

## Corporate Planning and Corporate Social Responsibility Practices

<sup>1</sup>Ogbonna Stephen Nweke

<sup>1</sup>Department of Business Administration, National Open University of Nigeria

Email: [nou225011121@noun.edu.ng](mailto:nou225011121@noun.edu.ng)

### Abstract

Corporate planning has evolved to be a consideration in Corporate Social Responsibility (CSR), While CSR is like a chameleon, that changes its colour according to the context it is in. This study examined the influence of corporate planning on Corporate Social Responsibility of enterprises. The objectives of the study were to find out whether corporate planning contingency factors influence corporate social responsibility and to assess how organizations consider managerial choices in corporate social responsibility. The study adopted the Qualitative Theoretical Reasoning Approach (TRA) methodology to achieve its objectives. A secondary source of data was predominantly utilized. The study adopted the Contingency theory to guide it. Through an extensive literature review of concepts and theories under study, the study found that corporate planning is a strong driver of corporate social responsibility. The study therefore recommended that managers should adopt a contingency approach in making managerial choices in corporate social responsibility

**Keywords:** Contingency theory, corporate planning, corporate social responsibility, social responsibility and theoretical reasoning.

### Introduction

According to Schwabe (2019) “Corporate planning is the continuous process of making present entrepreneurial (risk-taking) decisions systematically and with the best possible knowledge of their futurity, organising systematically the efforts needed to carry out these decisions; and measuring the results of these decisions against the expectations through organised systematic feedback.” Corporate Planning is the process of deciding long term goals and objectives within the ambit of organisation’s strength and weaknesses in the existing and prospective environmental setting to ensure their achievement either by integrating the short term and long term plans or by adopting such measures which may bring even structural changes in the composition of the organisation, after taking recourse to financial resources. A corporation can be effective only if it can grapple successfully with the external environment (that is the society) in which it functions. Similarly, the corporation can function smoothly and efficiently only if it can deploy its material, manpower and methods in a way that they function with optimal efficiency.

Hence to be effective and efficient the corporation has to cope with external as well as internal environment. Hence corporate planning has two aspects, macro and micro; the former is concerned with the interaction with the external environment and the latter with the interaction with the internal environment. The scope of corporate planning in its macro (aggregative) and micro (functional) aspects has been discussed below;

### Scope of Corporate Planning:

#### Aggregative (Macro) Aspects:

- i. Economic- National Economic Projections — Technological Progress.
- ii. Political- Policy towards private investment.
- iii. Social- Social mores and attitudes towards pricing and income distribution.

- iv. Regulatory- Government controls on imports and investment, repatriations and size of firms.
- v. Competition- Relative growth rate of firms, future tax trends, government policy towards large-scale enterprise.

### **Global antecedents of the major thought**

Corporate planning is an indispensable component of strategic management. Without corporate planning the long term objectives and goals of the organisation will not be achieved. In addition, the corporate manager keeps itself up-to-date regarding the state of strategic choices of the competitors and the policy changes to be socially responsible in the environment of operations.

The antecedents of the concepts as chronicled in USA and UK literature have made it a more worthy subject. For Chaffee (2020), the origins of the social component in corporate behavior can be traced back to the ancient Roman Laws and can be seen in entities such as asylums, homes for the poor and old, hospitals and orphanages. This notion of corporations as social enterprises was carried on with the English Law during the Middle Ages in academic, municipal and religious institutions. Later, it expanded into the sixteenth and seventeenth centuries with the influence of the English Crown, which saw corporations as an instrument for social development (Chaffee, 2020). In the following centuries, with the expansion of the English Empire and the conquering of new lands, the English Crown exported its corporate law to its American colonies where corporations played a social function to a certain extent (Chaffee, 2020).

During the eighteenth and nineteenth centuries, the Christian religious philosophy and approach to the abiding social context were seen as a response to the moral failure of society, which was visible in terms of poverty of the overall population in the English Empire and some parts of Europe (Heald, 2021). This religious approach gave way to social reforms and to the Victorian philanthropy which perceived a series of social problems revolving around poverty and ignorance as well as child and female labor (Carroll, 2020). The religious roots of the Victorian social conscience gave Victorian Philanthropists a high level of idealism and humanism, and by the late 1800's, the philanthropic efforts focused on the working class and the creation of welfare schemes with examples that could be seen in practice both in Europe as in the United States of America (USA) (Carroll, 2020; Heald, 2021). A clear case was the creation of the Young Men's Christian Association (YMCA), a movement that begun in London in 1844 with the objective of applying Christian values to the business activities of the time, a notion that quickly spread to the USA (Heald 2021).

During the late 1800's and early 1900's, the creation of welfare schemes took a paternalistic approach aimed at protecting and retaining employees and some companies even looked into improving their quality of life (Carroll 2020; Heald 2021). For Heald (2021), there were clear examples that reflected the social sensitivity of businessmen, such as the case of Macy's in the USA, which in 1875 contributed funds to an orphan asylum and by 1887 labeled their charity donations as Miscellaneous Expenses within their accounting books, and the case of Pullman Palace Car Company which created a model industrial community in 1893 with the aim of improving the quality of life of its employees.

Also, during this period, there was a growing level of urbanization and industrialization marked by large-scale production. This brought new concerns to the labor market such as: new challenges for farmers and small corporations to keep up with the new interdependent economy, the creation of unions of workers looking for better working conditions, and a middle class worried for the loss of religious and family values in the new industrial society (Heald, 2021). As a response to these new challenges, and with the aim of finding harmony between the industry and the working force, some business leaders created organizations for the promotion of values and improvement of the working conditions. Such was the case of the Civic Federation of Chicago, an organization created to promote better working conditions and where religious values merged with economic objectives with a sense of civic pride (Heald, 2021).

By the 1920's and early 1930's, business managers began assuming the responsibility of balancing the maximization of profits with creating and maintaining an equilibrium with the demands of their clients, their labor force, and the community (Carroll, 2020). This led to managers being viewed as trustees for the different set of external relations with the company, which in turn translated into social and economic responsibilities being adopted by corporations. Later, with the growth of business during World War II and the 1940's, companies began to be seen as institutions with social responsibilities and a broader discussion of such responsibilities began taking place (Heald, 2021). Some early examples of the debate of the social responsibilities of corporations can be found in *The Functions of the Executive* by Barnard (1938) and *The Social Control of Business* by Clark (2018).

It was not until the early 1950's that the notion of specifically defining what those responsibilities were was first addressed in the literature and can be understood as the beginning of the modern definitional construct of Corporate Social Responsibility. In fact, it was during the 1950's and 1960's that the academic research and theoretical focus of CSR concentrated on the social level of analysis (Lee 2018) providing it with practical implications.

The period after World War II and the 1950's can be considered as a time of adaptation and changing attitudes towards the discussion of corporate social responsibility, but also a time where there were few corporate actions going beyond philanthropic activities (Carroll, 2020). Perhaps the most notable example of the changing attitude towards corporate behavior came from Bowen (2018), who believed that the large corporations of the time concentrated great power and that their actions had a tangible impact on society, and as such, there was a need for changing their decision making to include considerations of their impact.

As a result of his belief, Bowen (2018) set forth the idea of defining a specific set of principles for corporations to fulfill their social responsibilities. For him, the businessman's decisions and actions affect their stakeholders, employees, and customers having a direct impact on the quality of life of society as a whole (Bowen, 2018). With this in mind, Bowen defined the social responsibilities of business executives as "the obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society" (Bowen, 2018). As Carroll (2020) explains, it seems that Bowen (2018) was ahead of his time for his new

approach to management which aimed at improving the business response to its social impact and by his contributions to the definition of corporate social responsibility. Furthermore, the relevance of Bowen's approach relies on the fact that this was the first academic work focused specifically on the doctrine of social responsibility, making Bowen the "Father of Corporate Social Responsibility".

After Bowen, other authors were concerned with corporate behavior and its response to the social context of the time. For example, in the book *Corporation Giving in a Free Society* published in 2020, Eells (2020) argued that the large corporations of the time were not living up to their responsibility in a time of generalized inflation. In a similar way, with the book; *A moral philosophy for management* published in 2022, Selekmán (2022) explored the evolution of the moral responsibility of corporations as a response to the labor expectations the time.

- African and Nigerian antecedent of the major thought

In Africa and Nigeria specifically, management literature is full of advice about what managers should do to enhance the effectiveness of their organizations, and what should be done to enhance the productivity and profitability of business enterprises. Some management experts have even gone to the extent of evolving predictive equations that could warn against impending corporate collapse by the use of Multiple Discriminant Analysis. Yet, Ackerman (2020) have argued that bad management and in particular the breaking of what they have called 'The Ten Commandments' is responsible for corporate failures. Corporate planning is dated back 1970s. Looking back at the forecast of Nigeria's economic cycles made in 1978 from the available data collected by the Federal Ministry of Finance, Shehu Musa made a projection of the economic cycles for the 1980s for this country which ought to have warned corporate executives against impending corporate collapses in Nigeria in the 1980s. In making the above projection admitted that he had used the privilege of his office as Permanent Secretary in collecting the data; that the projection recognized internal and external factors which had affected the Nigerian economy in the past years,

### **Problematization of the major thought**

The thought on corporate planning and corporate social responsibility is linked to priorities of organizations per time and could be based on contingency as a result of community outcry for organizational impact in the business environment. First, early contingency studies focus on individual and situational differences instead of similarities, which amount to the notion that every situation is different.

These studies resulted in a maze of unrelated context factors and relationships with design aspects of organizations. Moreover, it may be impossible to derive prescriptions regarding the design of organizational systems from such an extended list of significant contingency factors, which may imply conflicting design recommendations (Otley, 2019). Chenhall (2018) notes "... there is no 'contingency theory', rather a variety of theories may be used to explain and predict conditions under which particular MCS (management control systems) will be found or whether they will be associated with enhanced performance."

Second, early contingency studies ignored managerial choice as an important variable and involved a strong deterministic bias. This bias has masked underlying decision processes and led to a functional imperative of organizational structure

(Miles & Snow, 2021). Additionally, Otley (2019) highlights that contingencies have to be “considered in a much more dynamic context”, which implies the use of process-based models examining mechanisms of the implementation of CSR initiatives and alteration of specific organizational systems such as corporate planning systems or management control systems. With regard to the first limitation, Donaldson (2022) argues that many of the context factors can be meaningfully collapsed into three contingency factors: uncertainty, task interdependence, and size. For instance, context factors such as technology, technological change, environmental instability, and the differentiation between defender and prospector strategy all relate to uncertainty.

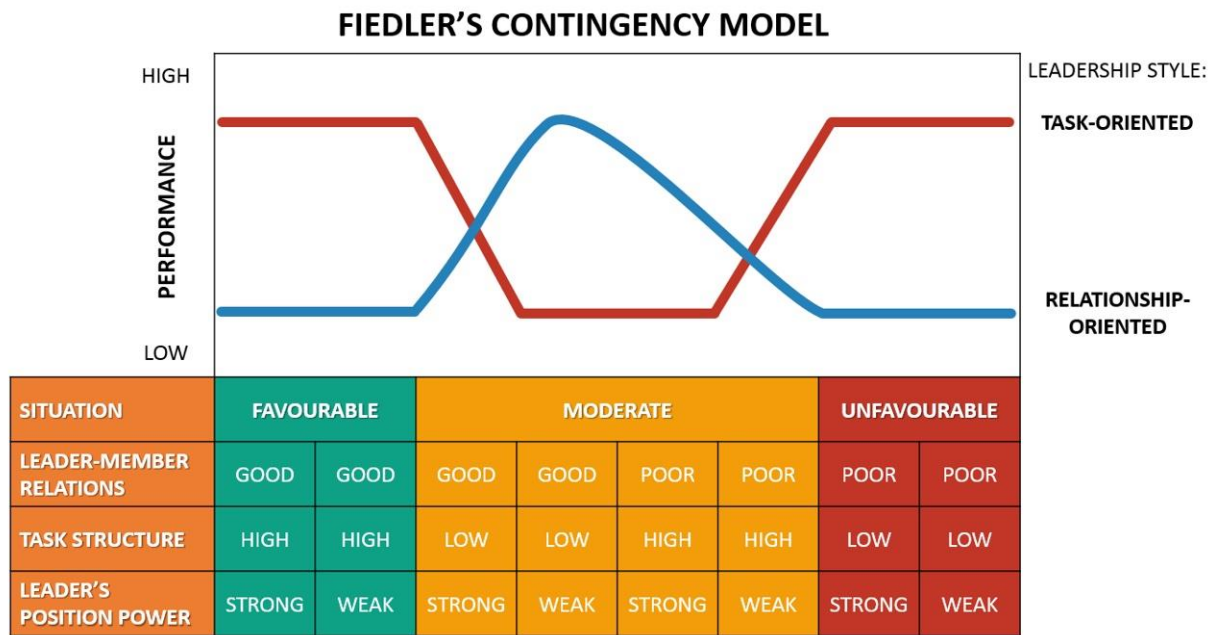
- The general objectives
  - To determine how corporate planning contingency factor influence corporate social responsibility
  - To assess how organization consider managerial choices in corporate social responsibility
- Relevant research questions
  - i. Does corporate planning contingency factor influence corporate social responsibility?
  - ii. To what extent does organization consider managerial choices in corporate social responsibility?

### **Theoretical foundation**

This research stream is influenced by the contingency approach, which is a major theoretical basis for research in strategic management. Contingency theory was developed in 1950 by the findings of leadership behaviour research conducted by researchers from Ohio State University (Donaldson, 2022). Consequently, a number of different contingency theories have been proposed which relate, for example, to organizations (e.g., Donaldson 2022), business strategy (e.g., Hofer, 2018), corporate financial reporting systems (e.g., Taylor, 2015), management accounting (e.g., Hayes, 2020; Otley, 2018), and corporate planning (e.g., Brock, 2018). The contingency approach assumes that an organizational system (e.g., the organizational structure or the CP system) must fit its context in order to be efficient. Consequently, a system that is in fit yields superior performance to systems that are in misfit (Drazin & van de Ven, 2022).

F

**Figure 1**



Contingency Model-Source: Fred Edward Fielder; A Contingency Model of Leadership Effectiveness.

The contingency theory was propounded by Fred Edward Fielder, an Austrian psychologist in 1964. The assumptions of the contingency theory:

The following are the assumptions of the contingency theory:

- i. Organizations are open systems.
- ii. There is no best way of organizing
- iii. Organizations need to achieve a “good fit” between internal system and external environment

**The Implications of the Contingency Theory**

According to this theory, a person may be a perfect leader in one situation but a terrible one in another. Hence, each situation must be evaluated to decide whether one’s leadership style will be effective. Success factors to consider are self-awareness, objectiveness, and adaptability.

Following this postulate, the contingency approach is based on a core paradigm with three elements (Donaldson 2022). First, the contingency factor and the organizational system have to be associated. Second, a change in the contingency factor has to cause a change in the organizational system. Third, a fit between the contingency factor and the organizational system positively affects the performance of this system. Consequently, not every context factor is a contingency factor as defined by the core paradigm. Context factors are defined as any aspect outside the organizational system.

Contingency factors are context factors that moderate the relationship between an organizational system and its performance as described by the three elements of the core paradigm. The three elements mentioned above are related to the three different concepts of fit employed in empirical contingency studies: selection fit, interaction fit, and systems fit (e.g., Donaldson 2018; Drazin and van de Ven

2022; Grabner and Moers 2020). Selection fit assumes that only the best-performing organizations survive. This implies an equilibrium assumption, as only organizations which are in fit may be observable. Consequently, empirical studies based on the selection fit only examine the relation between contingency factors and organizational systems without explicitly establishing a link to its performance (Drazin & van de Ven, 2022). Selection fit studies only address the first element of the core paradigm and rule out the third element with an additional assumption. These studies have been criticized accordingly (e.g., Donaldson, 2018; Pennings, 2017). In contrast, studies based on the interaction fit assume that organizations in misfit exist. Thus, interaction fit studies drop the equilibrium assumption. These studies include in their research design an explicit assessment of the performance effects which emerge from the relationships of contingency factors and organizational systems (Drazin & van de Ven, 2022). Thus, interaction fit studies address at least the first and third elements of the core paradigm. Selection fit and interaction fit studies usually consider only one or two contingency factors in relation to a small number of design aspects of organizations. Studies based on the system fit bypass this restriction by defining fit as the consistency of multiple contingency factors and multiple design aspects of organizations that leads to improved performance (Drazin and van de Ven 2022). Many contingency studies use cross-sectional data and are not able to address the causal relation mentioned in the second element of the core paradigm. Longitudinal data is required to do so (Dyson and Foster 2015; Pennings 2017). The contingency theory of organizations (i.e., structural contingency theory) as refined in the work of Donaldson (2018) is the most sophisticated contingency. A theory in the field of business administration to present. Structural contingency theory establishes the relationship between organizational structure, three contingency factors (i.e., uncertainty, task interdependence, and size), and organizational effectiveness. This theory addresses criticism of the contingency approach raised in the field of strategic management in the 1970s which is summarized in two major limitations by Miles and Snow (2021).

### **Major factors affecting these concepts/theories are also discussed.**

Hutzschenreuter and Kleindienst (2016). The contingency approach is based on the idea, that there is no one best way to design an organizational system (e.g., the organizational structure or the CP system). In contrast, the contingency approach asserts that the design of an organizational system (or a process) is contingent on context factors. Context factors are defined as any aspect outside the organizational system that is examined. Contingency factors are context factors that moderate the relationship between an organizational system and its performance. An organizational system that is in fit with its contingency factors yields superior organizational performance (OP) (Donaldson 2018). Consequently, CP systems should be adapted to the specific conditions faced by organizations (Woodward, 2015). For example, a highly sophisticated CP system may yield strong OP if an organization is large (Bracker et al. 2016). Contingency studies on CP systems have investigated a plethora of context factors for a multitude of design aspects of CP and used different concepts of fit (i.e., selection fit, interaction fit, or systems fit).

### **Empirical Review**

A study carried out by (Glaister and Falshaw, 2017) suggests that the corporate

planning process is one of the most important drivers of corporate social responsibility practice. Galbreath (2021) in his study on the drivers of corporate social responsibility, argued that there are at least three ways that corporate planning is expected to be linked to Corporate Social Responsibility.

The view of Galbreath (2021) was anchored on the work of Ackerman (2020), Carroll and Hoy (2021), and Fredrick (2016), which shows that active and systematic monitoring and assessment of environmental conditions, facilitated through the use of analytical techniques, is necessary for actualizing Corporate Social Responsibility

A study carried out by McKiernan and Morris (2019) holds that assessment of both external (market) and internal (firm) environments generates information that guides top managers' perceptions, interpretations, and actions in uncertain environments. Further In one study Fineman and Clarke (2017) found that issues in the external environment assessed by firms in their efforts include those of a non-market nature, such as a socially responsible issue like the natural environment.

According to Snow and Hrebiniak (2018) and Ramanujam and Venkatraman (2021), the corporate planning approach integrates participation from a variety of functional areas (such as marketing, finance, R&D, etc.) in order to obtain the necessary knowledge required to address stakeholders demands for Corporate Social Responsibility and to integrate different functional requirements into a general management viewpoint, long-term planning is necessary pre-requisite (Wood, 2016).

In short, corporate planning is an essential precondition for efficient CSR performance in all business concerns (Slater *et al.*, 2022). These efforts assess both internal and external environments, use knowledge from multiple resources, and enable firms to understand and formulate responses to meet the demands for Corporate Social Responsibility. (Slater *et al.*, 2022)

Bentler (2013) in his research, titled, 'External Agencies and Corporate Social Responsibility' pointed out that 160% of the business leaders surveyed opined that 'corporate citizenship is part of their business strategy to a large or very great extent.'

Thus, CSR transforms and evolves from being a 'goodwill company' concept into becoming a 'business function', a 'strategic management' component of central importance to firm level success (Bastian & Andreas, 2022) and a vital part of 'firm's strategy.

The UN-ESCAP (United Nations - Economic and Social Commission for Asia and Pacific) has found that "successful corporate responsibility requires an integration of CSR into business's strategy as well as its in-process operations. Business should be able to deliberately identify, prioritize, and address the social causes that matter most, or at least the ones on which it can make the highest impact to society and business's future." Kargar (2010) called it Embedded CSR.

## Methodology

The general method adopted is Qualitative of Developmental Configuration Approach (DCA), which is an understanding that organizations are a cluster of interconnected structures, linked processes, and mutually dependent practices that are best viewed in a systemic or holistic manner. As corporate planning tends to influence corporate social responsibility, the developmental configuration approach



showed that effective leadership behaviour evolves around building good rapport and interpersonal relationships (Consideration); and Initiation of structure that ensures task completion and goal attainment. Similarly, at about the same time, University of Michigan's Survey Research Center investigated group productivity to assess effective leadership behaviours. The findings are akin to the consideration and initiating structural behaviours identified by the Ohio State studies (Donaldson, 2018). However, termed these leadership behaviours relation-oriented behaviour and task-oriented behaviour. Robert Blake and Jane Mouton in 1964 extended the research to suggest that effective leaders score high on both these behaviours. Both types of research faulted previous theories such as bureaucracy theory of Weber and scientific management of Taylor, claiming that they failed because they neglected the influence of various environmental contingencies on organizational structure and leadership style. That is there could not be "one best way" or "Best fit" for all leadership styles or organising. Contingency theory has sought to formulate broad generalizations about the formal structures that are typically associated with or best fit the use of different technologies (Nohria & Khurana, 2016). This perspective originated with the work of (Woodward, 2015) who argued that technologies directly determine differences in such organizational attributes as the span of control, centralization of authority, and the formalization of rules and procedures.

The theory upholds an approach to the study of organizational behaviour in which explanations are given as to how contingent factors such as technology, culture and the external environment influence the design and function of organizations (Bastian & Andreas, 2021). The assumption underlying contingency theory is that no single type of organizational structure is equally applicable to all organizations. Rather, organizational effectiveness is dependent on a fit or match between the type of technology, environmental volatility, the size of the organization, the features of the organizational structure and its information system. The theory was developed from the sociological functionalist theories of organization structure such as the structural approaches to organizational studies by Smith and Farquhar (2020) and Chenhall (2017). These studies postulated that organizational structure was contingent on contextual factors such as technology, dimensions of task environment and organizational size. It is still regarded as a dominant paradigm in management accounting research (Cadez & Guilding, 2019). The objective of the study is providing a theoretical background to the theory and its relevance in management accounting. A review approach is used to show its application in management accounting research. The study further explored the essential features of the theory as it relates leadership and management of organisations. A critical evaluation of the theory is made to show its flaws in management accounting system. This will enable understanding of the theory and its applicability in management accounting research.

The control mechanisms employed by the administrative theorists are plans, measurement, supervision, evaluation and feedback. The psychological perspective emphasizes goal and standard setting, extrinsic and intrinsic rewards, feedback or interpersonal influence. Shank (2015), applied contingency principles in investigating the use of managerial accounting systems and information in a strategic way. Also, Banker, Datar, and Kemerer (2021) looked at the impact of structural factors and found that firms which implemented just-in-time (JIT) or other team-work programs were more likely to provide information regarding performance to

shop-floor workers. Merchant (2019), examined contingent relationships between corporate contextual factors, such as the size of the firm, product diversity, the extent of decentralization and the use of budgetary information. Additionally, some studies have investigated the influence of external factors such as the impact of environmental uncertainty. Environmental uncertainty was found to be a major explanatory variable as to whether accounting data was appropriate in evaluating the performance of business units (Chenhall, 2017). The literature has shown that contingency theory is applied in management accounting research in order to address three types of questions. These questions are about: first, the fit between organizational control and structure; second, the impact of such fits on performance; third, investigation of multiple contingencies and their impact on organizational design.

### **Theoretical Reasoning Approach (TRA)**

Theoretically, in the traditional management thought developed by strategic management scholars, the chief executive is viewed as a rational emotional being seeking to exploit opportunities in the environment consistent with the needs and objectives of his company. Opportunities are sought which would tap the strengths of the firm and minimize its weaknesses. To spot a firm's strengths, management assesses the corporate environment of the firm in terms of economic advantages, barriers and socio-political punctuations that might distort its corporate objectives and plans. Upon detailed assessment of the company's purpose, strategy is developed and translated into a corporate plan for tactical implementation.

Taylor and Hussey have presented the essential elements of corporate planning as: Specific objectives (company, division, functions); Environmental appraisal; Its Company appraisal; Assumptions and forecasts; Alternative strategies; Integrated plan; Action programmes and Budgets and review. These elements are represented in the framework developed by Taylor (2015) as basic steps in corporate planning. Hopf (2022) had argued that management is the direction of an enterprise through planning, organizing, controlling and monitoring. The question that might arise from the foregoing is whether formal planning or long-range planning (as commonly called) would have been the panacea to the kind of corporate failures that are engulfing the corporate performances of Nigerian companies. Many studies have reported that companies which practised formal planning, produced better corporate performance measurable in sales, earnings per share, ratio of profit to capital employed, etc. than those which did not practise formal planning.

### **Research Design**

#### **Theory Synthesis**

The study is designed to synthesize existing theory of contingency whose essential feature is the behavioural approach that relates to the optimal fit of organisational structure based on contingent situations (Bastian & Andreas, 2022). Meaning that there is no one best way of organising, a leadership style that proved effective in one situation may not be most successful in another. Donaldson (2018), provides that theory is concerned with leadership and situations, matching leadership style to situations. The style is either task motivated or relationship oriented, and situations- leader-member relations, task structure and position power. The leadership style is contingent upon both internal and external environment

variables while effective leadership depends on how well the leader's style fits the context. Therefore it can be said that contingency theory is a class of behavioural theory that claims there is no best way to organize a corporation, to lead a company, or to make decisions. Instead, the optimal course of action is contingent (dependent) upon the internal and external situations. It is an approach to the study of organisational behaviour, exploring the influence of both external and internal contingent variables such as technology, culture and the environment on functions and design of the organisational structure.

### **The Relevance of the Theory to Business**

The adoption of contingency theory in business system arises because of conflicting research results which could not satisfactorily be resolved within a universal framework. This serves as a stimulus for the development of contingency formulations. Concepts such as technology, organization structure and environment have been invoked to explain why accounting systems have been found to differ from one situation to another.

i. The effect of Technology and Different types of production technique, e.g. unit production, small batch, large batch, mass production and process production influenced the design of internal accounting systems (Grötsch, Blome, & Schleper, 2020). Also, the complexity of the task faced by an organization is relevant to defining an appropriate financial control structure (Daft & Macintosh, 2017)

ii. The effect of organization structure

The structure of the organization affects the manner in which budgetary information is best used. That is Budget-Constraint style (employees evaluated based on meeting budget targets) or Profit-Constraint (evaluation based on long-run effectiveness) (Daft & Macintosh, 2017; Donaldson, 2018).

iii. the effect of environmental factors have also been invoked to explain differences in the use made of business information. It was reported that the type of competition in a market environment affects the extent of control system employed by an organization. The sophistication of accounting and control systems was influenced by the intensity of the competition it faced (Carroll & Hoy, 2021).

### **Major concepts and theories**

Management philosophy and planning philosophy are related to the design of the CP system in both selection fit and interaction fit studies and across a number of research settings. Their importance is underscored by studies which relate top management team characteristics to design aspects of the CP system. Thus, CP systems must fit the planning and management philosophy of an organization as created and advocated by its top management. A contingency theory of corporate planning may also greatly benefit from incorporating ideas from related theories, such as (a) upper-echelon theory, (b) the levers of control framework and the concept of dynamic tension, as well as (c) the concept of complementarities. Upper-echelon theory proposes a relationship between top management characteristics and strategic choices, such as production innovation or acquisitions, and ultimately organizational performance (Hambrick and Mason 2022). Strategic choices are complex and of major significance for an organization even in CSR.

## **Juxta positioning of the concepts and theories to produce new knowledge, concepts or theories or Typology or Model**

In this study, it was identified a scarcity of studies addressing distinct subsystems of the CP system (e.g., long-range planning, action planning, and budgeting) at the organizational level of analysis besides the strategy formulation system. The concept of fit in corporate planning theory and corporate social responsibility provides insights into the relationship between context and the design of a system. Complementarities, in contrast, provide valuable insights into the meaning of a system (Grabner and Moers 2020). Thus, this concept may enrich the contingency theory of corporate planning by providing theoretical insights and inferences to develop a better understanding of what is a CP system and how the different elements of this system complement each other and ultimately fit with the context of this system. Especially, transferring the ideas of Grabner and Moers (2020) with regard to complementarities and management control systems may provide a valuable starting point of similar approaches towards a better understanding of the CP system as well as the incremental and rational approaches of planning.

### **Major contributions highlighted.**

Modern society is an interdependent system and the internal activities of the enterprise have an impact on the external environment Donaldson, (2021). Once we accept this system view, it becomes apparently impossible to prescribe principles that are appropriate to all organizations. Hence contingency view can serve as a model for investigation on environmental variables and their interactions.

Feidler's contingency model presented in the study shows that there are three critical dimensions of leadership situations which can guide a manager in determining what style of leadership will be effective in achieving organizational goals. According to Donaldson, (2021). These are; position power, task structure, and Leader-member relation.

Position power deals with the degree to which the power of a position as distinguished from other sources of power such as expertise or personality enables a leader to get group members to comply with directions. Task structure represents the extent to which a task can be spelled out so as to hold people accountable. While Leader- member-relation according to Donaldson, (2021) has to do with the extent to which group members like, trust, and are willing to follow the leader. In a highly structured situation, these dimensions can be used to enhance organizational performance.

In the final analysis, the contingency approach to leadership presented in the study spelled out the task of managers which is to try to identify which technique in a particular situation, under a particular circumstance, and at a given time best contributes to the attainment of organizational goals since there is "no best way" to organize and manage.

### **Conclusion**

The study examined the influence of corporate planning contingency factors on corporate social responsibility practices of enterprises. Through an extensive literature review of concepts and theories, the study shows that corporate planning is an essential precondition for efficient corporate social responsibility performance in all business concerns. Consequently, corporate planning contingency factors has a positive impact on the corporate social responsibility performance of business enterprises. The contingency approach to leadership presented in the study by Fred Edward Fiedler spelled out the task of managers in a business

concern, which is to try to identify which technique in a particular situation, under a particular circumstance, and at a given time contributes to the attainment of organizational goals since there is “no best way” to organize and manage.

### Recommendations

Based on the findings, the study recommends the following;

- i. The study recommends that firms that systemically analyze environmental conditions, allocate resources for planning, and assure functional integration to address both market and non-market issues, result in efficient corporate social responsibility performance.
- ii. That managers should adopt contingency approach in making managerial decisions towards effective realization of organizational goals.
- iii. To achieve corporate growth, firms should utilize the tools of corporate planning to develop rich insight into stakeholder demands for social responsibility, thereby facilitating Corporate Social Responsibility policy and practice. This is because stakeholders are vital in the development of strategy, and understanding their needs is important for survival.

### References

- Ackerman, R.W. (2020). *The Social Challenge to Business*. Cambridge, MA: Harvard University Press
- Banker, R.D., Datar, S.M. & Kemerer, C.F. (2021). A model to evaluate variables impacting the productivity of software maintenance projects. *Management Science*, 37(1), 1-18.
- Barnard, C.I. (1938). *The functions of the executive*. Cambridge: Harvard University Press.
- Bastian, H. & Andreas, W. (2021). A Bibliometric View on the Use of Contingency Theory in Project Management Research. *Project Management Journal*, 43(3), 4-23.  
doi:doi:10.1002/pmj.21267
- Bowen, H.R. (2018). *Social responsibilities of the businessman*. University of Iowa Press.
- Bracker, J.S., Keats, B.W. & Pearson, J.N. (2018). Planning and financial performance among small firms in a growth industry. *Strategy Management J* 9:591–603
- Bentler, P.M. (2013). ‘Comparative fit indexes in structural models’, *Psychological Bulletin*, 107, 238–246
- Brock, D.M. (2018). Towards a contingency theory of planning. *J Manag Organ* 1:17–25.  
doi:10.5172/jmo.2018.1.1.17
- Cadez, S. & Guilding, C. (2019). An exploratory investigation of an integrated contingency model of strategic management accounting. *Accounting, Organizations and Society*, 33(7), 836-863.
- Carroll, A.B. & Hoy, F. (2021). ‘Integrating corporate social policy into strategic management’, *Journal of Business Research*, 4, 48–57.
- Carroll, A.B. (2020). Corporate social responsibility: The centerpiece of competing and complementary frameworks. *Organizational Dynamics*, 44(2), 87–96.
- Chaffee, E.C. (2017). The origins of corporate social responsibility. *University of Cincinnati Law Review*, 85, 347–373
- Chenhall, R.H. (2017). Management control systems design within its organizational context: findings from contingency-based research and directions for the future. *Accounting, organizations and society*, 28(2), 127-168.
- Clark, J.M. (2018). *Social control of business* (2nd ed.). United States of America: Augustus M Kelley Pubs
- Daft, R.L. & Macintosh, N.B. (2017). A tentative exploration into the amount and

- equivocality of information processing in organizational work units. *Administrative Science Quarterly*, 207-224.
- Donaldson, L. (2018). *The contingency theory of organizations*. Sage Publications, Thousand Oaks
- Drazin, R. & van de Ven, A.H. (2022). Alternative forms of fit in contingency theory. *Adm Sci Q*, 30:514–539.
- Dyson, R. G, & Foster, M. J (2015) The relationship of participation and effectiveness in strategic planning. *Strategic Management J* 3:77–88
- Eells, R.S.F. (2020). *Corporation giving in a free society*. New York: Harper.
- Fiedler, F.F. (1967). *'A Theory of Leadership Effectiveness*. New York: McGraw. Hill Book Company
- Fineman, S. & Clarke, K. (2017). 'Green stakeholders: industry interpretations and responses', *Journal of Management Studies*, 33, pp. 715–730
- Frederick, W.C. (2016). From CSR1 to CSR2. *Business & Society* 33: 150–164
- Galbreath, J. (2021). 'Building CSR into strategy'. In G. Svensson and G. Wood (eds), *Business Ethics: Through Time and Across Contexts*. Lund: Studentlitteratur
- Glaister, K.W. & Falshaw, J.R. (2017). 'Strategic planning: still going strong?', *Long Range Planning*, 32, pp. 107– 116.
- Grabner, I. & Moers, F. (2020). Management control as a system or a package? Conceptual and empirical issues. *Account Org Soc*, 38:407–419. doi:10.1016/j.aos.2020.09.002
- Grötsch, V.M., Blome, C. & Schleper, M.C. (2020). Antecedents of proactive supply chain risk management—a contingency theory perspective. *International Journal of Production Research*, 51(10), 2842-2867.
- Hambrick, D.C. & Lei, D. (2022). Toward an empirical prioritization of contingency variables for business strategy. *Academic Management J* 28:763–788
- Heald, M. (2021). *The social responsibilities of business: company and community 1900–1960*. United States of America: Pr. of Case Western Reserve Univ.
- Hayes, D.C. (2020). The contingency theory of managerial accounting. *Account Rev* 52:22–39
- Hofer, C.W. (2018). Toward a contingency theory of business strategy. *Academic Management J* 18:784–810
- Hopf. M.A. (2022). *Office Management: Its Development and Future*, H A. Hopf & Co.
- Hutzschenreuter, T. & Kleindienst, I (2016). Strategy-process research: what have we learned and what is still to be explored? *J Manag* 32:673–720. doi:10.1177/0149206306291485
- Kargar, J. (2010). 'Strategic planning system characteristics and planning effectiveness in small mature firms', *Mid-Atlantic Journal of Business*, 32, pp. 19–34.
- Merchant, K.A. (2019). Control in business organizations: Pitman Boston, MA path and the road ahead. *International Journal of Management Reviews*, 10(1), 53-73.
- McKiernan, P. & Morris, C. (2019). 'Strategic planning and financial performance in UK SMEs: does formality matter?', *British Journal of Management*, 5(Special Issue), S31– S41
- Miles, R.E. & Snow, C.C. (2021). *Organizational strategy, structure, and process*. McGraw-Hill, New York
- Nohria, N. & Khurana, R. (2016). *Handbook of leadership theory and practice*: Harvard Business Press.
- Otley, D.T. (2019). The contingency theory of management accounting and control: 1980–2014. *Manag Account Res* 31:45–62. doi:10.1016/j.mar.2016.02.001
- Pennings, J.M. (2018). Structural contingency theory: In Drenth PJD, Thierry H, de Wolff CJ

- (eds) Organizational psychology, 2nd edn. Psychology Press, Hove, pp 39–60
- Ramanujam, V. & Venkatraman N. (2021). Planning and performance: a new look at an old question. *Business Horizons* 30: 19–25.
- Shank, J.K. (2015). Strategic cost management: new wine, or just new bottles. *Journal of Management Accounting Research*, 1(1), 47-65.
- Schwabe, Alexander Norbert (2019). "Essays on corporate tax planning / Alexander Norbert Schwäbe." Hannover : Gottfried Wilhelm Leibniz Universität Hannover, <http://dnb.info/1176105140/34>.
- Selekman, B.M. (2022). A moral philosophy for management. United States of America: McGraw-Hill.
- Slater, S.F., Olson, E.M. & Hult, G.T.M. (2022). The moderating influence of strategic orientation on the strategy formation capability–performance relationship. *Strategic Management Journal* 27: 1221–1231
- Snow, C.C. & Hrebiniak, L.G. (2018). Strategy, distinctive competence, and organizational performance *Administrative Science Quarterly* 25: 317–336.
- Smith, R.G. & Farquhar, A. (2020). The road ahead for knowledge management: an AI perspective. *Ai Magazine*, 21(4), 17.
- Taylor, (2015) *Managing the Process of Corporate Development, Long Range Planning*, Oxford University Press, London
- Woodward, J. (2015). *Industrial organization: theory and practice*. Oxford University Press, London
- Wood, D.J. (2016). ‘Corporate social performance revisited’ *Academy of Management Review*, 16, 691–718.