF THE STUDY

This study has a number of significant dimensions to it. The result of this study should provide information to the public, private and NGOs organizations.

The finding of the study will enable the enterprises to discover the expenditure habits of the various departments or units that make up the enterprises. Armed with the knowledge, the enterprise patterns their productive activities to suit the various departments of the enterprise and the members of the public.

More importantly, if organizations in Nigeria properly embrace social accounting techniques as enterprise development activities will help boost their financial performance or profit earnings. This will in turn lead to an improvement in the enterprises which will equally benefit the government, the stakeholders in the business enterprise and voluntary organizations.

This study will equally assist organizations to know how to apply social accounting techniques to make future development plan of the business

enterprises. More so, it will be of immense help to those in marketing business, consultancy firm, audit, management firm, production to forecast profit plan by the way of adopting strategic plan of action.

The recommendations of the study should serve as important palliatives for the various economic and structural ills.

1.6 SCOPE AND LIMITATIONS OF THE STUDY

The subject matter is very deep and broad topic. The depth lies in the secrecy of the real account of what actual happens at the management and stakeholders. The scope proper covers reporting of accounting information to parties involve in the enterprise and relating the information to the external environment within Enugu business enterprise which include public, private organizations and NGOs.

Social accounting techniques in Nigeria is a contemporary issue because most Nigeria organizations have not embraces social accounting patterns in their organizations and much has not been written about the topic. Source of relevant literatures (books) was as onerous task.

More thorough analysis of the subject matter will be requiring the ability of undiluted financial/audit and non financial details about the industry. Therefore

total reliance on the published facts may limit the chances of optimum result of the research work.

Research such as this, is very cost intensive and requires good time for diligent study of the subject matter. Time constraints and financial bottleneck were important limiting factors to this research.

1.7 DEFINITION OF TERMS

The major terms that relate to this work are listed and defined as follows:

- i **ISEA:** The Institute of Social and Ethical Accounting. This is an international professional body committed to strengthening social responsibility and ethical behavior of the business community and non-profit organizations.
- ii **PRINCIPLES OF AA1000 AND SA8000:** These are the principles or process of continuous improvement through iteration over time and setting performance standard in an organization/enterprise.
- iii **SIGMA:** This is a project that aims to help organization, irrespective of their size or sector to address sustainability issues in a strategic and integrated fashion.

- iv **ETI:** The Ethical Trading Initiative is a tripartite initiative. This is a U.K development NGO's which provide a learning space where different approaches to monitoring code of corporate conduct could be reviewed.
- v **GRI:** (Global Reporting Initiative). This provides reporting guidelines for the content of sustainability reports which cover the Economic, Social and Environmental factors of the organization.
- vi **BUSINESS ENTERPRISES:** This, as used in this study refers to all business activities include private, public and NGO's.
- vii **SAT:** (Social Accounting Techniques). This is a suitable tool for estimating the distribution of enterprises earnings.

REFERENCES

Chris, P. (2006), Social Accounting: A method for assessing the Impact of Enterprise Development Activities, United Kingdom, Traidcraft Exchange Publishing Limited.

Onwubiko, O.W. (1994), An Introduction to Development Economics, Ibadan, Millian Publishing Company Limited.

Onyejekwe, M. (1995), Elementary Development Economics, Ibadan, Heinemann Publishing Company Limited.

Rose, P.S. (1997), Money and Capital Market, 6th Edition, Texas-USA, A and M University Publishing Company Limited.

<http://www.accountability.org.uk/social> accounting/impact assessment

<http://www.traidcraft.co.uk/social> accounting/development activities

CHAPTER TWO

2.0 REVIEW OF RELATED LITERATURES

A lot has been written on social accounting. This is to show the importance of social accounting for assessing the impact of enterprise development activities. Rose (1997:163), opined that the discipline of social accounting encourages any organization to take impact assessment serious, and that it encourages management information systems to be developed and embedded in the organization to provide on-going monitoring and learning from programme activities.

There are however divergent views of social accounting by various authors. According to Wood and Sangster (1999:481) Social accounting is concerned with how to report upon the application of social policies adopted by an organization and upon how they have impacted upon the organization and its environment. An organization that does so efficiently and effectively will not only be providing users groups with rich information from which to a view concerning its social ethics, it will also be enhancing its ability to take appropriate decision for its longer term survival and proliferation.

Onwubiko (1994:63) defined Social accounting as the branch of economics which deals with the estimation and recording on the pattern of consumption and expenditure of the inhabitants of a country or nation.

Rose equally opined that it encourages the integration of social objectives into strategic planning, and that the reporting of the social accounts specifically if done annually focuses the mind in what level of impact assessment has been carried out during the year. Chris (2006:1) opined that social accounting is not a means of, nor an alternative to, impact assessment, but rather a framework methodology into which impact assessment can fit.

The essence of Social accounting is therefore accounting for what we do and listening to what others have to say, so that future performance can be more effectively targeted at achieving the chosen objectives. The overarching principle of Social accounting and audit is to achieve continuously improve performance relative to the chosen social objectives and to the stated values.

The review of related literature is centered on the following areas: what is social accounting all about, scope of enterprises social responsibilities, principles of AA1000 process model and accountability, application of social accounting in enterprises development, social and ethical accountability, auditing and reporting in social accounting development enterprises, types and the impact of social account enterprises techniques.

2.1 DEFINITION OF SOCIAL ACCOUNTING.

The American Institute of Certified Public Accountants (AICPA: 1961) defined “Accounting” as the art of collecting, recording, summarizing, interpreting, classifying and reporting of financial transactions and events for the purpose of decision making and accountability.

According to Ikechukwu (1998:5) in his summary, accounting is the classification, analysis and interpretation of the business records for decision making.

Accounting is a service oriented activity or practical techniques concerned with systematically, recording, analyzing, summarizing and communicating economic information to interested parties, (Okoye, 1996:2). It become so indispensable in all facets of our modern business society that every element of the society, individual business organization and the government applies it either knowing or unknowingly, in much of the objective. Each needs accurate information about its or her activities. For instance, every businessman/organization needs to know the financial position at any particular period, and this involves keeping accurate records of economic events.

With the incidence of globalization, organizations, companies and people are trying to recognize the need of applying social accounting techniques which

has become the foundation of good practice in corporate social responsibility in consulting firms, Non-governmental organization and voluntary organizations etc.

Social accounting is an accounting framework which allows an organization to build on existing documentation and reporting and develops a process whereby it can account for its social performance, report on that performance and draw up an action plan to improve that performance and through which it can understand its impact on the community and be accountable to its key stakeholders, (Igwe, 1998:25).

Social accounting is way of demonstrating the extent to which an organization is meeting its stated social or ethical goals. The organizations itself owns the process of data collection and analysis and the process is driven by indicators/indices the organizations set in consultation with stakeholders, as opposed to being based on standards determined externally, (Chris, 2006:2).

Enudu, (1999:10) observed that the core business of community and social enterprise of a community is environmental benefit which include just; to increase in transparency and accountability, but also the development of a focus on organizational learning, the embedding of organizational information systems and the systematic improvement of stakeholders' dialogue. The organization and all the people associated with it or affected by it need to know if it's achieving

its objectives and values are relevant and appropriate. That is, what the social accounting process aims to facilitate.

Keeping social accounting in a company/an enterprise gives us the information we need both quantitative and qualitative in that company and it relates to us our performance and what people think about what we do and how we do it, (Igwe, 1998:15).

Because of the increased need of social accounting in our enterprise today, the institute of social and ethical accountability founded in U.K in 1996 developed the social accounting methodology as first employed by Traidcraft in 1993 and launched the accountability 1000 (AA 1000) standard in 1999.

AA 1000 is described as “a foundation standard which comprises principles and a set of process standards in recognition of the still early stage of development that SEEAR is at. AA 1000 has not been positioned as a certifiable compliance based standard, but rather as a sets of key principles which should stimulate innovation above an agreed quality floor, rather than encouraging the development of a more rigid compliance oriented culture” focused around engagement with stakeholders, AA1000 seeks to link the defining and embedding of an organization value to the development of performance target, thus, trying social and ethical issues into the organization’s strategic management. Organizational learning and improvement is seen as central to the

approach as is the link between organizational accountability and developing trust with stakeholders. As a process standard, rather than performance standard, AA 1000 specifies the processes that an organization should follow to account for its performance, not the levels of performance the organization should achieve as will be discussed further in chapter two of this project work.

2.2 SCOPE OF ENTERPRISES SOCIAL RESPONSIBILITIES.

The concept of enterprise social responsibility arises from two basic reasons, (Enudu, 1999:98).

First and foremost, it arises from the negative social impacts of enterprises on the society such as pollution of all kinds, air, water, solid waste and such others as deceptive advertising unsafe products etc.

The second reason is the fact that the society itself is faced with numerous problems which significantly affect it. Since whatever affects the society at large will also have impact on the enterprises operating system therein (in such society). It is reasonable and rational that business should contribute to solving problems relating to erosion, diseases of all kinds, unemployment, educational needs of some poor students provision of infrastructural facilities etc which are prevalent in most societies.

Social responsibility as “the intelligent and objective concern for the welfare of society which restrains individuals and corporate bodies from ultimately destructive activities no matter how immediately profitable and which leads in the direction of positive contributions to human betterment, Stranks(1998). The above definition stressed the importance of being socially responsible both by individual and corporate organizations, (Udabah, 1989:22).

However, having talked about the fundamentals of enterprises social responsibility, the researcher at this point will discuss extensively on the scope of enterprises social responsibilities as observed by, (Nwachukwu, 1988:272) include:

(a) Equal opportunity in employment

Even in the industrialized countries, the issue of discrimination is found in government having enacted numerous legislations to check the problem of discrimination in employment. For instance, there are certain government policies both at the federal and state levels aimed at discouraging all sort of discrimination in employment as observed in the Nigerian system of “Federal character”, “policy of the federal government” and, the “triangular equilibrium” policy of the civilian government in Enugu State.

(b) Ecological issues

There is one common fear that the problems of environment may threaten the continued existence of modern society in its present form. The ecological challenges facing business fall under four major groups; population and food, energy and natural resources use and pollution, but i will only discuss the pollution issues.

Automobile and industrial or factory smokestack pollution, water pollution, underground dumps, thermal pollution, solid waste disposal, hazardous and toxic substance and noise pollution are among the main types.

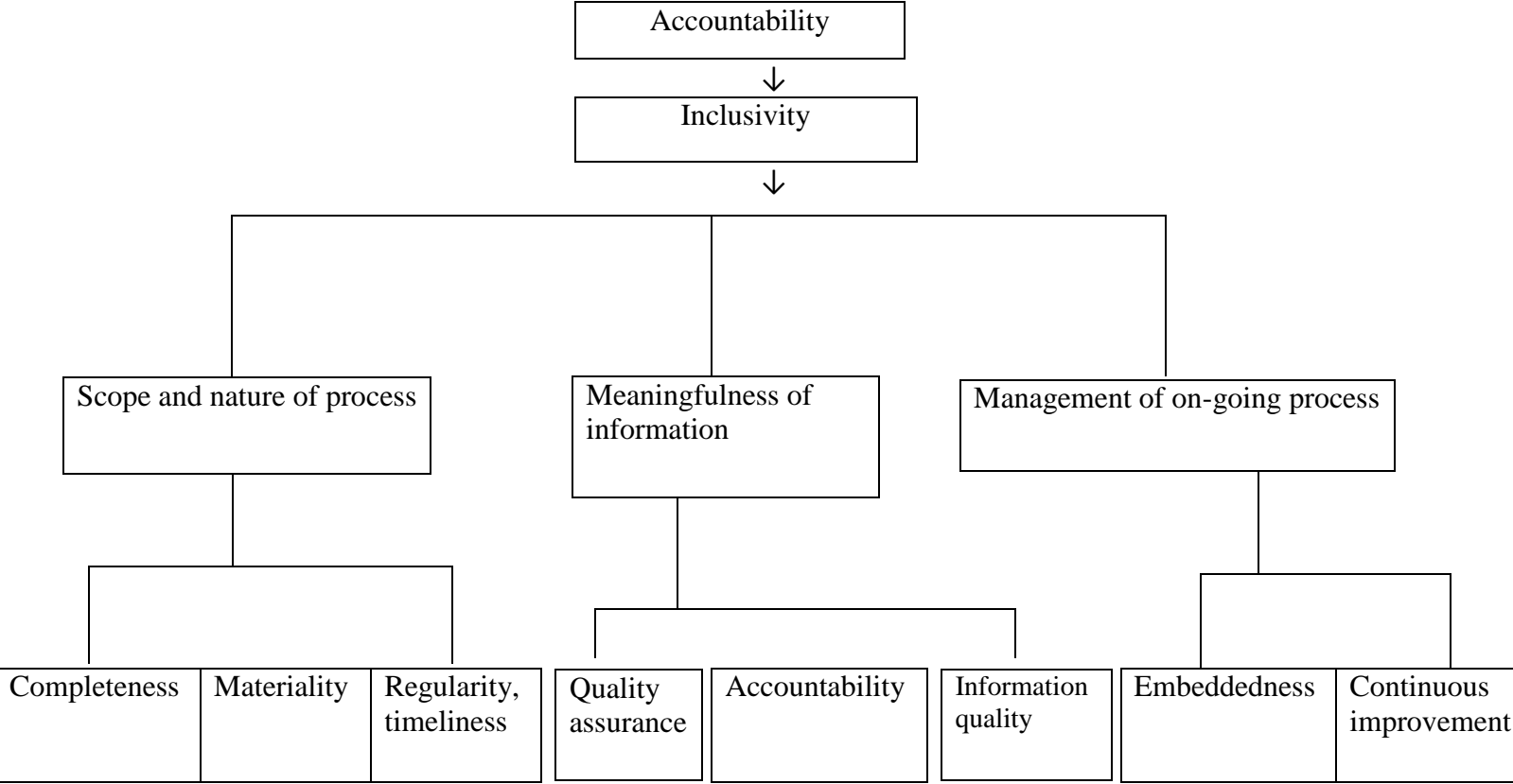
One will at this juncture, asked about the law as an instrument of business social responsibilities in Nigeria to address these problems of pollution issues in Nigeria. The answer to these problems is not much fetched because in spite of all the responsibility, many managers in Nigeria are not minding the negative impact of their business activities. As a result, the Federal Government of Nigeria has enacted several pieces of legislation aimed at compelling business in different sectors of the economy to be socially responsible. These include:

- Weight and measures Act of 1962.
- Food and drugs Act of 1974.
- The CAMD1990 (Companies and Allied Matters Decree 1990).
- Standards Organization of Nigeria Decree 1991.

2.3 PRINCIPLES OF AA 1000 PROCESS MODEL AND ACCOUNTABILITY

The principles of AA1000 are summed up as seen in the below figure. These principles identify the characteristics of a quality process. The governing process/principles of accountability are addressed by inclusivity within the process, reflecting all organizational stakeholders groups. The principles that support accountability and inclusivity within the process are divided into three groups of: scope and nature of the process, the meaningfulness of information, and the management of the process on an ongoing basis.

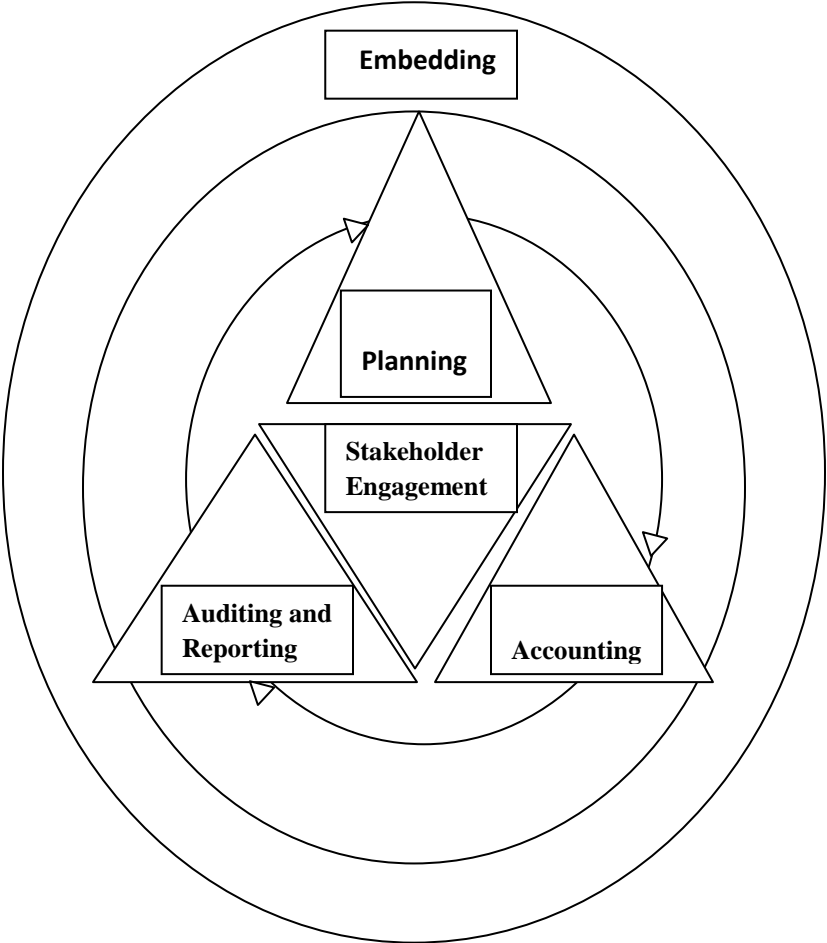
Figure 1: The AA1000 principles.



The process model of AA1000 aims at continuous improvement through iterations over time. It can be summarized as seen in figure 2 below.

The planning phase involves defining and reviewing organizational values, objectives and targets as well as recognizing the different stakeholder groups of the organizations. Having defined the scope of the process, the accounting phase involves the collection and analysis of information against performing targets. This is accomplished by the development of plans for improvement and the revision of relevant targets. A report of information gathered is prepared and externally audited, before being disseminated to stakeholders. Central to all phases is an on-going engagement with stakeholders around what is to be measured and the capturing of stakeholders “voice” to be included in the report. Over time, support structures and systems are developed in order to embed the process into the organization’s activities. Within this model, a set of steps are identified that should be taken in order to satisfy the AA1000 quality principles.

Figure 2: The AA1000 process model.



One should note that since the development of AA1000, there has been an often bewildering proliferation of standards and guidelines relating to differing approaches to corporate social responsibility (CSR).

2.4 APPLICATION OF SOCIAL ACCOUNTING IN ENTERPRISE DEVELOPMENT.

To date the greatest interest in putting social accounting techniques into practice has come from large corporations in Nigeria and well known implementers include: Shell B.P, Amoco, B T and Body Shop. For these organizations, the increase in trust that it may be possible to generate through improved accountability and transparency is more likely to out-weigh the considerable cost of carrying out the exercise. John Pearce of Community Enterprise Consultancy and research in Scotland was the first who pioneered work on social accounting. A recent pilot survey into social audit with voluntary organizations (SAVO, Project) in the U.K, found that small voluntary organizations can benefits from social accounting though clearly cost and time commitment become significant issues.

The resonance between Social and Ethical Accounting, Audit and Reporting (SEAAR) and participatory methods of impact assessment in enterprise development suggests that the approach may have much to offer to this field. As more organization involved in enterprise development attempt to use the AA1000 methodology in evaluating their impact, so case material is beginning to emerge.

However, the short case studies below consider how social accounting methodology has been employed in practice by a range of organizations in the enterprise development context of Traidcraft, U.K.

Traidcraft, U.K Plc in 1993 was the first public limited company in the U.K to produce audited social accounts. Working together with the New Economic Foundation (NEW) a methodology was developed primarily to enable an account of performance to be reported which extended beyond the information, it was possible to present within the structures of the financial statements. In 1996, sister charity Traidcraft Exchange began producing social accounts and since that time Traidcraft has been considering the relationship of social accounting to small enterprise development.

One of the key issues faced by Traidcraft has been how to develop an efficient and effective stakeholder engagement process. Methods of engagement with stakeholders have included questionnaire, focus groups, detailed interviews by third parties and annual meetings with partners' organization or stakeholders. One of the difficulties in engaging with the most important stakeholders, overseas producers and partners has been the cost involved in anything more sophisticated than a questionnaire.

Until 1999, there was no specific "home" for social accounting function within the organization. This hampered the development of embedded systems

and processes, as responsibility for the production of the accounts changed from year-to-year. Since this time social accounting has been allocated to a team from across the organization which meets from time-to-time to review progress and has been placed within the remit of the financial director, so that issues of measurement systems are now being tackled. Establishing organization commitments to the process is a core aspect of making the process useful, Igwe (2000). He further observed that the practice now being developed involves supporting stakeholders' engagement where it already happens as part of the day-to-day operations of various departments within the organization.

One of the struggles Traidcraft has had is that its methodology for enterprise development has involved the development of local service providers and facilitators. These have purposely been independent organizations with their own governance structure and mission. Thus, on-going monitoring and data evaluation has been dependent on the systems of partners, who are at different stages of organizational development. The cost of this information gathering and dissemination can easily escalate or provide a distraction from the core objectives of the organization, thus the procedures developed need to be in proportion to the scale of the operation.

2.5 SOCIAL AND ETHICAL ACCOUNTING, AUDITING AND REPORTING IN SOCIAL ACCOUNTING DEVELOPMENT ENTERPRISE.

The issue of SEAAR (social and ethical accounting, auditing and reporting) reviews a comprehensive manner to allow it to regularly monitor the impact of its services on small, medium enterprise business and on poverty reduction and any organization/enterprise development can adopted the following process as practiced by ECOTA enterprise in Bangladesh, Khan (2000).

(a) Identify the social objectives and the ethical values of the organization against which its activities are assessed.

Under this the organizational vision, mission statement and objectives must be reviewed and grouped as some of the objectives complement one another. The process of SEAAR tries help to clarify this.

(b) Define the stakeholder groups.

These are the key groups who have an interest in organization that can influence or are affected by its activities. ECOTA enterprise in Bangladesh worked with a wide range of people who were grouped into different categories

to make stakeholder groups that can be communicated with for this year's social accounting. Of the six groups identified below, ECOTA enterprise has approached four of them as part of the first social accounting process;

- Individual procedures and employees of member-partners of ECOTA.
- The member-partner organizations.
- The staff of ECOTA fair trade forum.
- The Northern buyers\clients.
- Local BDS providers both in public and private sectors.
- Development partner including donor and technical support providers.

(c) Establish social performance indicators.

It is a process of assessment and identification from the different stakeholder's perspectives, so they define appropriate indicators for measuring performance in their opinion. One issue that came across quite frequently in finalizing the most acceptable and measureable list of indicators is that there is conflict of interest between different stakeholders.

(d) Begin the accounting process.

This is where we began collecting both subjective and objective data. As far as possible, we tried to preserve the original and authentic “voice” of the stakeholder as well as some performance indicators from statistical and quantitative data. This will allow performance to be compared over time and with other organizations or appropriate benchmark in future social account of enterprise.

(e) Audit the accounts.

This means that the accounts are independently audited and a social Auditor’s Report is published with the accounts. Enterprise should engaged an independent management audit firm to gather responses from our stakeholders and also in the whole process an external consultant was engaged, not only to give us support to do social accounting but, also to safeguard the transparency and authenticity of this particular report.

(f) Publish regular accounts.

Hence many organization/enterprise has not adopted social accounting method; it is advisable to review the accounting reports time frame over which we feel it will be reasonable to compare the account on interval basis. However,

we trust that the accounts will reflect the impact of all the organizational activities as they affect its stakeholders.

2.6 CHALLENGES OF SOCIAL ACCOUNTING TECHNIQUES.

Social accounting is not another system to be imposed on an organization; it is more an approach, providing a framework which permits the organization to report on its social performance in the fullest and most effective way possible.

Social accounting makes use of information that an organization already gathers, reports which already have to be prepared, and consultations which are already carried out. Gaps in existing documentation and information systems will be identified and new methods of capturing information and gathering stakeholders' views developed.

No organization starts with a clean sheet. All organizations keep records about what they do, about how they did it, about staff and volunteers, about their members, about their clients and customers, about training organized for their staff and members, all organizations have records of meetings and produce different reports, this is valuable raw material which can be used in the social account. Usually, there is much more "in the bag" than you realize, sometimes tucked away in different departments or various computers and not brought

together or only used for one purpose when it could be usefully used to inform others as part of the social accounting process as assumed by, Igwe (1998).

2.7 TYPES OF SOCIAL ACCOUNTING.

Social accounting as the name implies, is an accounting aspect that affects many enterprise, if not every enterprise that deals with the public and has types and divisions as used by various enterprise and departments of different enterprises. The types and divisions of social accounting are grouped according to Miles (1981) as follows:

- Social auditing.
- Financial social accounting in profit-oriented organization.
- Financial and/or managerial social accounting for non-profit making organization.
- Managerial social accounting in profit oriented organization.
- National income accounting.

(a) SOCIAL AUDITING.

This is the process of reviewing and verifying the social accounts at the end of each social audit cycle (the actual audit year), Donnell (1992). The term “social audit” is also used generally for the concept and for the whole process.

Social accounts which have been audited by an independent social audit panel will have credibility. The information from such audited accounts can be used powerfully to demonstrate not only what the organization has done but how it intends to improve publishing the social accounts allows all stakeholders, that is, those who benefit from what we do, those who do the work, those who pay for it, those who work in partnership with us, that is, to understand the true nature of the added-value we achieved, (Igwe, 2000:5).

While national social accounting would measure national social progress, many individuals and organizations are interested in their own social progress. This form of social progress is usually called “social responsibility” (Sangster, 1999:483)

To identify activities to be measured, a “social audit” required investigating:

- i Which of their activities contributed to or detract from being social responsible.
- ii Measurement of those activities.
- iii A report on the results disposed by the investigation. An example of these might be to discover how the organization had performed in respect of such matters as:
 - Employment.
 - Help the third world countries.

- Charitable activities.
- Occupational safety
- Water pollution.
- Occupational health
- Air pollution.
- Benefit at pensionable age.

Social audit might be carried out by an organization's staff or by an external auditor which the reports (audit report) might be for the internal or organizational use only or for the general publications and for public consumption.

(b) FINANCIAL SOCIAL ACCOUNTING IN PROFIT ORIENTED ORGANIZATION.

This is an extension to normal financial accounting, the objective may either be to show how the social actions have affected financial performance or otherwise to put a social value on the financial statement of the organization.

The two main types of financial social accounting envisaged to date are those of human resource accounting and compliance costs of statutory/professional requirements.

1. Human Resource Accounting.

One of the main limitations of normal financial accounting is the lack of any inclusion of the “value” of the workforce to an organization. The value may be determined by either:

- Calculating the replacement cost of the workforce and taking this as the value of human resources, or
- Extending either of the above to include the organizations suppliers and customers. It includes the organization suppliers and customers. It is centered that such measurements have the benefit that:
 - i. Financial statements are more complete and,
 - ii. Managerial decisions can be made with a further understanding of their implication.

For instance, suppose that a short term drop in demand for a firm’s goods led to a manufacturer lay off part of the workforce. This might mean higher profits in the short terms because if wages and salaries are saved. In the long term, it could do irreparable damage as recruitment could then be made difficult, or because of the effect on the morale of the rest of the workforce or changes in attitudes of suppliers and customers (Sangster, 1999:484).

2. Compliance costs of statutory/professional requirements.

The effect of organizations upon society are more widely recognized where there will be more and more regulations with which to comply. The cost of compliance will obviously then become a basic and essential part of financial statement.

(c) FINANCIAL/MANAGERIAL SOCIAL ACCOUNTING FOR NON-PROFIT MAKING ORGANIZATION.

As profit is not a measure in these organizations, it can be difficult to measure how well they are performing. Two approaches to measurement have been used, planning programming budgeting system (PPBS) and social programme measurement. Both of these approaches can be said to be part of what politicians in recent years called “value for money” the general attitude is that while there may be a need for all sorts of social programmes including health, there is a great need for ensuring that money is not wasted in doing this. The demand is that we should ensure that we got “value for money” in that the output from such schemes should be worth the amount expended in carrying them out.

It has been said that in the past, there was a great deal of confusion between planning and budgeting. Annual budgeting takes a short term financial

review. Planning on the other hand should be long term and also be concerned with strategies thinking. The PPBS enables management of non-profit making organizations to take decisions on a better informed basis about the allocation of resources to achieve their overall objectives (Sangster, 1999:485). PPBS works in four stages:

- Identify programmes to achieve objectives.
- Review organizational objectives.
- On the basis of cost benefit principles select appropriate programme.
- Identify and evaluate alternative ways of achieving each specific programme.

Management is therefore compelled by PPBS to identify exactly which services or activities should be provided, otherwise the worthiness of the programme could be evaluated. PPBS also provide information which enable management to assess the effectiveness of their plans.

The idea that governmental social programme should be measured effectively is yet in its infancy. A government auditor would determine whether the agency had complied with relevant laws and had exercised adequate cost control. The auditor would determine whether or not the results expected were being achieved and whether there were alternatives to the programmes at a lower cost. As a consequence, most social accounting programmes do not yet measure

result. Instead the measure “outputs” example had many prosecutions for “goods” a lower number “bad”. This is hardly a rational way of assessing result, and quite a lot of research is going into better method of audit.

(d) MANAGERIAL SOCIAL ACCOUNTING IN PROFIT ORIENTED ORGANIZATION.

All that has been described as an effort upon the accounting information system of an organization, they will have to be established on an on-going basis, rather than be based purely on adjustments to the financial accounts at the year end. The information will be used to effect the day-to-day decisions needed to run the organization.

(e) NATIONAL SOCIAL INCOME ACCOUNTING

According to Udabah, (1999:162) the basic social accounting measurement of the total national product or simply GNP, he further defined the Gross Net Product as the total market value of all financial goods and services produced on the economy in one year. It is best expressed as the sum of four aggregates namely: personal consumption expenditure, gross private sector investment, the net foreign investment and government purchases of goods and services.

Thus, the gross national product (GNP) is equal to the gross domestic product (GDP) plus the total earnings of the foreigners within the country during any giving period ($GNP = GDP + X - M$), the measure of the nation's productivity recorded in the accounts, basically in sales terms, gives an incomes called the gross national products (GNP). As national income accounts do not record the "social" well-being of a country, other national measures have been proposed. The one most often mentioned is a system of social indicators. These measure social progress in such ways as:

- National life expectance.
- Living conditions.
- Levels of diseases.
- Nutritional levels.
- Amount of crime and road deaths.

2.8 BENEFITS OF SOCIAL ACCOUNTING TECHNIQUES.

The benefits of social accounting techniques can be group into two, positive and negative according to Onwubiko (1994) as follows:

(A) POSITIVE BENEFITS.

The positive benefits of social accounting are summarized as follows:

- It stimulates honest external and internal appraisal of the organization and encourages consistency in approach.
- Provides a useful framework for all the activities of the organizations.
- Sharpens the definition and focus of the organization.
- Extend accountability to main stakeholders.
- Involves stakeholders in the organizations.
- Provides a fordable and adoptable process to the enterprise.
- Provides credence for the “softer” outcomes.
- Measures to some extent the perceived social impact of the organization.
- Organizational learning and improvement is seen as central to the approach as is the link between organizational accountability and developing trust with stakeholders.
- It discloses a process standard rather than performance standard.
- It specifies the processes that an organization should follow to account for its performance, not the level of performance the organization should achieve.

(B) NEGATIVE BENEFITS OF SOCIAL ACCOUNTING

TECHNIQUES

- There is no recognized qualification for social auditors.
- Recognition by stakeholders and others of the value of doing a social audit.
- Time and organizational efforts required to carry out a social audit.
- Cost of finding outside resources such as interviewers and the social auditors.
- The process may be made more complicated and confusing through scientific and professionalizing.
- There is no current standard for the social audit process.
- Reading the views and opinions of non-stakeholders.
- Danger of becoming a paper exercise only.

2.9 SOCIAL ACCOUNTING AND IMPACT ASSESSMENT.

As more organizations/enterprise involved in the field of enterprise development experiment with social and ethical accounting, auditing and reporting, the question is raised as how this relates to our traditional understanding of impact assessment. Social accounting and impact assessment was grouped into the following:

i Social Accounting is not impact assessment.

Social accounting through the AA1000 process standards provides a comprehensive and systematic framework for accounting, auditing and reporting against an organization's social objectives. The discipline of social accounting encourages any organization to take impact assessment more seriously. It encourages management information systems (MIS) to be developed and embedded in the organization to provide on-going monitoring and learning from programme activities. It encourages the integration of social accounts, especially if done annually, focuses the mind on what level of impact assessment has been carried out during the year. However, "being a social audit" is not the magic bullet for achieving good impact assessment of enterprise development activities. A social audit is the framework into which impact assessment information can be placed.

Just as financial accounts are the "shop window" for what should be happening regularly and systematically in the organization, (that is management accounting, risk management, internal control, basic cash handling systems etc) so social accounts are the place where impact studies, stakeholders dialogue etc can be reported.

ii Social Accounting uses participatory methods/techniques.

Social accounting provides an ideal way to combine participatory methods of indicator setting with on-going quantitative data collection. The emphasis on identifying and engaging with key stakeholders lends itself well to the use of impact assessment methodologies such as participatory rural appraisal (PRA) and participatory learning and action (PLA).

iii Social Accounting seeks to embed M & E.

Developing social accounting processes within an organization involves commitment to on-going stakeholders' dialogue, and the development of a management information system based on indicators of social impact. Impact assessment of enterprise development projects often bemoan the lack of a systematic embedded M & E system which hampers efforts to provide and use meaningful impact assessment information. The AA 1000 focus on embedding systems is therefore useful (especially with the addition of a full module on this topic to be added in the new AA 1000 series).

iv Scope of engagement.

It is important to note that social accounting as an organizational, rather than project level scope. Thus, stakeholders judge an organization on their

overall perceptions rather than a narrow view of project success or failure. However, one of the issue of social accounting, as with impact assessment, is the level at which stakeholder dialogue can be carried out by the organization. Enterprise development activities typically involve chains of inter-related interventions. It is unreasonable to expect parties that do not have a direct relationship with the organization to be involved in making a regular assessment of how it has performed against social indicators. Impact assessment studies need to go deeper than this and assess impact at the beneficiary level and at the household level. The results of such studies should form key part of management information systems and so when carried out should be reported on within the social audit.

v Transparency

Fundamental to social accounting is the concept of accountability, aided through increased transparency. Few of the established methods of evaluating project or programme success include transparency as a primary concern. Social accounting adds a level of accountability to what are sometimes perceived as unaccountable NGOs. These are those who now suggest that social accounting offers an interesting way of bringing wider accountability to donor funded or NGOs led projects in the enterprise sector and beyond.

vi Compliance/improvement

One of the most positive features of social accounting is that it encourages change within the organization. Earlier concept of social audit involved an external organization making an assessment of social performance and providing a report on the company. This method did not tend to change the way business operated in the way that self directed assessment does.

Impact assessments are carried out in the same way imposed externally leading to limited ownership of the results by the organization assessed social accounting tends to foster an improvement rather than compliance based mentality to impact assessment and so should lead to ownership and on-going improvement in the organization.

2.10 SUMMARY OF REVIEW OF RELATED LITERATURE.

The researcher reviewed the related literature of this chapter as cited by the various authors and writers as follows: Ikechukwu; 1998:5, Igwe: 1998, Endu: 1999, Udabah: 1999, Stranks: 1998, Nwachukwu: 1988, CAND 1990, Khan: 2000, Sangster: 1999, Onwubiko: 1994.

The review of the related literature covers some theoretical issues in the content of social accounting as well as the method of assessing the impact of enterprise development activities. From the review, it was observed that the

method of assessing the impact of enterprise development activities applied to Enugu State government and other public and private sector organizations in the state where immeasurable impact has been created in the area of employment of her citizens, enhancement of good health through the supply of drugs health seminar, empowering the law enforcement agent (police) by given them fifty helix vehicles to fight against crime, dialoguing with different stakeholders in the state by creating various committees for various ministries.

The review equally gathered from several authors that social accounting has different branches and classifications that include the following:

- Social auditing which talks more about the reviewing and verification of the social accounts at the end of each social audit cycle.
- Financial social accounting in profit-oriented organization that is just an extension to the normal financial accounting.
- Financial and managerial social accounting for non-profit making organization which makers use of two measurement approaches that include the planning programming budgeting system (PPBS) and the social programme measurement.
- Managerial social accounting in project-oriented organization and finally the review equally covers the enterprises social responsibilities and its scope.

REFERENCES.

- Donnelly, J.H et.al. (1992), Fundamental of Management, Eight Edition, USA, Mac-Grow Publishing Company Limited.
- Enudu, T.O (1999), Business Management, Enugu, New Generation Publishing Company Limited.
- Igwe, I.G (1998), "Why Social Accounting" Unpublished Article.
- Igwe, I.G (2000), "Getting Closer to Social Accounting" Unpublished Article.
- Miles, C.W.N (1981), Estate Finance and Business Management, 4th Edition, Britain, Hall-max Publishing Company Limited.
- Okoye, E.I (1996), Principles and Practice of Financial Accounting, Enugu, Boset Publishing Company Limited.
- Onyejekwe, M (1995), Elementary Development Economics, Ibadan, Heinemann Publishing Company Limited
- .
- Onwubiko, O.W. (1994), An Introduction to Development Economics, Ibadan, Millian Publishing Company Limited.

Sangster, A. et.al. (1999), Frank Wood's Business Accounting Two, Eight Edition, Britain, Hall-max Publishing Company Limited.

Stranks, J (1998), Health and Safety Law, Third Edition, Britain, Mac Grow Publishing Company Limited.

Udabah, S.I. (1999), Basic Economics Theory and Practice, Enugu, Linco Press Nigeria Limited.

<http://www.accountability.org.uk/social> accounting/impact assessment

<http://www.traidcraft.co.uk/social> accounting/development activities

CHAPTER THREE

3.0 RESEARCH METHODOLOGY

Research is the process of systematically obtaining accurate answers to significant and pertinent questions by the use of the scientific method of gathering and interpreting information, (Balsely and Clover, 1982:2). Research methodology therefore refers to the arrangement of conditions for the collections and analysis in a manner that aims to combine relevance of the research purpose with economy of procedure.

The purpose of this study makes it imperative to collect the necessary data and analyze them critically so as to draw conclusion. In this chapter, the researcher describes the methodology for the research on the topic “social accounting: a method of assessing impact of enterprises development activities”. The chapter contains the following; design of the study, area of the study, sources of data, population of the study, sample size determination and sample method, instrument of data collection and method of data collection and method of data analysis.

3.1 RESEARCH DESIGN

Research design is defined according to Okeke, (2005: 64) “as the total constructional plan or structure of the research framework. He further observed that research design therefore means the structure and planning of the entire approach to the problem that generated the research. It is a format which the researcher employs in order to systematically apply the scientific method in the investigation of problems. Onwumere, (2005:115).

Asika (2001:27) opined that research design means the structuring of investigation aimed at identifying variables and their relationship to one another. Research design shows how data relating to a research problem should be collected and analyzed. The process involves the structuring of investigation to identify variables and their relationship with one another as well as providing procedural outline for the conduct of the investigation.

In this research study, both the survey and historical research design were adopted. The choice of these two methods of design was informed by the fact that extensive use was made of recorded or historical data, while survey was employed to get information from the respondents. Survey research apart from having the advantage of flexibility is also of value to decision makers. Thus, survey is a method of data collection based on communication with a representative sample of individuals. zikmund, (1982: 167).

3.2 AREA OF THE STUDY

The study area is Enugu urban in Enugu State. It is inhabited by people of various social classes, civil servants, students, staff of private and public sectors organizations.

3.3 SOURCES OF DATA

Because numerical data are the raw material of statistical investigation, one of the first steps in any statistical study must be the collection of suitable data (Freund and Williams, 1976:6). A corollary to the above is the notion of the sacredness of data to any research work, and the standard of the collections process. This made the researcher to show great care in collecting relevant data for this study, via primary and secondary sources.

Primary data include those data which the researcher collected through oral interview and personal administration of the research questionnaire.

Secondary data are those that are already in existence either in recorded or published data. There were collected from textbooks, internet web, Encyclopedia, organizational profile and other printed materials like newspaper, financial magazines and journals.

3.4 DATA COLLECTION AND ADMINISTRATION OF THE INSTRUMENT

The instrument for data collection is a structured questionnaire. It consists of two sections; section A and B. Section A contains the personal data of the respondents while section B contains the general questions of the problem of the study. Twenty-one (21) questions were asked for the purpose of the study and these required the respondents to tick the appropriate answers that may appeal to them.

In constructing the questionnaire, the objectives that were expected to be accomplished were appropriately identified and put into consideration.

The questionnaires were only administered to some personnel's in Account departments, stakeholders and others. It was distributed in such a manner as to ensure that fair representation of the members of the departments is adequately represented, whereas the purpose and significance of the study were explained to them orally.

3.5 POPULATION OF THE STUDY

A population consists of all conceivably or hypothetically possible observations relating to a given phenomenon, (Freund and Williams, 1982:85). It is vital to determine the group of persons or things to study. The population of the study was drawn from selected private and public sector organizations, the stakeholder, and employees in these organizations. However, Zikmund: (1982) observed that when there is no definite population figures, students should resort to validation. The population of the study is put at 297.

3.6 SAMPLE SIZE DETERMINATION AND SAMPLING METHOD

The sample size was computed or estimated using the Taro Yamane's formula as thus:

$$n = \frac{N}{1+N(e)^2}$$

Where n = Sample size

N = Population of the study

e = Estimated error of margin (e = 9% or 0.09)

1 = Theoretical constant

Source: Yamane (1964:280)

Substituting the various surveyed population in the above formula:

$$\begin{aligned}n &= \frac{297}{1+297(0.09)^2} = \frac{297}{1+297(0.0081)} \\ &= \frac{297}{1+2.4057} = \frac{297}{3.4057} \\ &= 87.21 \\ \mathbf{n} &= \mathbf{87}\end{aligned}$$

Therefore, the required sample size is 87 respondents. These respondents were selected using the simple random sampling method.

3.7 TECHNIQUES OF DATA ANALYSIS

Analysis takes data that are essentially quantitative in nature and analyzed them to effectively test hypotheses, answer research questions and present the two results of the study in understandable and convincing way. Data collected from primary source with the aid of questionnaire will be presented and analyzed using statistical and mathematical tools; frequency distribution tables, sample percentages, and diagrammatic presentations (group bar charts), in the empirical test of hypothesis the researcher made use of advanced statistics of chi-square (X^2), and it is mathematically expressed thus:

$$x^2 = \frac{\sum(O-E)^2}{E}$$

Where, O = Observed frequency

E = Expected frequency

χ^2 = Chi-square.

Σ = Summation

In testing the hypothesis, chi-square (X^2) calculated and tabulated will be compared. The data was tested using 5% (0.05) level of significance.

DECISION RULE

Decision for accepting or reject the hypotheses will depend on the decision rules stated thus:

Rule I: Accept null hypothesis (H_0) if the calculated value of X^2 is less than the critical value, hence reject the alternative hypotheses (H_1).

Rule II: Reject null hypothesis (H_0) if the calculated value of X^2 is greater than the critical value, hence accept alternative hypothesis (H_1).

The above two rules are mathematically express thus:

- i. Accept H_0 , if $X^2 \text{ Cal} < X^2_t$, hence reject H_1
- ii. Reject H_0 , if $X^2 \text{ Cal} > X^2_t$, hence accept H_1

The reason for using percentages, frequency table and chi-square was because the researcher used only research oriented question in testing the variables in the research study. The data collected from the respondents were

then examined by the researcher to find out the number of respondents with similar answer to each question, and then the percentages of the members got worked out.

REFERENCES

Asika, N. (2001), *Research Methodology in the Behavioural Science*, Lagos,
Longman Publishers Plc.

Freund John, and Williams Frank J. (1979), *Modern Business Statistics*,
2nd Edition, London Pitman Ltd.

Okeke, T. (2005), *Research Method: A Guide to Success in Project
Writing*, First Edition, Bauchi, Multisystem Publishing Company
Limited.

Taro, Y. (1964), *Statistics: An introductory Analysis*, 3rd Edition,
New York, Harpers and Row Publishers.

Udo, G.O. (2004), *A Guide to Modern Research Methods*, Institute of
Development Studies, University of Nigeria Enugu Campus.

Zikmund, W.G (1982), *Exploring Marketing Research*, Hunsdale,
Winston CBS College Publishing Company.

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

4.0 INTRODUCTION

In this chapter, data collected during the research survey, both the quantitative and qualitative were presented and analyzed. These data include the personal observations and the information elicited with the questionnaire.

In conducting the research, eight three copies of the questionnaire were distributed, and all the copies distributed were returned. Hence, response is 100% of the sample size. The tabulation of each of the data is followed by comments and likely inferences. This is for easy reference to readers of this work and to make summary of finding and recommendation easy to gather. Only those responses which related to the objectives of the study or help in the testing of hypothesis will be analyzed.

The analysis of the findings followed a systematic approach of providing answers to each of the research questions. The last part of this chapter is on the testing of hypothesis earlier formulated in chapter one in order to prove their validity or otherwise. The results and discussion of the findings in the study are presented to reflect social accounting as a method of assessing the impact of enterprises development activities.

4.1 PRESENTATION AND ANALYSIS OF DATA

The responses of the respondents as elicited from the questionnaire were presented in tabular form as shown below and the scores for each class of the responses and their percentages were determined.

4.1.1 METHOD OF CALCULATION

$$M = \frac{a}{x} \times 100$$

Where a = No of respondents

x = Total number of respondents

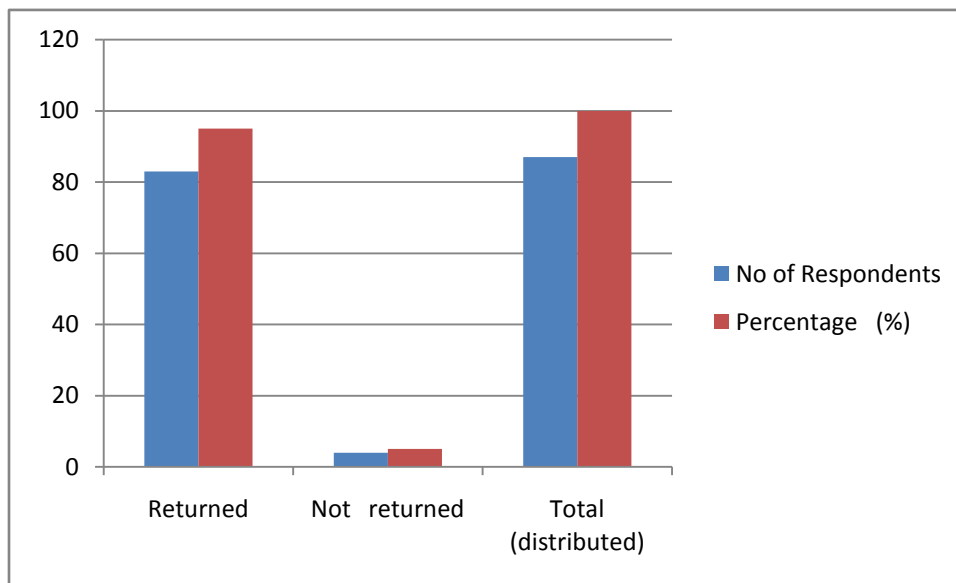
M = required figure while

100 = constant.

TABLE 4.1.1 ANALYSIS OF QUESTION RETURNED

QUESTIONNAIRE	NO OF RESPONDENTS	PERCENTAGE (%)
Returned	83	95
Not returned	4	5
Total (distributed)	87	100

Source: Computation of responses in Accounts Sections of the Enterprises under study.



A chart

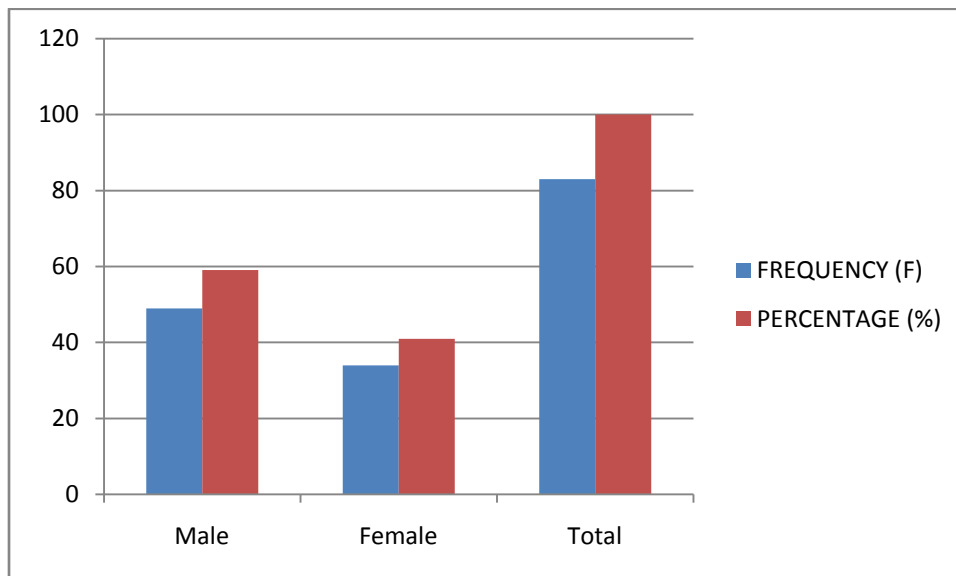
Figure 3 above is the diagrammatical presentation of table 4.1.1

The above table and chart discussed the response rate of the 87 copies of the questionnaires distributed. It revealed that (95%) of the respondents returned the questionnaires sent to them while (5%) did not return theirs.

TABLE 4.1.2 PERCENTAGE ANALYSES OF SEX OF THE RESPONDENTS.

SEX	FREQUENCY (F)	PERCENTAGE (%)
Male	49	59.04
Female	34	40.96
Total	83	100

Source: Survey Research 2009



A Chart

Figure 4 above is the diagrammatical presentation of table 4.1.2

Table 4.1.2 to 4.1.6 discusses the personal data of the respondents used as sample for this study. From the above table, the number of male is 49 which are 59.04% while that of female is 34 or 40.96%, using the given method of calculation:

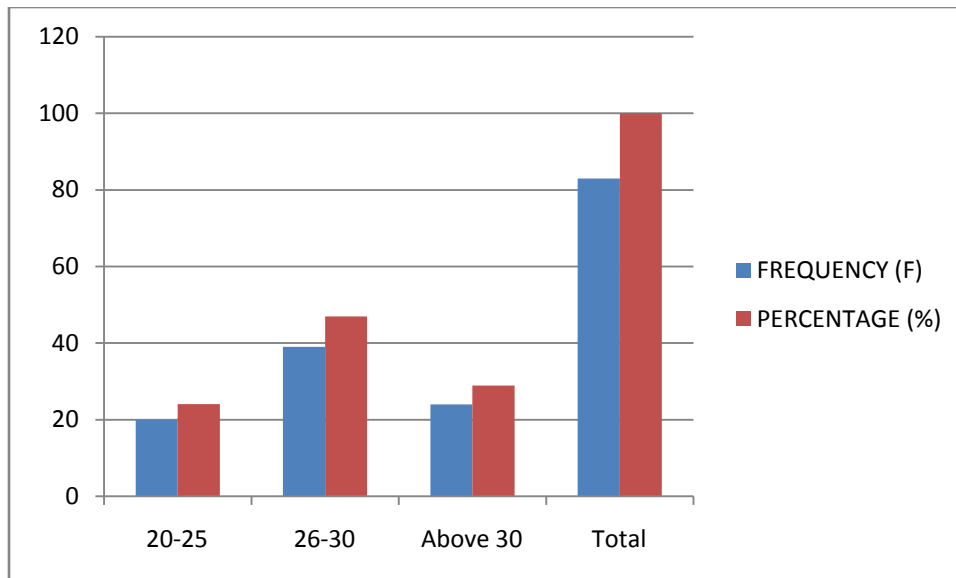
$$\frac{49}{83} \times 100 = 59.04\% \quad \text{and} \quad \frac{34}{83} \times 100 = 40.96\%.$$

This shows that there are more of males in the accounts department of the enterprises than females, which means male staff are more needed to carry out the accounting work in the enterprises.

TABLE 4.1.3 PERCENTAGE ANALYSES OF AGE OF THE RESPONDENTS.

AGE (IN YEARS)	FREQUENCY (F)	PERCENTAGE (%)
20-25	20	24.10
26-30	39	46.99
Above 30	24	28.91
Total	83	100

Source: survey Research 2009



A chart

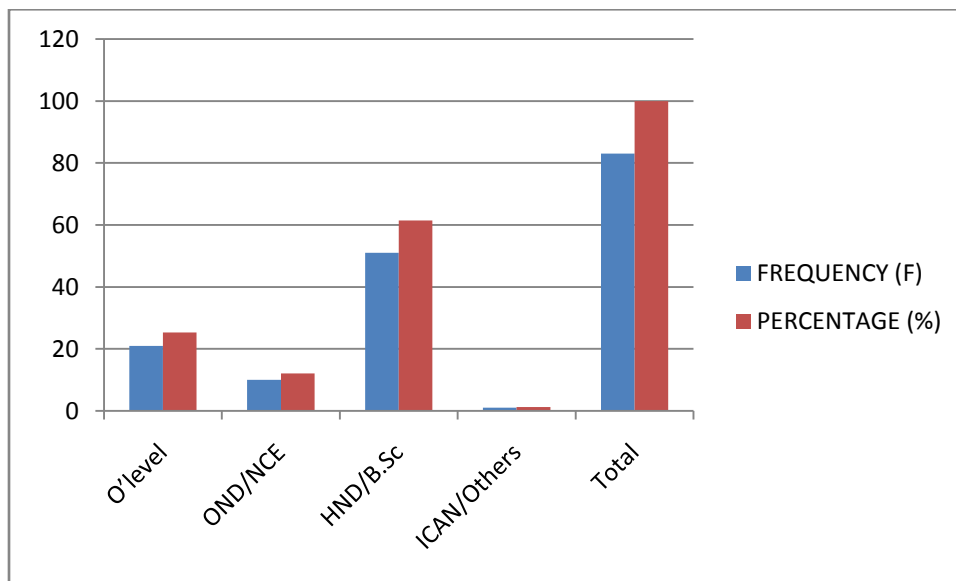
Figure 5 above is the diagrammatical presentation of table 4.1.3

The age distribution of respondents showed that 20 or 24.10% was of the age bracket of 20-25 years, 39 or 46.99% was of the age bracket of 26-30 years whereas 24 or 28.91% are above 30 years. This shows that the concerns employ more of the able bodied employees who are energetic.

TABLE 4.1.4 PERCENTAGE ANALYSES OF EDUCATIONAL QUALIFICATIONS OF THE RESPONDENTS.

EDUCATIONAL QUALIFICATION	FREQUENCY (F)	PERCENTAGE (%)
O'LEVEL	21	25.30
OND/NCE	10	12.05
HND/B.Sc	51	61.46
ICAN/OTHERS	1	1.20
Total	83	100

Source: survey research 2009



A chart

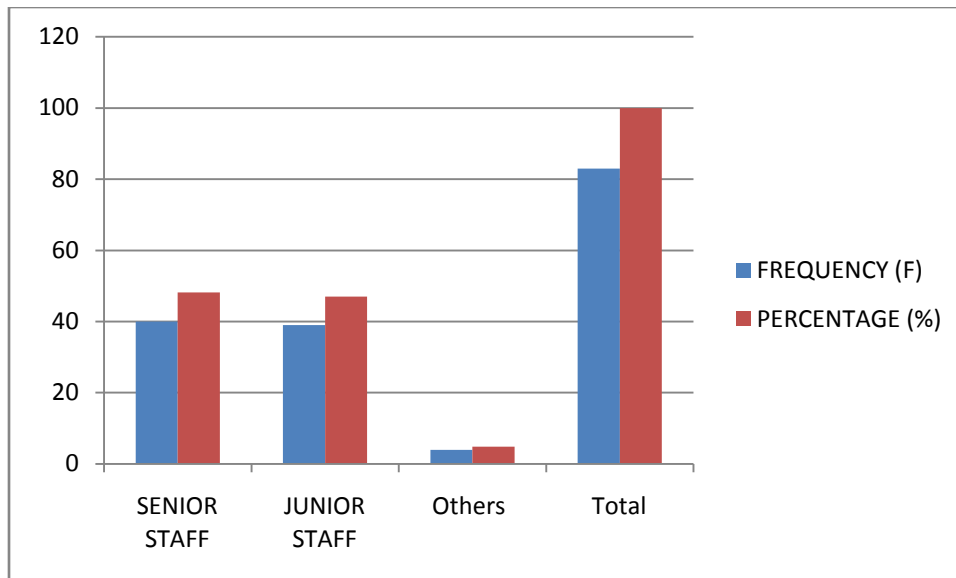
Figure 6 above is the diagrammatical presentation of table 4.1.4

The above analysis of the educational qualification of the respondents shows that 21 or 25.30% has O'LEVEL certificates, 10 or 12.05% has OND/NCE certificates, 51 or 61.46% has HND/B.Sc while 1 or 1.20% has ICAN/OTHERS. This shows that the enterprises under study employ more of graduates than other qualifications.

TABLE 4.1.5 PERCENTAGE ANALYSES OF OCCUPATIONAL STATUS OF THE RESPONDENTS.

OCCUPATIONAL STATUS	FREQUENCY (F)	PERCENTAGE (%)
SENIOR STAFF	40	48.19
JUNIOR STAFF	39	46.99
OTHERS	4	4.82
Total	83	100

Source: Survey Research 2009



A chart

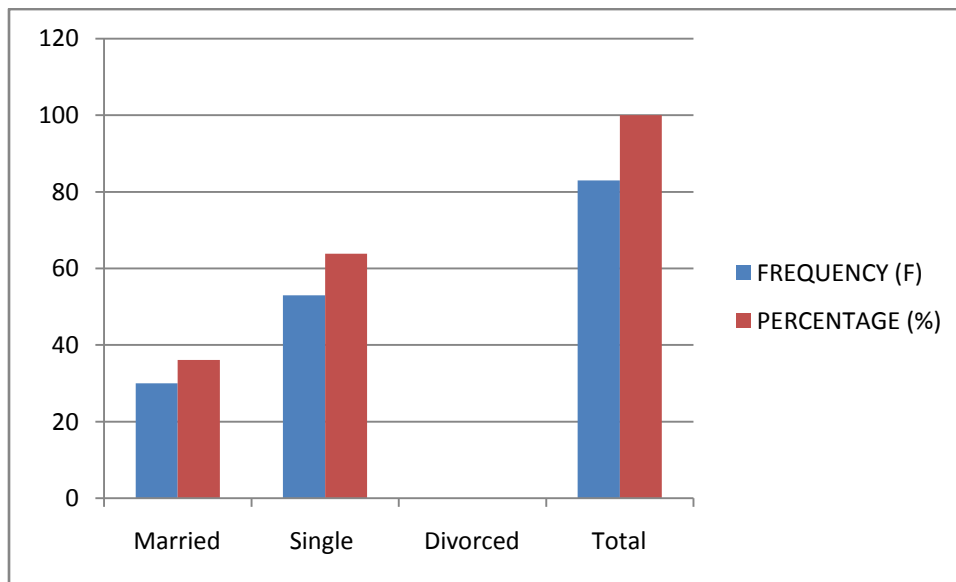
Figure 7 above is the diagrammatical presentation of table 4.1.5

The above analysis of the occupational status of the respondents revealed that 48.19% or 40 of the respondents are the senior staff, 46.99% or 39 of them are the junior staff while 4.82% or 4 are other workers in the enterprises under study. This shows that the concerns are more of senior and junior staff than other workers.

TABLE 4.1.6 PERCENTAGE ANALYSES OF MARITAL STATUS OF THE RESPONDENTS.

MARITAL STATUS	FREQUENCY (F)	PERCENTAGE (%)
Married	30	36.14
Single	53	63.86
Divorced	0	0
Total	83	100

Source: survey Research 2009



A chart

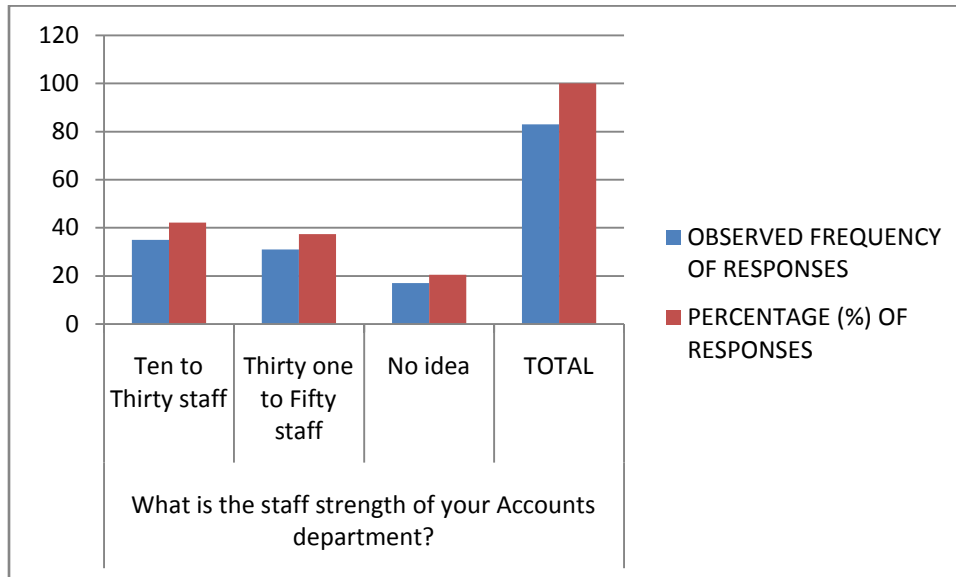
Figure 8 above is the diagrammatical presentation of table 4.1.6

The marital status of the respondents showed that 36.14% or 30 of the respondents are married staff, 63.86% or 53 of them are still single while none of them are divorced, which revealed that there are more of single staff than others.

TABLE 4.1.7 PERCENTAGE ANALYSES OF STAFF STRENGTH OF ACCOUNTS DEPARTMENT.

RESEARCH QUESTION	STAFF STRENGTH	OBSERVED FREQUENCY OF RESPONSES	PERCENTAGE (%) OF RESPONSES
What is the staff strength of your Accounts department?	Ten to Thirty staff	35	42.17
	Thirty one to Fifty staff	31	37.35
	No idea	17	20.48
	TOTAL	83	100

Source: survey research 2009.



A chart

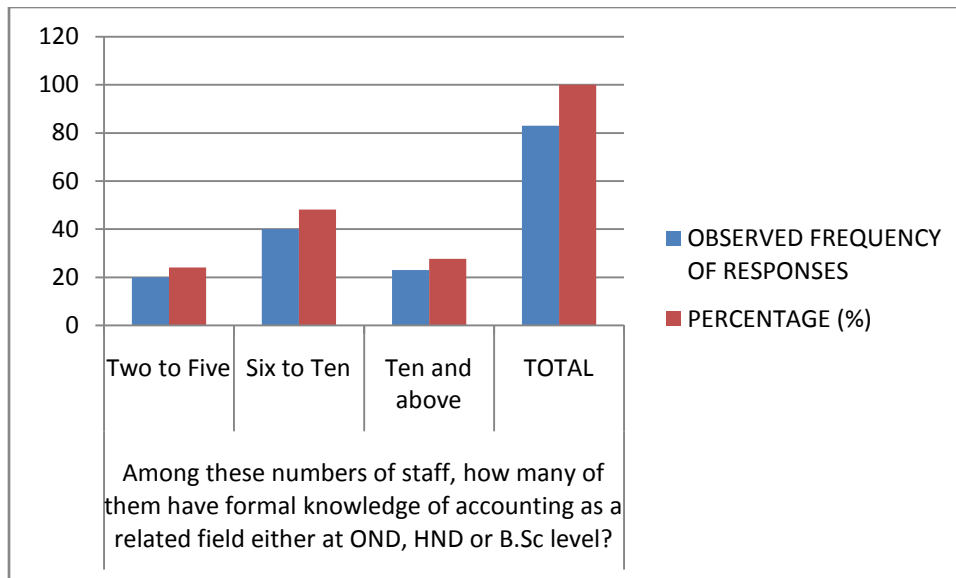
Figure 9 above is the diagrammatical presentation of table 4.1.7

The research question is answered by analyzing the responses to the question as shown in the above table; the analyzed data revealed that 42.17% of the respondents are between 10 to 30 persons, 37.35% of them are between 31 to 50 persons, whereas 20.48% of them stated that they have no idea of the staff strength of their accounts section.

TABLE 4.1.8 PERCENTAGE ANALYSES OF STAFF THAT HAS FORMAL KNOWLEDGE OF ACCOUNTING AS RELATED FIELD.

RESEARCH QUESTION	NO OF STAFF THAT HAS FORMAL KNOWLEDGE OF ACCOUNTING	OBSERVED FREQUENCY OF RESPONSES	PERCENTAGE (%)
Among these numbers of staff, how many of them have formal knowledge of accounting as a related field either at OND, HND or B.Sc level?	Two to Five	20	24.10
	Six to Ten	40	48.19
	Ten and above	23	27.71
	TOTAL	83	100

Source: Survey research 2009



A chart

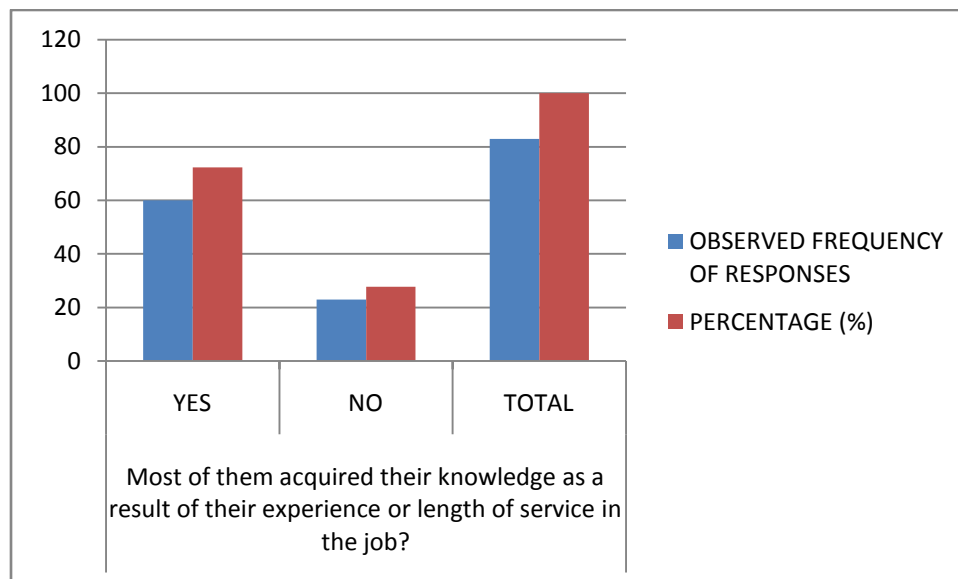
Figure 10 above is the diagrammatical presentation of table 4.1.8

According to the above analysis, 24.10% or 20 of the respondents stated that only 2 to 5 staff have formal knowledge of accounting as related field, 48.19% or 40 of them stated that about 6 to 10 staff have formal knowledge of accounting, while 27.71% or 23 of them stated that 10 and above have formal knowledge of accounting as related field.

TABLE 4.1.9 PERCENTAGE ANALYSES OF STAFF THAT ACQUIRED KNOWLEDGE AS A RESULT OF EXPERIENCE OR LENGTH OF SERVICE IN THE JOB.

RESEARCH QUESTION	CATEGORY OF RESPONSES	OBSERVED FREQUENCY OF RESPONSES	PERCENTAGE (%)
Most of them acquired their knowledge as a result of their experience or length of service in the job?	YES	60	72.29
	NO	23	27.71
	TOTAL	83	100

Source: survey Research 2009.



A chart

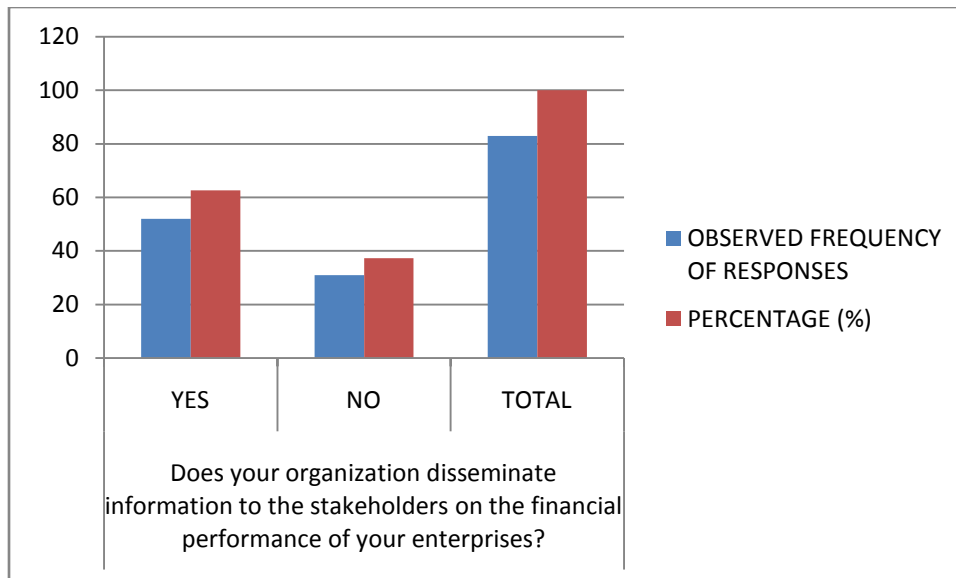
Figure 11 above is the diagrammatical presentation of table 4.1.9

The analysis shows that about 72.29% of the respondents agreed that most of the accounts staff acquired their knowledge as a result of experience and length of service while 27.71% of them disagreed.

TABLE 4.1.10 PERCENTAGE ANALYSES OF ORGANIZATION THAT DISSEMINATE FINANCIAL INFORMATION TO THE STAKEHOLDERS.

RESEARCH QUESTION	CATEGORY OF RESPONSES	OBSERVED FREQUENCY OF RESPONSES	PERCENTAGE (%)
Does your organization disseminate information to the stakeholders on the financial performance of your enterprises?	YES	52	62.65
	NO	31	37.35
	TOTAL	83	100

Source: Survey Research 2009.



A chart

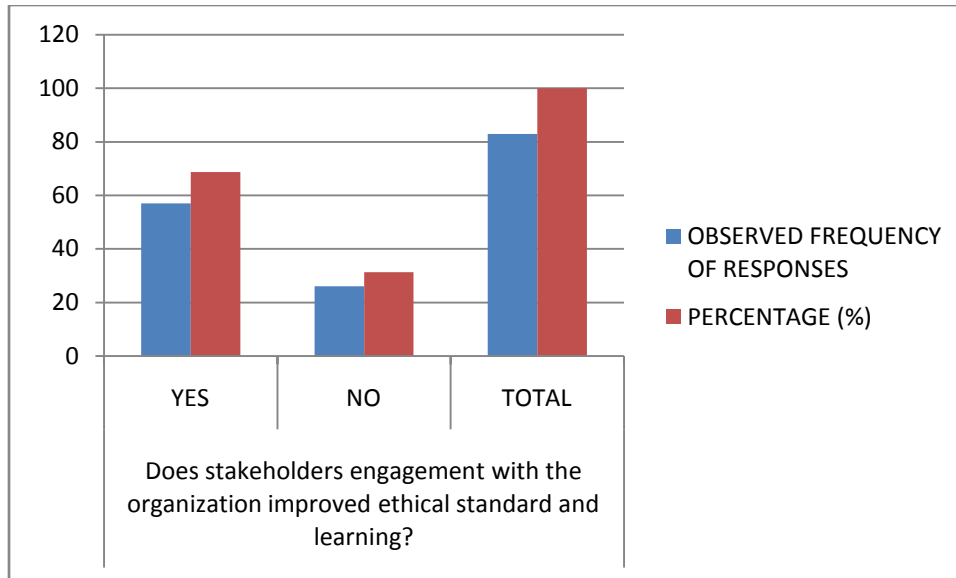
Figure 12 above is the diagrammatical presentation of table 4.1.10

The analysis of the responses shows that 37.35% of the respondents stated that the organization does not disseminate information to the stakeholders on the financial performance of the enterprises while 62.65% of them agreed that the organization disseminate information to the stakeholders on the financial performance of the enterprises.

TABLE 4.1.11 PERCENTAGE ANALYSES OF THE EFFECT OF
 STAKEHOLDERS' ENGAGEMENT WITH THE
 ORGANIZATION ON ETHICAL STANDARD AND
 LEARNING.

RESEARCH QUESTION	CATEGORY OF RESPONSES	OBSERVED FREQUENCY OF RESPONSES	PERCENTAGE (%)
Does stakeholders engagement with the organization improved ethical standard and learning?	YES	57	68.67
	NO	26	31.33
	TOTAL	83	100

Source: Survey Research 2009.



A chart

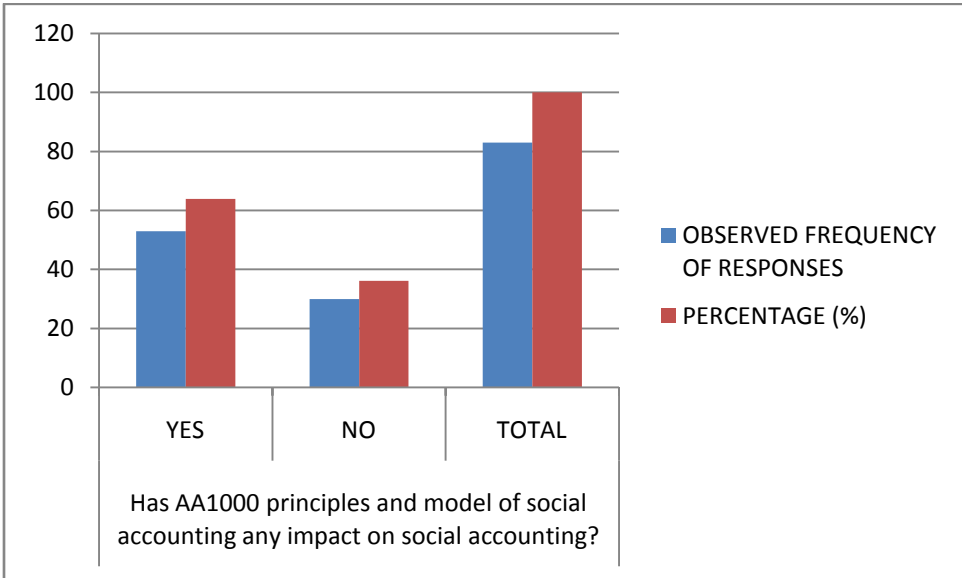
Figure 13 above is the diagrammatical presentation of table 4.1.11

About 68.67% of the respondents agreed that stakeholders' engagement with the organization improved the ethical standard and learning while 31.33% of them stated that it does not improve ethical standard and learning.

TABLE 4.1.12 PERCENTAGE ANALYSES OF THE IMPACT OF AA1000 PRINCIPLES AND MODEL ON SOCIAL ACCOUNTING.

RESEARCH QUESTION	CATEGORY OF RESPONSES	OBSERVED FREQUENCY OF RESPONSES	PERCENTAGE (%)
Has AA1000 principles and model of social accounting any impact on social accounting?	YES	53	63.86
	NO	30	36.14
	TOTAL	83	100

Source: Survey Research 2009.



A chart

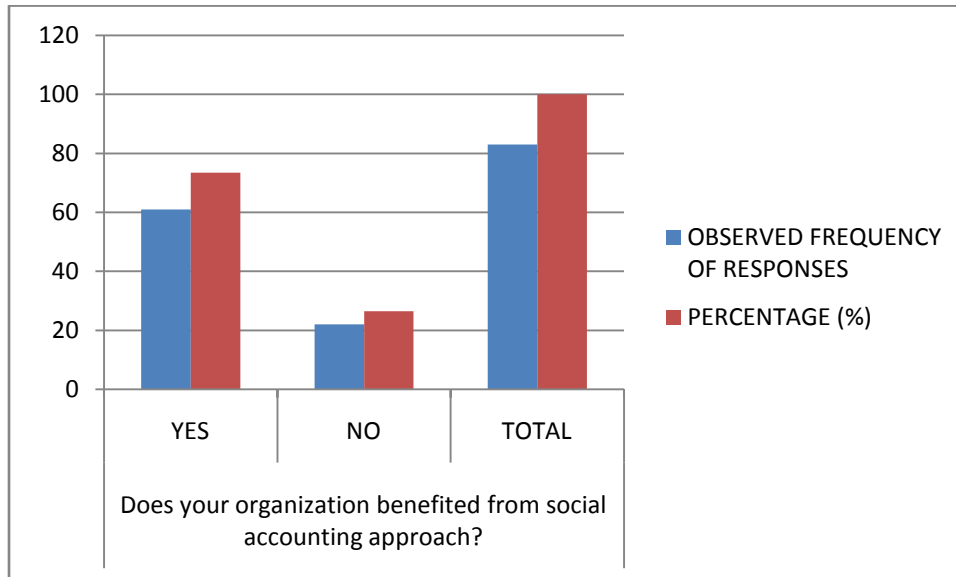
Figure 14 above is the diagrammatical presentation of table 4.1.12

From the above table, 63.86% of the respondents stated that AA1000 principles and model has impact on social accounting whereas 36.14% of them stated that it does not have impact on social accounting.

TABLE 4.1.13 PERCENTAGE ANALYSES OF ORGANIZATIONAL BENEFIT OF SOCIAL ACCOUNTING APPROACH.

RESEARCH QUESTION	CATEGORY OF RESPONSES	OBSERVED FREQUENCY OF RESPONSES	PERCENTAGE (%)
Does your organization benefited from social accounting approach?	YES	61	73.49
	NO	22	26.51
	TOTAL	83	100

Source: Survey Research 2009.



A chart

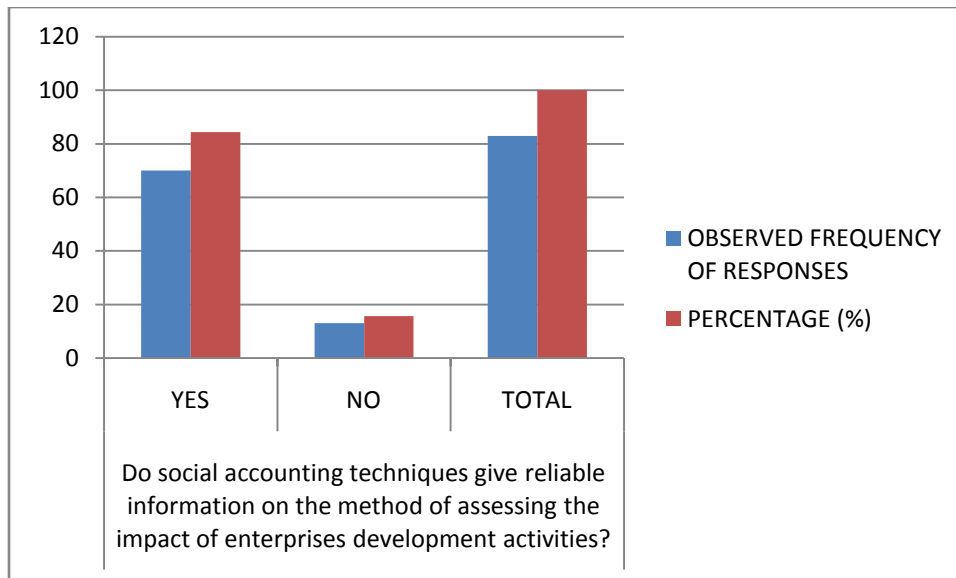
Figure 15 above is the diagrammatical presentation of table 4.1.13

The analysis above shows that 73.49% of the respondents consented to the fact that the organization benefited from social accounting approach while 26.51% of them stated that organizations do not benefit from social accounting approach.

TABLE 4.1.14 PERCENTAGE ANALYSES OF INFORMATION ON THE METHOD OF ASSESSING THE IMPACT OF ENTERPRISES DEVELOPMENT ACTIVITIES.

RESEARCH QUESTION	CATEGORY OF RESPONSES	OBSERVED FREQUENCY OF RESPONSES	PERCENTAGE (%)
Do social accounting techniques give reliable information on the method of assessing the impact of enterprises development activities?	YES	70	84.34
	NO	13	15.66
	TOTAL	83	100

Source: Survey Research 2009.



A chart

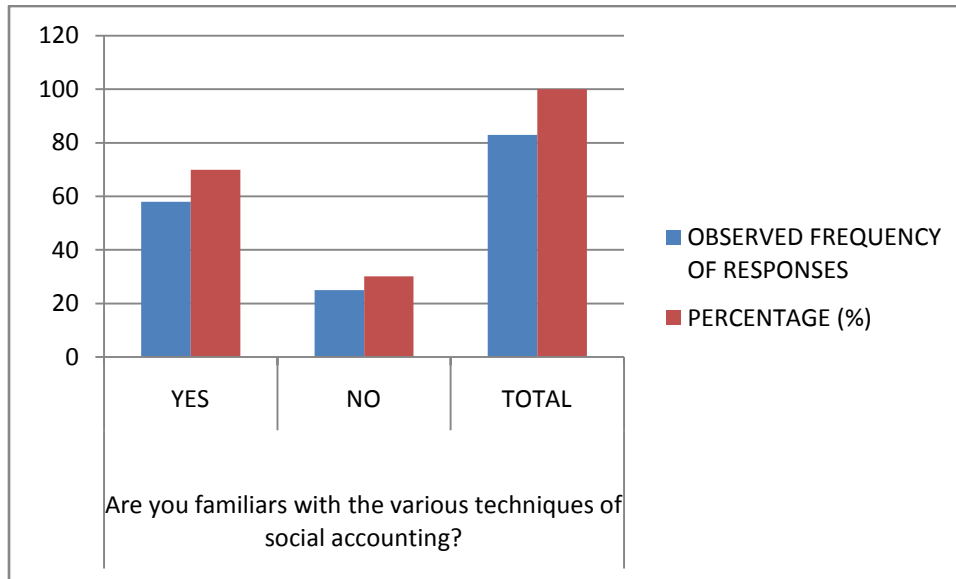
Figure 16 above is the diagrammatical presentation of table 4.1.14

The above table stated that 84.34% of the total respondents agreed that social accounting techniques give reliable information on the method of assessing the impact of enterprises development activities while 15.66% disagreed that social accounting techniques give reliable information on the method of assessing the impact of enterprises development activities

TABLE 4.1.15 PERCENTAGE ANALYSES OF STAFF FAMILIAR WITH THE VARIOUS TECHNIQUES OF SOCIAL ACCOUNTING.

RESEARCH QUESTION	CATEGORY OF RESPONSES	OBSERVED FREQUENCY OF RESPONSES	PERCENTAGE (%)
Are you familiars with the various techniques of social accounting?	YES	58	69.88
	NO	25	30.12
	TOTAL	83	100

Source: Survey Research 2009.



A chart

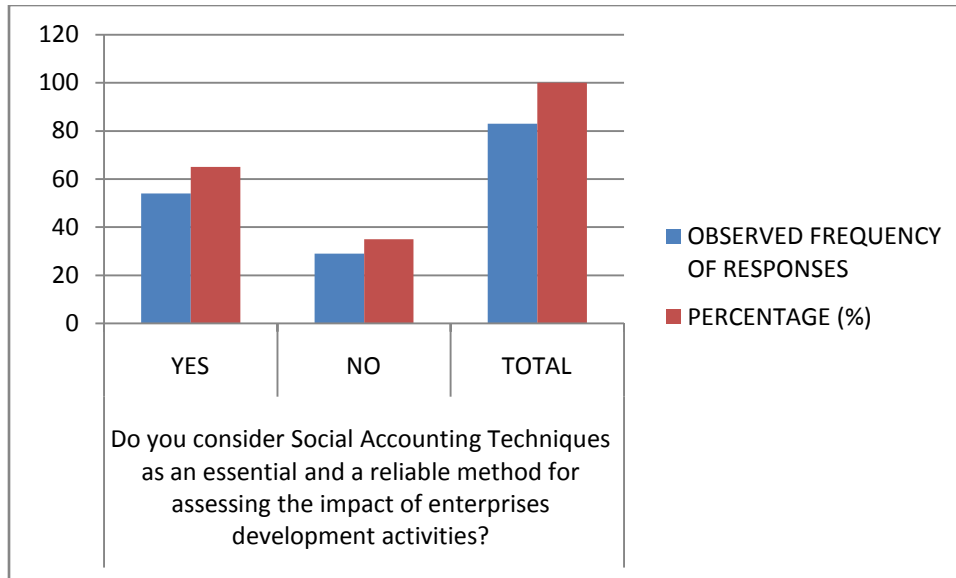
Figure 17 above is the diagrammatical presentation of table 4.1.15

From the above table 4.1.15 and chart, 69.88% of the Respondents stated that they are familiar with the various techniques of social accounting while 30.12% stated that they are not familiar with the various techniques so social accounting.

TABLE 4.1.16 PERCENTAGE ANALYSES OF SOCIAL ACCOUNTING TECHNIQUES AS AN ESSENTIAL AND A RELIABLE METHOD FOR ASSESSING THE IMPACT OF ENTERPRISES DEVELOPMENT ACTIVITIES.

RESEARCH QUESTION	CATEGORY OF RESPONSES	OBSERVED FREQUENCY OF RESPONSES	PERCENTAGE (%)
Do you consider Social Accounting Techniques as an essential and a reliable method for assessing the impact of enterprises development activities?	YES	54	65.06
	NO	29	34.94
	TOTAL	83	100

Source: Survey Research 2009.



A chart

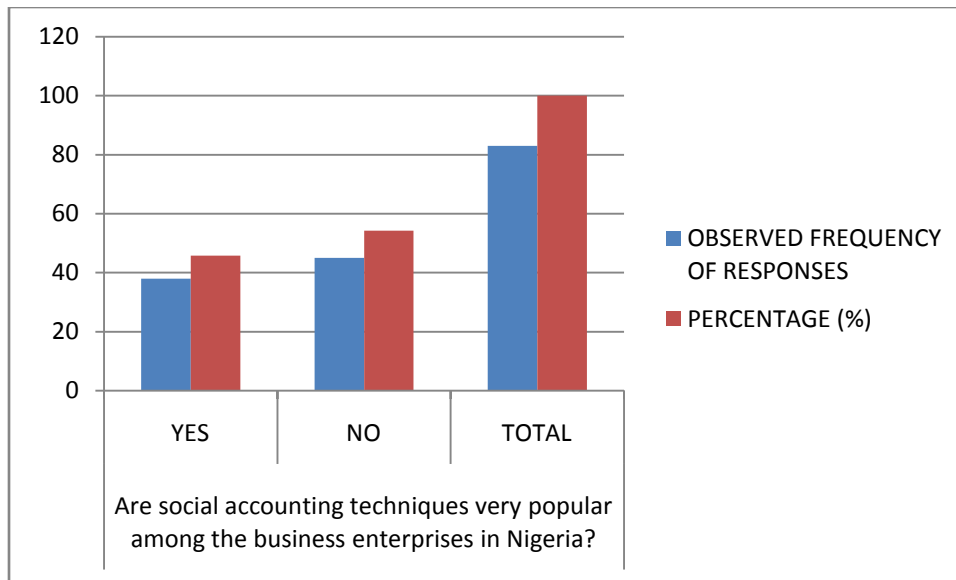
Figure 18 above is the diagrammatical presentation of table 4.1.16

From the above analysis, 65.06% of the respondents stated that social accounting techniques is an essential and a reliable method for assessing the impact of enterprises development activities while 34.94% stated that it is not an essential and a reliable method for assessing the impact of enterprises development activities.

TABLE 4.1.17 PERCENTAGE ANALYSES OF THE POPULARITY OF
SOCIAL ACCOUNTING TECHNIQUES AMONG
BUSINESS ENTERPRISES IN NIGERIA.

RESEARCH QUESTION	CATEGORY OF RESPONSES	OBSERVED FREQUENCY OF RESPONSES	PERCENTAGE (%)
Are social accounting techniques very popular among the business enterprises in Nigeria?	YES	38	45.78
	NO	45	54.22
	TOTAL	83	100

Source: Survey Research 2009.



A chart

Figure 19 above is the diagrammatical presentation of table 4.1.17

Table 4.1.17 indicates that 45.78% of the respondents positively affirmed that social accounting techniques is very popular among the business enterprises in Nigeria while 54.22% negatively affirmed that social accounting techniques is not very popular among the business enterprises in Nigeria.

TABLE 4.1.18 PERCENTAGE ANALYSES OF THE EFFECTIVE USES OF SOCIAL ACCOUNTING APPROACH TO IMPROVE TRANSPARENCY, ACCOUNTABILITY AND COMPLIANCE IN YOUR ORGANIZATION.

RESEARCH QUESTION	CATEGORY OF RESPONSES	OBSERVED FREQUENCY OF RESPONSES	PERCENTAGE (%)
Do effective uses of social accounting approach improve transparency, accountability and compliance in your organization?	YES	49	59.04
	NO	34	40.96
	TOTAL	83	100

Source: Survey Research 2009.



A chart

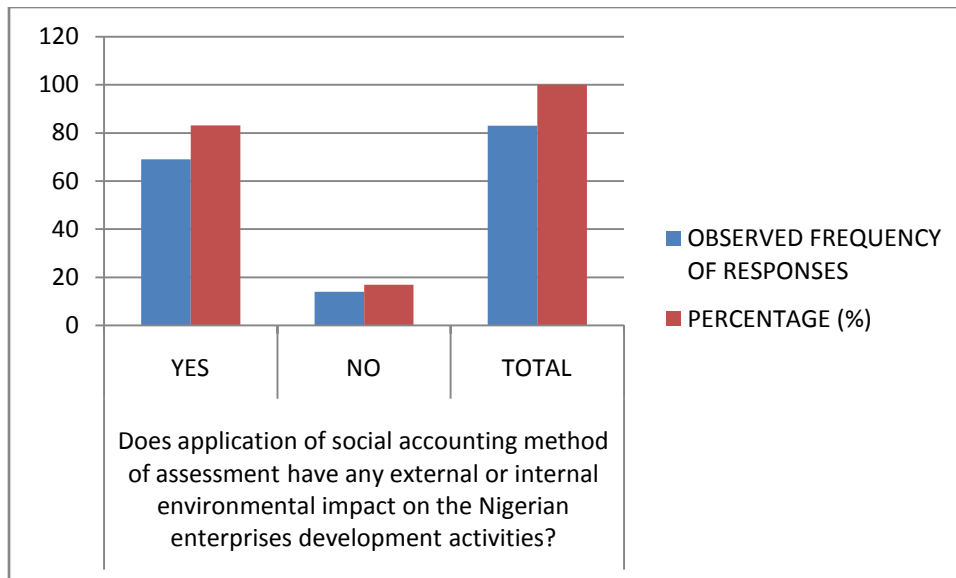
Figure 20 above is the diagrammatical presentation of table 4.1.18

From the above table analysis, 59.04% of the respondents stated that the effective uses of social accounting approach improve transparency, accountability and compliance in the organization while 40.96% stated that it does not improve transparency, accountability and compliance in the organization.

TABLE 4.1.19 PERCENTAGE ANALYSES OF THE ENVIRONMENTAL
IMPACT OF SOCIAL ACCOUNTING METHOD OF ASSESSMENT
ON THE NIGERIAN ENTERPRISES DEVELOPMENT ACTIVITIES.

RESEARCH QUESTION	CATEGORY OF RESPONSES	OBSERVED FREQUENCY OF RESPONSES	PERCENTAGE (%)
Does application of social accounting method of assessment have any external or internal environmental impact on the Nigerian enterprises development activities?	YES	69	83.13
	NO	14	16.87
	TOTAL	83	100

Source: Survey Research 2009.



A chart

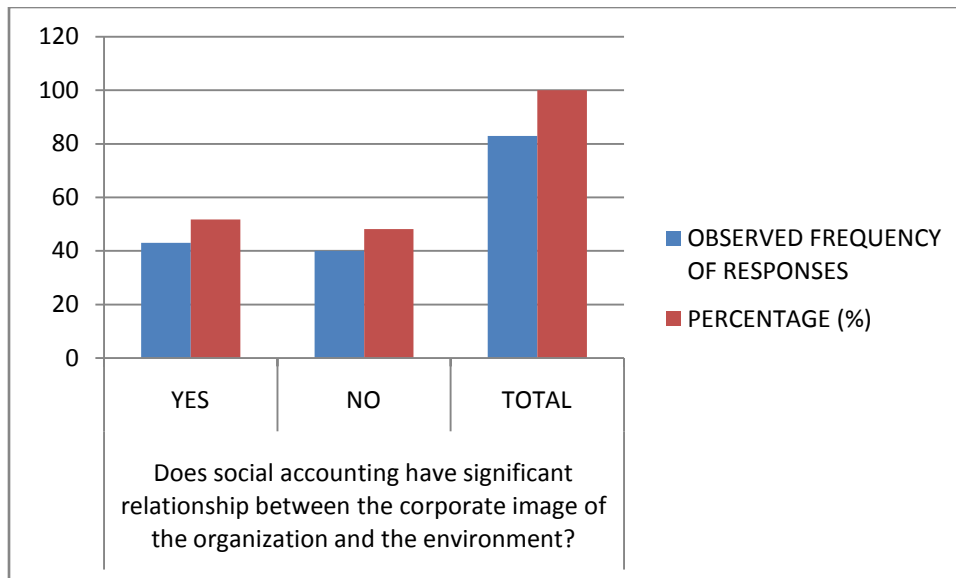
Figure 21 above is the diagrammatical presentation of table 4.1.19

The analysis shows that about 83.13% of the respondents consented to the fact that the application of social accounting principles has external or internal environmental impact on organizations while 16.87% of them stated that the application of social accounting principles does not have external or internal environmental impact on organizations.

TABLE 4.1.20 PERCENTAGE ANALYSES OF SOCIAL ACCOUNTING SIGNIFICANT RELATIONSHIP BETWEEN THE CORPORATE IMAGE OF THE ORGANIZATION AND THE ENVIRONMENT.

RESEARCH QUESTION	CATEGORY OF RESPONSES	OBSERVED FREQUENCY OF RESPONSES	PERCENTAGE (%)
Does social accounting have significant relationship between the corporate image of the organization and the environment?	YES	43	51.81
	NO	40	48.19
	TOTAL	83	100

Source: Survey Research 2009.



A chart

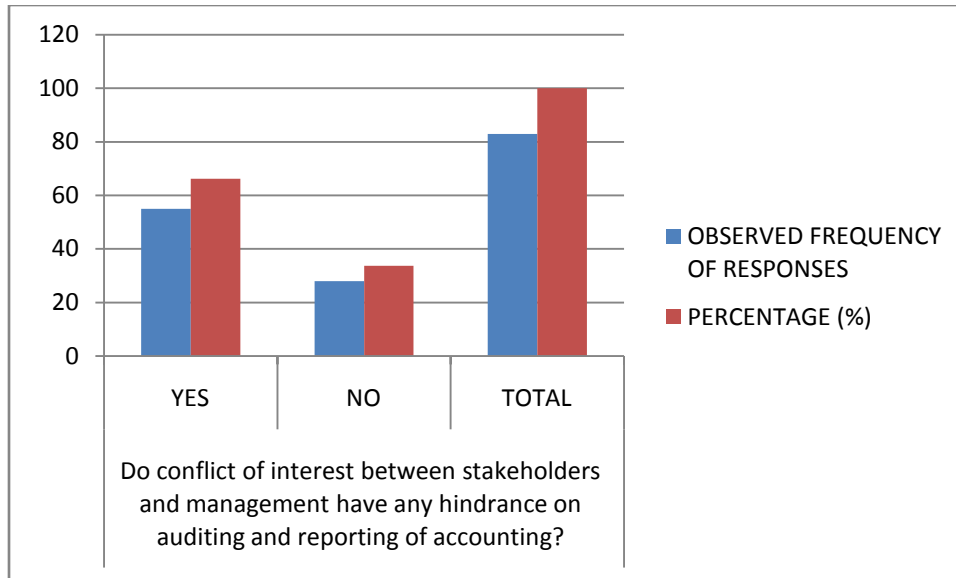
Figure 22 above is the diagrammatical presentation of table 4.1.20

From the above table 4.1.20, 51.81% of the respondents stated that social accounting have significant relationship between the corporate image of the organization and the environment while 48.19% stated that social accounting have no significant relationship between the corporate image of the organization and the environment.

TABLE 4.1.21 PERCENTAGE ANALYSES OF THE EFFECT OF CONFLICT OF INTEREST BETWEEN STAKEHOLDERS AND MANAGEMENT ON AUDITING AND REPORTING OF ACCOUNTING.

RESEARCH QUESTION	CATEGORY OF RESPONSES	OBSERVED FREQUENCY OF RESPONSES	PERCENTAGE (%)
Do conflict of interest between stakeholders and management have any hindrance on auditing and reporting of accounting?	YES	55	66.27
	NO	28	33.73
	TOTAL	83	100

Source: Survey Research 2009.



A chart

Figure 23 above is the diagrammatical presentation of table 4.1.21

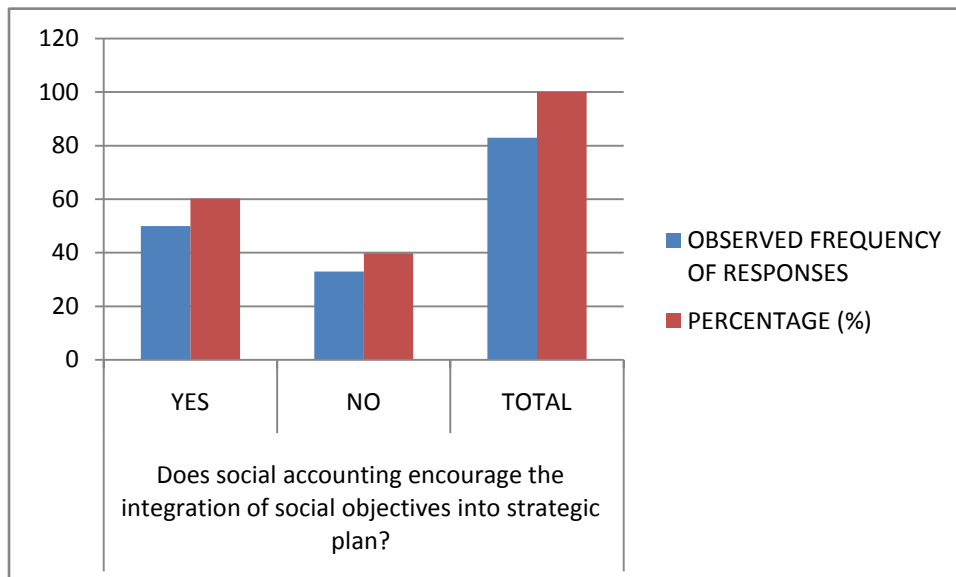
From the analysis above, 66.27% of the respondents stated that conflict of interest between stakeholders and management have hindrance on the auditing and reporting of accounting while 33.73% stated that it does not have any hindrance on auditing and reporting of accounting.

TABLE 4.1.22 PERCENTAGE ANALYSES OF SOCIAL ACCOUNTINGS ENCOURAGEMENT TO THE INTEGRATION OF SOCIAL OBJECTIVES INTO STRATEGIC PLAN.

RESEARCH QUESTION	CATEGORY OF RESPONSES	OBSERVED FREQUENCY OF RESPONSES	PERCENTAGE (%)
Does social accounting encourage the integration of social objectives into strategic plan?	YES	50	60.24
	NO	33	39.76
	TOTAL	83	100

Source:

Survey
Research
2009.



A chart

Figure 24 above is the diagrammatical presentation of table 4.1.22

The above table depicts that, 60.24% of the respondents agreed that social accounting encourage the integration of social objectives into strategic plan whereas 39.76% stated that it does not encourage the integration of social objectives into strategic plan.

4.2 TEST OF HYPOTHESIS

Hypothesis one to five as stated in the statement of hypothesis in chapter one were tested using Chi-square (X^2) statistics. The acceptance and rejection rule remained as stated in the preceding chapter. In testing the hypotheses, questions fifteen, sixteen, seventeen, eighteen, and nineteen were used and these procedures were adopted as shown below.

4.2.1 Hypothesis One

Ho: Social Accounting Techniques (SAT) is neither an essential nor a reliable method for assessing the impact of enterprises development activities.

Hi: Social Accounting Techniques (SAT) is an essential and a reliable method for assessing the impact of enterprises development activities.

Table 4.2.1 Evaluation of Hypothesis One (Refer to Question 15, Table 4.1.16)

STATEMENT OF HYPOTHESIS / OPTION	YES	NO	TOTAL
Ho: SAT is neither an essential nor a reliable method for assessing the impact of enterprises development activities.	10	19	29
Hi: SAT is an essential and a reliable method for assessing the impact of enterprises development activities.	44	10	54
TOTAL	54	29	83

Table 4.2.2 Computation of Observed and Expected Frequencies

STATEMENT OF HYPOTHESIS / OPTION	YES	NO	TOTAL
Ho: SAT is neither an essential nor a reliable method for assessing the impact of enterprises development activities. OBSERVED .F. (O)	10	19	29
EXPECTED .F. (E)	(18.87)	(10.13)	
Hi: SAT is an essential and a reliable method for assessing the impact of enterprises development activities. OBSERVED .F. (O)	44	10	54
EXPECTED .F. (E)	(35.13)	(18.87)	
TOTAL	54	29	83

According to Nwabuokei (1986:272),

$$\text{Expected frequency (E)} = \frac{\text{Row total} \times \text{Column total}}{\text{Overall total}}$$

$$\text{i.e.} \quad \frac{29 \times 54}{83} = 18.87$$

$$\frac{29 \times 29}{83} = 10.13$$

$$\frac{54 \times 54}{83} = 35.13$$

$$\frac{54 \times 29}{83} = 19.13$$

Therefore, the above expected frequencies were computed using the above formula. The expected frequencies were enclosed in bracket while the observed frequencies as in table 4.2.1 were also shown.

In order to calculate the Chi-square (X^2) the formula:

$$x^2 = \frac{\sum(O-E)^2}{E}$$

Where O = Observed frequency

E = Expected frequency

$X^2 = \text{Chi-square}$

$\Sigma = \text{Summation}$

Substituting in $\chi^2 = \frac{\Sigma(O-E)^2}{E}$ table 4.2.3 was got.

Table 4.2.3 Computation of chi square X^2 testing table 4.1.16.

O	E	O-E	(O-E)²	$\chi^2 = \frac{\Sigma(O-E)^2}{E}$
10	18.87	-8.87	78.68	4.17
19	10.13	8.87	78.68	7.77
44	35.13	8.87	78.68	2.24
10	18.87	-8.87	78.68	4.17
Total = 83				X² Cal = 18.35

4.2.2 Determination of Tabulated Chi-Square (X^2)

The tabulated Chi-Square (X^2) is determined thus:

Alpha (α) value = 5% or 0.05. According to Nwabuokeyi P.O. (1986:273)

The number of degree of freedom in a contingency table is determined by formula $(r-1)(c-1)$.

In the above formula, r = number of rows

C = number of column in any given contingency table

Therefore, Degree of freedom (D.F) = $(r-1)(c-1)$

$$D.F = (2-1)(2-1) = 1 \times 1$$

$$D.F = 1 \text{ (table 4.2.1)}$$

From Chi-Square table (plate 1), X^2 at α , value of 0.05 and 1 D.F.

$$\therefore X^2_{\text{tab}} = 3.841$$

Decision rule: Accept H_0 , if $X^2_{\text{Cal}} < X^2_{\text{tab}}$, hence reject H_1

Conclusion: Since X^2 Cal (18.35) > X^2 tab (3.841) the null hypothesis is rejected while the alternative hypothesis is accepted. This shows that Social Accounting Techniques is an essential and a reliable method for assessing the impact of enterprises development activities.

4.2.3 Hypothesis Two

Ho: Social Accounting Techniques (SAT) are not popular among the Nigerian business enterprises.

Hi: Social Accounting Techniques (SAT) are popular among the Nigerian business enterprises.

Table 4.2.4 Evaluation of Hypothesis Two (Refer to Question 16, Table 4.1.17)

STATEMENT OF HYPOTHESIS / OPTION	NO	YES	TOTAL
Ho: Social Accounting Techniques (SAT) are not popular among the Nigerian business enterprises.	28	17	45
Hi: Social Accounting Techniques (SAT) are popular among the Nigerian business enterprises.	17	21	38
TOTAL	45	38	83

Table 4.2.5 Computation of Observed and Expected Frequencies

STATEMENT OF HYPOTHESIS / OPTION	NO	YES	TOTAL
Ho: Social Accounting Techniques (SAT) are not popular among the Nigerian business enterprises. OBSERVED .F. (O)	28	17	45
EXPECTED .F. (E)	(24.40)	(20.60)	
Hi: Social Accounting Techniques (SAT) are popular among the Nigerian business enterprises. OBSERVED .F. (O)	17	21	38
EXPECTED .F. (E)	(20.60)	(17.40)	
TOTAL	45	38	83

Table 4.2.6 Computation of chi square X^2 testing table 4.1.17

O	E	O-E	(O-E)²	$x^2 = \frac{\Sigma(O-E)^2}{E}$
28	24.4	3.6	12.96	0.53
17	20.6	-3.6	12.96	0.63
17	20.6	-3.6	12.96	0.63
21	17.4	3.6	12.96	0.74
Total = 83				X^2 Cal = 2.53

From Chi-Square table (plate 1), X^2 at α , value of 0.05 and 1 D.F.

$$\therefore X^2 \text{ tab} = 3.841$$

Decision rule: Accept H_0 , if $X^2 \text{ Cal} < X^2 \text{ tab}$, hence reject H_1

Conclusion: Since X^2 Cal (2.53) < X^2 tab (3.841) the null hypothesis is accepted while the alternative hypothesis is rejected. This shows that Social Accounting Techniques (SAT) are not popular among the Nigerian business enterprises.

4.2.4 Hypothesis Three

Ho: Effective use of social accounting approach does not improve transparency, accountability and compliance in the organization.

Hi: Effective use of social accounting approach improves transparency, accountability and compliance in the organization.

Table 4.2.7 Evaluation of Hypothesis Three (Refer to Question 17, Table 4.1.18)

STATEMENT OF HYPOTHESIS / OPTION	YES	NO	TOTAL
Ho: Effective use of social accounting approach does not improve transparency, accountability and compliance in the organization.	13	21	34
Hi: Effective use of social accounting approach improves transparency, accountability and compliance in the organization.	36	13	49
TOTAL	49	34	83

Table 4.2.8 Computation of Observed and Expected Frequencies

STATEMENT OF HYPOTHESIS / OPTION	YES	NO	TOTAL
Ho: Effective use of social accounting approach does not improve transparency, accountability and compliance in the organization. OBSERVED .F. (O)	13	21	34
EXPECTED .F. (E)	(20.07)	(13.93)	
Hi: Effective use of social accounting approach improves transparency, accountability and compliance in the organization. OBSERVED .F. (O)	36	13	49
EXPECTED .F. (E)	(28.93)	(20.07)	
TOTAL	49	34	83

Table 4.2.9 Computation of chi square X^2 testing table 4.1.18

O	E	O-E	(O-E)²	$x^2 = \frac{\Sigma(O-E)^2}{E}$
13	20.07	-7.07	49.98	2.49
21	13.93	7.07	49.98	3.59
36	28.93	7.07	49.98	1.73
13	20.07	-7.07	49.98	2.49
Total = 83				X² Cal = 10.3

From Chi-Square table (plate 1), X^2 at α , value of 0.05 and 1 D.F.

$$\therefore X^2 \text{ tab} = 3.841$$

Decision rule: Accept H_0 , if $X^2 \text{ Cal} < X^2 \text{ tab}$, hence reject H_1

Conclusion: Since $X^2 \text{ Cal} (10.3) > X^2 \text{ tab} (3.841)$ the null hypothesis is rejected while the alternative hypothesis is accepted. This confirms the assertion that effective use of social accounting approach improves transparency, accountability and compliance in the organization.

4.2.5 Hypothesis Four

Ho: Social accounting method of assessment has no impact on the Nigerian enterprises development activities.

Hi: Social accounting method of assessment has impact on the Nigerian enterprises development activities.

Table 4.2.10 Evaluation of Hypothesis Four (Refer to Question 18, Table 4.1.19)

STATEMENT OF HYPOTHESIS / OPTION	YES	NO	TOTAL
Ho: Social accounting method of assessment has no impact on the Nigerian enterprises development activities.	16	21	37
Hi: Social accounting method of assessment has impact on the Nigerian enterprises development activities.	30	16	46
TOTAL	46	37	83

Table 4.2.11

Computation of Observed and Expected Frequencies

STATEMENT OF HYPOTHESIS / OPTION	YES	NO	TOTAL
Ho: Social accounting method of assessment has no impact on the Nigerian enterprises development activities. OBSERVED .F. (O)	16	21	37
EXPECTED .F. (E)	(20.51)	(16.49)	
Hi: Social accounting method of assessment has impact on the Nigerian enterprises development activities. OBSERVED .F. (O)	30	16	46
EXPECTED .F. (E)	(25.49)	(20.51)	
TOTAL	46	37	83

Table 4.2.12 Computation of chi square X^2 testing table 4.1.19

O	E	O-E	(O-E)²	$x^2 = \frac{\Sigma(O-E)^2}{E}$
16	20.51	-4.51	20.3401	0.99
21	16.49	4.51	20.3401	1.23
30	25.49	4.51	20.3401	0.80
16	20.51	-4.51	20.3401	0.99
Total = 83				X² Cal = 4.01

Determination of tabulated chi-square (X^2) using alpha level of 0.05 and 1 D.F, the tabulated $X^2 = 3.841$ (Refer to plate 1 for chi-square table).

Decision rule: Accept H_0 , if $X^2 \text{ Cal} < X^2 \text{ tab}$, hence reject H_1 but $X^2 \text{ cal } 4.01 > X^2 \text{ tab } 3.841$.

Conclusion: Since the X^2 Calculated is greater than X^2 tabulated ($4.01 > 3.841$) the null hypothesis is rejected while the alternative hypothesis is accepted. This shows that Social accounting method of assessment has impact on the Nigerian enterprises development activities.

4.2.6 Hypothesis Five

Ho: Social accounting has no significant relationship between the corporate image of the organization and the environment.

Hi: Social accounting has significant relationship between the corporate image of the organization and the environment.

Table 4.2.13 Evaluation of Hypothesis Five (Refer to Question 19, Table 4.1.20)

STATEMENT OF HYPOTHESIS / OPTION	YES	NO	TOTAL
Ho: Social accounting has no significant relationship between the corporate image of the organization and the environment.	15	25	40
Hi: Social accounting has significant relationship between the corporate image of the organization and the environment.	28	15	43
TOTAL	43	40	83

Table 4.2.14

Computation of Observed and Expected Frequencies

STATEMENT OF HYPOTHESIS / OPTION	YES	NO	TOTAL
Ho: Social accounting has no significant relationship between the corporate image of the organization and the environment. OBSERVED .F. (O)	15	25	40
EXPECTED .F. (E)	(20.72)	(19.28)	
Hi: Social accounting has significant relationship between the corporate image of the organization and the environment. OBSERVED .F. (O)	28	15	43
EXPECTED .F. (E)	(22.28)	(20.72)	
TOTAL	43	40	83

Table 4.2.15 Computation of chi square X^2 testing table 4.1.20

O	E	O-E	(O-E)²	$x^2 = \frac{\Sigma(O-E)^2}{E}$
15	20.72	-5.72	32.72	1.58
25	19.28	5.72	32.72	1.70
28	22.28	5.72	32.72	1.47
15	20.72	-5.72	32.72	1.58
Total = 83				X² Cal = 6.33

Determination of tabulated chi-square (X^2) using alpha level of 0.05 and 1 D.F, the tabulated $X^2 = 3.841$ (Refer to plate 1 for chi-square table).

Decision rule: Accept H_0 , if $X^2 \text{ Cal} < X^2 \text{ tab}$, hence reject H_1 but $X^2 \text{ cal } 6.33 > X^2 \text{ tab } 3.841$.

Conclusion: Since the X^2 Calculated is greater than X^2 tabulated (6.33 > 3.841) the null hypothesis is rejected while the alternative hypothesis is accepted. This confirms the assertion that Social accounting has significant relationship between the corporate image of the organization and the environment.

REFERENCES

Aham, Anyanwu (2000), *Research Methodology in Business and Social Science*, Owerri, Canon Publishers Nig, Ltd.

Nwabuokei, P. O. (1986), *Fundamental of Statistics*, Enugu, Koruna Book.

Onuh, Mand, I. A. (2000), *Applied Statistics Techniques for Business and Social Science*, Owerri, Skill Mark Media Ltd.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND

RECOMMENDATIONS

5.0 SUMMARY OF FINDINGS

After a critical review and analysis of the data generated from the distributed questionnaires, and proper review of the research questions set earlier at the beginning of this project work, the following findings were revealed:-

- (a) That effective use of social accounting approach improves transparency, accountability and compliance in the organization.
- (b) The application of social accounting method of assessment has external/internal environmental impact on the Nigerian enterprises development activities.
- (c) Social accounting techniques (SAT) is an essential and a reliable method for assessing the impact of enterprises development activities.
- (d) Social accounting techniques (SAT) are not very popular among the business enterprises in Nigeria.
- (e) That through AA1000 principles and model, social accounting provides a comprehensive and systematic framework for

accounting, auditing and reporting against an organization's social objectives.

- (f) That social accounting has significant relationship between the corporate image of the organization and the environment.
- (g) Social accounting techniques give reliable information on the method of assessing the impact of enterprises development activities.
- (h) That social accounting encourages the integration of social objectives into strategic plan.
- (i) That conflict of interest between stakeholders and management has hindrance on the auditing and reporting of accounting.
- (j) Social accounting encourages management information systems (MIS) to be developed and embedded in the organization to provide on-going monitoring and learning from programme activities.
- (k) Social accounts are the place where impact studies, stakeholders dialogue etc can be placed.
- (l) That stakeholder's engagement with the organization improves ethical standard and learning.

5.1 CONCLUSION

In the corporate world, with particular emphasis with Nigerian business environment, genuine social accounting has been one of the first major stepping stones in improvements in corporate social responsibility. For many business enterprises that embark on the social accounting process, it is found out that it is the first time that serious attempts have been made to go beyond financial measurements and understand the social and often environmental impact that business enterprises in Nigerian have on its stakeholders. Thus, such exercises are viewed as a good step – forward towards social impact assessment.

However, for many Nigerian business enterprises that involved in enterprises development, social objectives hence have often been a driving force rather than a secondary issue. Many of them have struggled since their inception to collect information amounting to a social impact assessment in order to legitimize their existence to donors if not themselves. Therefore whilst the disciplines of a methodology for stakeholder engagement and regular reporting will spur the organization on to improve and embed method of M&E(method of enterprises),the social audit process will not of itself provide beneficiary level impact assessment information, as some expect .Rather, the

hard work of developing good quality monitoring and evaluation systems remains crucial and the need for periodic impact assessment studies will remain.

5.2 RECOMMENDATIONS

- (a) Business unit/Enterprises needs to regularly organize seminar, symposia, workshop and other external training, so as to educate their staff on how to use social accounting techniques (SATs) for assessment of the impact of the enterprises development activities.
- (b) Business units/Enterprises should establish market research/ survey offices that would be responsible for making projections with regards to future changes (positive or negative) or changes in the impact as of the business development activities.
- (c) Business units/enterprises should employ social accounting experts on the field of the impact assessment.
- (d) The social and ethical accounting, auditing and reporting (SEAAR) in social accounting will provide a real methodology step forward for enterprise development organizations in facilitating organizational change and learning.

5.3 SUGGESTION FOR FURTHER RESEARCH

Based on the insight gained in this research study, the following suggestions are made:

- A similar study should be carried out to expand social accounting AA1000 model series by ISEA.
- Research should be conducted in other area of social accounting where there is less emphasis on using the social accounting process to develop organizational learning.

It is assumed that through the utilization of above result from the study, it will serve as resonate with many in the field of both enterprises development and impact assessment.

BIBLIOGRAPHY

- Aham, Anyanwu (2000), Research Methodology in Business and Social Science, Owerri, Canon Publishers Nig, Ltd.
- Asika, N. (2001), Research Methodology in the Behavioural Science, Lagos, Longman Publishers Plc.
- Chris, P. (2006), Social Accounting: A method for assessing the Impact of Enterprise Development Activities, United Kingdom, Traidcraft Exchange Publishing Limited.
- Donnelly, J.H et.al. (1992), Fundamental of Management, Eight Edition, USA, Mac-Grow Publishing Company Limited.
- Enudu, T.O (1999), Business Management, Enugu, New Generation Publishing Company Limited.
- Freund John, and Williams Frank J. (1979), Modern Business Statistics, 2nd Edition, London Pitman Ltd.
- Igwe, I.G (1998), “Why Social Accounting” Unpublished Article.

Igwe, I.G (2000), “Getting Closer to Social Accounting” Unpublished Article.

Miles, C.W.N (1981), Estate Finance and Business Management, 4th Edition, Britain, Hall-max Publishing Company Limited.

Nwabuokei, P. O. (1986), Fundamental of Statistics, Enugu, Koruna Book.

Okeke, T. (2005), Research Method: A Guide to Success in Project Writing, First Edition, Bauchi, Multisystem Publishing Company Limited.

Okoye, E.I (1996), Principles and Practice of Financial Accounting, Enugu, Boset Publishing Company Limited.

Onuh, Mand, I. A. (2000), Applied Statistics Techniques for Business and Social Science, Owerri, Skill Mark Media Ltd.

Onwubiko, O.W. (1994), An Introduction to Development Economics, Ibadan, Millian Publishing Company Limited.

Onyejekwe, M. (1995), Elementary Development Economics, Ibadan,
Heinemann Publishing Company Limited.

Rose, P.S. (1997), Money and Capital Market, 6th Edition, Texas-USA, A
and M University Publishing Company Limited.

Sangster, A. et.al. (1999), Frank Wood's Business Accounting Two, Eight
Edition, Britain, Hall-max Publishing Company Limited.

Stranks, J (1998), Health and Safety Law, Third Edition, Britain, Mac
Grow Publishing Company Limited.

Taro, Y. (1964), Statistics: An introductory Analysis, 3rd Edition,
New York, Harpers and Row Publishers.

Udabah, S.I. (1999), Basic Economics Theory and Practice, Enugu,
Linco Press Nigeria Limited.

Udo, G.O. (2004), A Guide to Modern Research Methods, Institute of
Development Studies, University of Nigeria Enugu Campus.

Zikmund, W.G (1982), Exploring Marketing Research, Hunsdale,
Winston CBS College Publishing Company.

<http://www.accountability.org.uk/social> accounting/impact assessment

<http://www.traidcraft.co.uk/social> accounting/development activities

APPENDIX I
QUESTIONNAIRE

Department of Accountancy
School of Post Graduate studies
University of Nigeria
Enugu Campus (UNEC)
4th March, 2009.

Dear Respondent,

This questionnaire being presented for your completion is purely for academic research purpose in partial fulfillment of the requirements for an award of MBA degree in Accountancy of the University of Nigeria.

It is designed to elicit information relating to Social Accounting: “A Method of Assessing the Impact of Enterprises Development Activities”, a selected study of enterprises in Enugu State with your enterprise as one of the case studies. This will enable the researcher to arrive at logical findings.

It is also my request, therefore, that you sincerely answer these questions as the success of this work depends on your willingness to do so.

Please, any information you disclosed will be purely used for the purpose of the study confidentially.

Thanks for anticipated co-operation.

Yours sincerely,

ONUNZE ANGELA .N.

PG/MBA/07/46711

APPENDIX II

INSTRUCTION: Please, work on “X” to the answer that seems appropriate to the questions stated below and make brief note (s) where appropriate if any.

SECTION A: PERSONAL DATA

1. Sex: (a) Male
(b) Female
2. Age: (a) 20-25yrs , (b) 26-30yrs , (c) Above 30yrs
3. Education qualification(s):
 - (a) GCE/WAEC/NECO/SSCE/NABTEC ,
 - (b) OND/NCE ,
 - (c) HND/BSc
 - (d) Above HND/BSc please specify ,
4. Occupational Status: (a) Senior Staff , (b) Junior Staff ,
(c) Others----- .
5. Marital Status: (a) Married , (b) Single , (c) Divorced .

SECTION B: QUESTIONS

6. What is the staff strength of your account department?
(a) 10-30 , (b) 31-50 , (c) 51 and above .
7. Among these numbers of staff, how many of them have formal knowledge of accounting as related field either at OND, HND or BSc Level?
(a) 2-5 Staff
(b) 6-10 Staff
(c) Above 10 Staff
8. Most of them acquired their knowledge as a result of their experience or length of service in the job?
(a) Yes , (b) No .
9. Does your organization disseminate information to the stakeholders on the financial performance of your enterprises?
(a) Yes , (b) No .

10. Does stakeholders' engagement with the organization improved ethical standard and learning?
(a) Yes , (b) No .
11. Has AA1000 principles and model of social accounting any impact on social accounting?
(a) Yes , (b) No .
12. Does your organization benefited from social accounting approach?
(a) Yes , (b) No .
13. Do social accounting techniques give reliable information on the method of assessing the impact of enterprises development activities?
(a) Yes , (b) No .
14. Are you familiar with the various techniques of social accounting?
(a) Yes , (b) No .

15. Do you consider Social Accounting Techniques as an essential and a reliable method for assessing the impact of enterprises development activities?

(a) Yes , (b) No .

16. Are social accounting techniques very popular among the business enterprises in Nigeria?

(a) Yes , (b) No .

17. Do effective uses of social accounting approach improve transparency, accountability and compliance in your organization?

(a) Yes , (b) No .

18. Does application of social accounting method of assessment have any external or internal environmental impact on the Nigerian enterprises development activities?

(a) Yes , (b) No

19. Does social accounting have significant relationship between the corporate image of the organization and the environment?

(a) Yes , (b) No .

20. Do conflict of interest between stakeholders and management have any hindrance on auditing and reporting of accounting?

(a) Yes , (b) No

21. Does social accounting encourages the integration of social objectives into strategic plan?

(a) Yes , (b) No .