

Corporate Social Responsibility in Ghana: A Comparative Analysis and Business Imperative¹

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ABSTRACT: The grounds underpinning companies resorting to different Corporate Social Responsibility (CSR) practices are not obvious. Rationally, the profit making motive is at the front position of the companies' goals as well as other factors which are hidden. This has led to a keen interest in promoting CSR among companies in Ghana than it was before. Through observations, document analysis and conduction of interviews of managers among the selected organizations, this paper sought to examine the CSR policies of five companies in Ghana and the associated benefits enjoyed by Ghanaians. Specifically, the paper aimed at determining the nature and impact – present and potential - of the selected companies' CSR policies in Ghana and examined the assumptions behind the practice of CSR among the chosen companies. The methods used comprised primary data and secondary data sources. Convenient sampling technique was used for the study. The data were collected, collated and analyzed using charts and diagrams for easy interpretation. It was revealed from the research that, CSR programmes were community-focus initiatives, programmes on education as well as programmes in developing communities. It was therefore concluded that, there should be a law on CSR in Ghana and a course on CSR to train experts in that area.

Keywords: Corporate social responsibility; Stakeholders; Perception; Multinational organizations

JEL Classifications: M14

1. Introduction

Businesses are important part of the communities in which they operate. Good executives know that their long-term triumph is based on continued good relations with a wide range of individuals, groups and institutions. Smart firms know that businesses will not succeed in societies that they are failing—whether this is due to social or environmental challenges, or governance problems. The general public has high expectations of the private sector in terms of responsible behavior. Consumers expect goods and services to be socially and environmentally responsible. Companies have different motives but the idea of getting profit after business activities tend to become a prime motive among firms. Rationally, the profit- making motive is at the forefront of the companies' goals and government regulations in societies have also been motivating factor in compelling companies to change in their corporate behavior.

There is no one-size-fits-all method for pursuing a CSR approach. Each firm has unique characteristics and circumstances that will affect how it views its operational context and its defining social responsibilities. Each will vary in its awareness of CSR issues and how much work it has already done towards implementing a CSR approach. A firm is said to be socially responsible when it accepts that its roles in the society is to operate in terms of improving the environment and the locality. CSR is a way of ensuring that businesses are “more responsive to the environmental and social concerns” of the society in which they operate (Utting, 2000).

A firm does not become socially responsible when it complies with the environmental laws at where it operates. Complying with laws does not amount to being socially responsible; compliance is a way of tackling issues in a temporary manner. Improving the environment enhances the reputation of

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the organization in a positive sense which could serve as a source of competitive advantage. Some companies see CSR as ‘the right thing to do’; while others see it as a calculated differentiator for their companies and a means to achieving greater business value.

1.1 Problem Statement

Numerous studies and literature with varied results have been conducted in the area of CSR’s in Ghana using single organization in their studies. However, there must be more case studies that draw comparisons between different types of CSR practice among companies in Ghana. The uncertainty surrounding that gap necessitated this research.

1.2 Research Aims and Objectives

The overall research aim was to develop a better understanding of CSR policies of different companies in Ghana, analyze their outcome and their eventual benefits to Ghanaians. To address the aims, the research objectives were to:

1. analyze the nature of CSR policies of the selected companies.
2. examine the assumptions behind the practice of CSR among the selected companies
3. determine the outcome of the CSR policies of the selected companies.

1.3 Research Questions

The research was guided by the following questions:

1. What is the nature of CSR policies of the selected companies?
2. What are the assumptions behind the practice of CSR among the selected companies?
3. How do you determine the outcome of the CSR policies of the selected companies?

2. Research Methodology

This section covers the methods and procedures that were used in collecting the data. It contains the research design, population and sample size, research approach and strategy, sources of data and sampling technique, pilot –testing of the instrument, procedure for data collection and data analysis plan.

2.1. Research Design

The research was based primarily on a multiple case study of the selected companies in Ghana. The purpose of selecting five companies from different background (Insurance, Banking, Manufacturing, Telecommunication and Brewery) was to get better understanding of the CSR practices of the companies and the motivation for adopting CSR programmes. The aim of the case study was to generate an intensive examination of a multiple case and then engage in a theoretical analysis as posited by Bryman (2004).

2.2. Population and Sample Size

The population comprised companies that have been practising CSR as part of their activities through newspapers, radio, television and other media organizations in Ghana. Five of the companies were selected based on their frequent practice of CSR activities between 2010 and 2012 and also on some awards that they have won on CSR activities.

2.3. Research Approach and Strategy

The study adopted a qualitative research approach as result of its discovering nature. It is focused on getting a better understanding of different companies’ CSR policies, their outcome as well as their benefits to Ghanaians. Qualitative research approach is more useful approach for discovering as revealed by Hair et al (2007).

A case study strategy was used in the research because it deals with many variables of interest and also relies on multiple data sources.

2.4. Sources of Data and Sampling Techniques

Both primary and secondary sources of data were used for the study. In-depth Interview was used in collecting the primary data while the secondary data were also sourced from the internet, copies of journals from the selected organizations as well as information from libraries. The sampling technique used was convenient sampling technique.

2.5. Pilot – Testing of the Instrument

To enable the researcher test the validity and the reliability of the data, pilot-testing of the instrument was conducted. Ten copies of sample questionnaires were pre – tested; using some selected managers from the selected companies in Kumasi. After that, corrections were made to prepare the final questionnaire for the data collection process. It was after the pre-testing that, the researcher decided to

use an interview only in collecting the final data for the study, so as to obtain the needed information for the study.

2.6. Procedure for Data Collection

The researcher made a request for an appointment date and time with a manager each from the selected companies. An In- depth Interview was conducted with the managers based on their appointment time until the final data were obtained for the study.

2.7. Data Analysis Plan

The collected data were analyzed using tables to ensure easy and quick interpretation of the data. The Data were analyzed qualitatively based on the feedback from the managers.

3. Results

This section focuses on the results of the data that were collected for the study.

3.1. Findings on companies CSR policies

The various policies of the selected companies were revealed from the research as follows:

3.1.1 Vodafone Ghana

Vodafone has the idea of reducing carbon emissions to ensure compliance with all environmental requirements. It was also revealed that the company has been embarking on educational activities by collaborating with all units to cut down on energy use in offices; turning air conditioners off when out of office; ride staff bus instead of driving to work; use conference calling instead of travelling physically to attend meetings.

The company upholds the highest ethical standards in all of its business practices through: responsible network deployment; responsible marketing; legal compliance staff, who will work with rules and regulations in communities.

The company also strives to make it possible for all people in the countries in which they operate to have access to communications through the V School booth project, which gives Phone Booths to 400 Senior High Schools, as well as lower tariffs for the disabled and the elderly.

3.1.2 Barclays Bank (GH)

The research revealed that the following areas were used by the bank as part of its CSR: Banking on Brighter Futures, Charity Begins at Work, and Looking after local communities.

They aimed at:

1. making a real and positive impact on the communities in which they operate;
2. supporting their aspiration to become one of the most respected, trusted and admired universal global banks.
3. enhancing Barclays brand and reputation and engaging their stakeholders and
4. increasing colleague participation and facilitating skills development.

3.1.3 Guinness Ghana Breweries Limited

It was shown from the research that

- Guinness Ghana Breweries Limited (GGBL) supported more than 7000 farmers and families in the North namely : Upper West and East of Ghana to improve on their skills
- The company also has ‘water of life programme’ which has provided 50 boreholes and water projects to more than 150,000 people across the country.
- The company gives education on the use of alcohol through responsible drinking campaign, interactive drink IQ training programme.

3.1.4 Vanguard Assurance Limited

It was revealed from the research that:

- The company has an eye screening exercise as part of its activities in deprived communities in Ghana.
- The company has a policy of building schools in communities
- There was also an awareness scheme for Taxi drivers

3.1.5 Unilever Ghana Limited

The company’s CSR policies were:

- Hygiene – encouraging proper sanitation in the communities through education programme.
- Health – construction of bore holes in communities to provide potable drinking water
- Empowering women in the communities

- Supporting World Food Programmes to help end hunger in the world.

It was observed that CSR policies of the selected companies were into areas like health, education as well as community development. This is because the laid down policies of the organizations had helped in one way or the other in contributing towards the development of the entire country especially the rural areas.

3.2. Rationale behind the practice of CSR policies of the selected companies

The research revealed that:

- Stakeholder / Community Pressure forced the selected companies to practise CSR.

It was observed that community pressure was a factor that forced the selected companies to engage in CSR. The revelation was in consonance with Waddock (2004) who posited that public pressure has shown to be changing corporate behaviour of organizations.

- Companies' perception of economic benefit was also a factor in compelling the selected companies to embark on CSR.

Managers' perception of economic benefit played an important role in their decision to adopt CSR. The perception of the managers were in consistent with the research findings of Tina (2002) who disclosed that, CSR has become a corporate strategy for many large multinational because negative publicity was observed to be affecting their brand names.

- Social and Environmental values or policies of the companies compel them to adopt CSR policies.

The policies of corporate entities to give back to communities, customers as well as the general public also motivated the selected companies to embark on CSR policies. The research revealed that the policies of the organizations especially the Multinational companies in helping societies that they operate from, was also a contributing factor. The result was in consonance with revelation from Guthey et al., (2006) who posited that CSR has become part of management practice and a theory up to a point where companies seen it as the latest management practice to help communities.

3.3. CSR policies and their outcome

The table 1 shows the present CSR policies of the selected companies and their outcome.

Table 1. CSR projects and their outcome

Company	Present Projects	Outcome
Vodafone	1.Healthline	1. Financial support to 100s of people from deprived communities.
GGBL	1.Water of life program	1.Benefitted 100,000 people across the ten regions with potable water
Unilever	1.Health, Hygiene and women empowerment	1. Improved sanitation and is still working on women empowerment.
Vanguard	1.Donation of books to university students	1.Improved academic activities at the universities
Barclays	1.Financial Literacy program	1.Educated the public on basic financial management.

Source: Field data, 2012.

The activities of the companies had shown that companies concentrated more on community based activities as part of their CSR policies. It was observed from the collected data that Vodafone has a policy of helping people in the deprived communities who were affected with some degrees of ailment without any finance to take care of themselves. Some of the selected people were sent broad for treatment.

GGBL has also supported as many as 10,000 Ghanaians in deprived communities across the ten regions of the country with potable water. Unilever Ghana Limited has also improved sanitation conditions across the regions in the country through their policies on hygiene and sanitation. Vanguard Assurance Limited has also helped in academic activities at the various universities in the country through the donation of books to help uplift academic activities.

Barclays Bank Ghana has helped in educating the general public on basic financial management to the general public. Fifty past and present students from some technical and vocational institutions were selected and trained on how they could manage their finances in their businesses.

The policies of the selected companies and the outcome of their CSR activities have demonstrated that companies were using CSR policies as a tool in creating a positive picture about themselves to the general public while reducing the problems that confront the society. This is in consonance with the findings of Fox et al., (2002) who revealed that companies must provide a framework which will encourage business activities and minimize social and negative impacts on communities that they operate.

4. Conclusion

The study concluded that:

- There were some imbalances in the practice of CSR among the selected companies, some saw it as a right thing to do while others saw it as a way of making profits for themselves.
- Responses of managers from the selected organizations most especially the multinationals revealed that all the selected multinationals had standardized CSR policies from their parent companies outside the country.
- There was also a revelation of companies not interested in government involvement in the CSR policies as it will interfere into their activities.
- There was also a difference in the adoption of CSR among the selected companies. One that creates dependency and one that develops communities.

5. Recommendations

The study recommends the following to the government, companies in Ghana and the tertiary institutions:

- CSR as concept must be made a policy and a law which could be under the ministry of trade and industry serving as its department. It could be in line with a strategy by the then prime minister of Britain Mr. Tony Blair who became the first prime to appoint a minister for Corporate Social activities in his country.
- Institutions must also introduce CSR as a course for it to be treated as pure academic discipline, so as to train experts in that area, because when that is done the deprived communities in the country will one way or the other be developed.
- Institutions must also collaborate with the multinational companies by sending students on attachment to the multinational companies when it comes to CSR activities because the indigenous companies do not have structured CSR policies.
- The tertiary institutions must also liaise with the local organizations through seminars and conferences about the benefits of practicing corporate social responsibility activities in increasing their market share rather than embarking on promotional activities or the introduction of new products which are too expensive.

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