Corporate Social Responsibility (CSR) Practices of Foreign and Local Companies in Ghana

By

John Kuada
Robert E. Hinson

This article reports a comparative study of the key motives underlying corporate social responsibility (CSR) practices of foreign and local firms operating in Ghana and the societal as well as business outcomes of these practices. The results show that while the CSR decisions of foreign firms are mainly guided by legal prescriptions, those of their local counterparts are guided mostly by discretionary and social considerations. The socially oriented CSR practices of the local firms are consistent with cultural expectations in Ghana that those with extra resources should support the less privileged members of the society. But the difference in the degree of importance that the two groups of firms attach to discretionary motives for their CSR practices is not statistically significant. The article also discusses the policy, strategy, and research implications of the findings. © 2012 Wiley Periodicals, Inc.

Introduction

The concept of corporate social responsibility (CSR) has witnessed resurgence in the management literature in recent years. Recent contributors to the literature include scholars such as Irwin (2003), Clement-Jones (2005), Jamali and Mirshak (2007), Puffer and McCarthy (2008), and Babarinde (2009). Despite the astounding volume of contributions, reviews of the extant literature still identify significant knowledge gaps that...
require academic attention. First, there are pronounced disagreements among scholars about the potential usefulness of CSR policies and strategies of firms. Second, variables such as differences in the operational contexts of firms, sizes, types of organization, and ownership appear to exert different degrees of influence on CSR practices of firms in different parts of the world. But these factors have not been adequately articulated and integrated in the available analytical models (Lattemann, Fetscherin, Alon, Li, & Schneider, 2009). Third, many of the CSR studies conducted so far have been in the context of developed countries such as western Europe, the United States, and Australia (Jamali & Mirshak, 2007). Knowledge is rather limited about the degree to which developing-country firms engage in CSR practices and the drivers of these practices as well as their impact on firm performance and civil societies. The few available studies in developing countries have, however, revealed distinct differences between triggers of CSR practices in these countries (Babarinde, 2009; Jamali & Mirshak, 2007). Fourth, transnational corporations and Western nongovernmental organizations (NGOs) appear to exert tremendous pressures on local firms in developing countries to adopt new socially responsible practices that extend beyond their capabilities. Local firms in developing countries therefore experience tensions between international norms and standards, on the one hand, and national or local circumstances, priorities, and dilemmas, on the other (Idemudia, 2008). But the tensions and their implications for firm performance have not received much attention in the literature. These observations suggest an evident need to understand the motives underlying the adoption and nonadoption of CSR practices of firms in developing countries in order to inform policies and strategies.

The preceding observations provide justification for the present article. It reports the results of an empirical investigation into CSR practices of firms in Ghana. The study seeks to make two contributions to the existing literature. First, it compares the CSR motives and practices of foreign and local firms under a given operational context to determine how policies and cultural obligations influence corporate CSR decisions. Second, by situating the study in Ghana, the study contributes to the limited body of knowledge of CSR activities in Africa and seeks to offer policy and strategy guidelines to government institutions and advocates that plan to initiate and/or promote CSR practices in Africa.

The remainder of the article is structured as follows. We continue in the next section with a clarification of the key concepts and theories used in the study, drawing largely on the existing literature in the field. We then pull the highlights of the theoretical discussions together into a framework that should guide the empirical part of the study. The literature review has also formed the basis of the formulation of the hypotheses tested in the study. After the presentation of the hypotheses, the rest of the article presents and discusses the empirical findings and draws policy and strategy implications from them.

Conceptual Clarifications and Analytical Framework

The notion that firms have a responsibility to maintain an equitable and working balance among the claims of various stakeholders (stockholders, employees, customers, and the public at large) has been germane to an understanding of business strategies during the past half-century. The debate has hitherto pitched the stockholder theorists against the stakeholder theorists—that is, those who see CSR as distracting businesses from their cardinal goals, and those who see it as providing superior legitimacy to businesses within their ambient societies. The stockholder perspective is that businesses’ primary function in societies is to provide a return on investment to owners and shareholders, create jobs and fair pay for workers, and discover new resources. Friedman (1962) argues that the business of business should always remain business. Others argue that CSR is antithetical to sound business practice and serves to dilute business focus on wealth creation (Clement-Jones, 2005). The stakeholder perspective sees business and society as interwoven rather than distinct entities (Wood, 1991). Exponents of this perspective base their arguments on the views that businesses are active partners in a world of increasing scarcity and dwindling resources. That is, being principal creators of value and managerial resources, businesses have obligations to contribute to economic growth and opportunity in countries where they are located (Jamali & Mirshak, 2007). The positions championed in each of the two contrasting perspectives contain significant strengths and weaknesses. But recent developments in the debate have shown a tilt in favor of a more “socially responsible model” consistent with perspectives in the stakeholder theory which is perceived to capture the emerging dynamics of business-society linkage (Idemudia, 2008).

However, differences still persist in the literature with regard to the meaning of CSR. Some scholars see it as reflecting corporate citizenship, corporate philanthropy, corporate giving, and corporate community involvement—emphasising the social role on its own merit. Others see these practices as corporate social investments...
The ethical responsibilities of firms define expectations that are not stipulated in laws but are considered in a given society as being part of the morals, ethos, or accepted rules of behavior for firms and organizations.

Studies in the developing countries also register divergent perspectives. Idemudia (2008) identifies three perspectives in the current CSR debate in these countries: (1) the voluntary initiative perspective, (2) the accountability perspective, and (3) the enabling environment perspective. Regarding the first, scholars such as Mathew (2004) argue that CSR initiatives are most effective when they are voluntary rather than obligatory. While government regulations interfere with corporate freedom and undermine efficiency, voluntary self-regulation in organizations is intrinsically motivating to organizational members. The accountability perspective presents contrasting arguments. Its proponents argue that the logic of capitalism does not support CSR initiatives. As such, businesses will not finance CSR activities in the developing countries and sacrifice their profits unless compelled by laws and regulations to do so. Legally binding local and international regulations are therefore necessary to ensure that businesses take social responsibilities seriously and deliberately design strategies to promote such behavior. The third perspective suggests that although the voluntary initiatives and legally binding obligations are necessary, they do not provide sufficient conditions for the fulfilment of national and international expectations of CSR (Garvin, McGee, Smoyer-Tomic, & Aubynn, 2009). There is the need for governmental institutions, nongovernmental organizations, and civil societies to join hands to create incentives and congenial environments that stimulate CSR initiatives. Without joint planning and actions, key stakeholders may end up undermining each others’ efforts (Gulbrandsen & Moe, 2007).

The perspectives presented above have guided most of the studies reported in the contemporary CSR literature and underlie some of the most popular analytical models in the field. One of the well-received conceptualizations in this regard is the four-part definitional model provided by Carroll (1979, 1991). The model identifies four types of corporate social responsibilities: economic, legal, ethical, and discretionary. The economic drivers of CSR are reflected in the corporate social investment literature referred to earlier. The legal triggers imply expectations that firms play by the legal “rules of the game.” From this perspective, society expects business to fulfill its economic mission within the framework of legal requirements. The ethical responsibilities of firms define expectations that are not stipulated in laws but are considered in a given society as being part of the morals, ethos, or accepted rules of behavior for firms and organizations. These responsibilities are predicated on the view that managers are guided in their decisions by high moral codes of conduct—doing only what is right, just, and fair. In specific terms, businesses are expected to engage in behaviors such as respecting people, avoiding social harm, and preventing social injury (Lantos, 2001). Thus, the World Business Council for Sustainable Development (WBCSD, 2000) defines CSR as achieving commercial success in ways that honour ethical values and respect people, communities, and the natural environment. Similarly, Steiner and Steiner (2000) argue that social responsibility is the duty a corporation has to create wealth by using means that avoid harm, protect, or enhance societal assets. Finally, the discretionary perspective sees some CSR responsibilities of firms as volitional or philanthropic in nature and rooted in altruistic principles. That is, some firms may accept some social responsibilities beyond the expectations of their stakeholders or what members of the ambient societies consider as being ethically appropriate. We argue in this article that the boundaries between responsibilities that may be defined as ethical and discretionary are frequently blurred in developing countries such as Ghana. For example, poorer members of some collectivist societies expect economically advantaged members of their societies to provide...
economic support to individuals and the communities beyond what is considered ethically appropriate in developed countries. This culturally prescribed responsibility may be generally accepted by owners of small businesses as a normal part of doing business. Thus, what may seem a voluntary CSR practice in these countries may actually be guided by enshrined cultural obligations.

Wood (1991) built on Carroll’s conceptualization and argued that the identification of the different types of responsibilities does not provide an adequate framework for empirical investigations of CSR. She suggested that scholars must critically study the factors that trigger CSR initiatives of specific businesses or industries in focal countries of study (i.e. the motivating principles or reasons for engaging in CSR activities), the CSR-related issues that firms embrace, and the outcomes of these behaviors or initiatives.

Building on this understanding, we agree with Jamali and Mirshak (2007) that Carroll’s (1979) work can be combined with Wood’s (1991) refinements to provide an integrated framework for analysing CSR practices in developing countries. Figure 1 provides a schematic presentation of the analytical framework that has guided the empirical investigations reported in this paper.

The model follows a conventional antecedent-behavior-consequence structure in the management literature (Connellan, 1978). We present Carroll’s categories of CSR (i.e. economic, legal, ethical and discretionary) as constituting the underlying reasons (motives) for a firm’s CSR decisions in Ghana. These motives determine which of the CSR-related issues firms consider important for attention—that is, their CSR strategic focus. These will, in turn, shape the outcomes of their CSR endeavors. In other words, we assume that there is a link between the specific triggering cues and the CSR issues that firms have adopted as well as the consequences of their CSR initiatives. We have grouped the consequences (benefits/outcomes) of CSR into two: (1) societal outcomes—including benefits to the physical environment, social welfare gains, as well as community development; and (2) corporate outcomes—including (but not limited to) economic gains such as cost reduction, corporate image enhancement, and employee satisfaction.

This simple framework is chosen for the sake of analytical convenience. We are, however, mindful of situations where both societal and corporate outcomes may converge or complement each other. For example, providing economic support for educational programs within a community may invariably improve the general level of competencies of workers found in the community and therefore improve productivity of companies providing the support.

**Hypotheses**

**Motives and Drivers**

Previous studies have shown that foreign firms’ decisions to enter developing countries are guided mainly by re-
source seeking, market seeking, efficiency seeking and strategic asset seeking motives (Narula & Dunning, 2000). That is, they are usually in search of new and cheaper resources and/or new market outlets. Primary commodities such as minerals, timber, coffee, and oil have been important resources on the list and have justified a disproportionate flow of foreign direct investments into countries such as Angola, the Congo Republic, Equatorial Guinea, Sudan, and Nigeria (United Nations Conference on Trade and Development [UNCTAD], 2005). Cost reduction has been a key concern in such investments, and foreign investors tend to have high bargaining power since the abilities of African countries to explore the resources themselves have often been limited. These investment motives suggest that foreign firms in Africa would tend to reduce their CSR investments to the barest minimum required by the laws of the countries in which they operate. Where they find legal and institutional gaps in the host country, they will quickly take advantage of the lapses and ignore their responsibilities. In practical terms, these companies would tend to use local practices as their norms and ignore international standards, knowing well that their host governments would be unable to design institutional mechanisms to monitor and enforce the international standards (Rwabizambuga, 2007). Thus, foreign firms’ adherence to legal prescriptions in developing countries may be considered as evidence of their degree of social responsiveness.

Based on these arguments we expect that:

**Hypothesis 1:** Foreign firms located in Ghana will be more concerned with honoring legally prescribed corporate social responsibilities than accepting and fulfilling discretionary obligations.

**Local Culture and CSR Initiatives**

The business economics literature now generally endorses the view that culture has a strong impact on management behaviors and decisions (Hofstede, 1991). CSR scholars have also argued that businesses take their cue from the cultural values of their ambient societies in defining their social obligations (Sachs, Rühli, & Mittnacht, 2005). In an African context, Philips (2006) argues that the motivation for CSR in countries such as Nigeria is quite different from the Western countries. In his view, Africa’s collective approach to problem solving and the impact of the extended-family system, reinforced by the strong “village” community mentality and philosophy, encourage local businesses to exhibit profound social responsibility. Drawing on empirical evidence from indigenous firms, Amaeshi, Adi, Ogbechie, Amao, and Olufemi (2006) also show that indigenous Nigerian firms perceive and practice CSR as corporate philanthropy aimed at addressing socioeconomic development challenges in Nigeria. Similarly, Hamann, Agbazue, Kapelus, and Hein (2005) suggest that CSR activities of South African firms have been motivated mainly by managerial discretions—that is, a sense that “it is the right thing to do.” In the same vein, Vives, Corral, and Isusi (2005) note that whereas Latin American small businesses demonstrated more CSR activity in general, efforts were also predominantly directed toward disfavored groups in society rather than sponsoring sports or cultural activities as is often the practice in Europe.

Based on the preceding observations, we hypothesize as follows:

**Hypothesis 2:** Local Ghanaian firms will be triggered more by cultural obligations that emphasise philanthropic CSR practices in Ghana than foreign firms located in Ghana.

**Key CSR Issues of Interest**

A contestable issue in the CSR discourse is which issues must be considered to be universally applicable to all businesses in all parts of the world, and whether different standards must be applied to companies in terms of their ownership, resource capacity, and size. Proponents of the relativist perspective contend that economic and social rights, which are allegedly local, must take precedence over the global civil and political rights—that is, taking due cognizance of the relative capacities and economic growth needs of developing societies. Universalist perspectives, however, argue for limited cultural variations in the form and interpretation of particular human rights, while insisting on their fundamental moral universality. As hinted above, the general inability of governments in the developing countries to enact and enforce laws and other forms of regulation to prescribe absolute standards for business behavior (Rwabizambuga, 2007) constrains their capacity to adopt and enforce international standards. What is more, insistence on international standards may actually undermine their efforts of attracting foreign direct investments (FDIs) from smaller investors. Thus, the CSR issues on the agenda of foreign subsidiaries of transnational corporations are guided by directives from their headquarters. These directives are likely to follow international prescriptions for the sake of preserving an overall corporate image (Steiner & Steiner, 2000). We therefore hypothesize as follows:

**Hypothesis 3:** Foreign firms located in Ghana are more likely to base their CSR activities on issues endorsed by their headquarters than issues prescribed by the host country.
Poor African societies tend to be more concerned about immediate existential needs than long-term societal goals that feature prominently on the international agenda—for example, environmental protection (Kuada, 1994). Furthermore, management’s perception of the probable magnitude of consequences of nonadherence to accepted rules of behavior also influences the issues to which they are willing to assign their firms’ resources. For example, if a firm’s behavior does not result in immediately noticeable improved (physical) environmental outcomes in specific situations, then many firms are not willing to engage in such behavior despite their abstract concern with society or the physical environment. It has also been argued that firm size influences stakeholders’ assessment of the degree of social responsibility that businesses may be required to assume. Lepoutre and Heene (2006) argue that people generally consider small local firms to contribute less to social and environmental problems in their countries. For this reason, they do not expect these firms to devote substantial resources to addressing these problems. Based on the preceding observations, we hypothesize as follows:

Hypothesis 4: Local firms in Ghana will focus a lot more on community development issues and less on international (physical) environmental standards.

Outcomes of CSR Initiatives

Several scholars have investigated the impact of businesses’ CSR initiatives on their key stakeholders. McDonald and Rundle-Thiele (2008) argue that effective CSR practices will raise the degree of satisfaction of bank customers. Calabrese and Lancioni (2008) discuss the impact of CSR practices on employee as well as customer satisfaction in service companies. Others have discussed how corporate performance can be enhanced through active engagement of key stakeholders in CSR strategy formulation (Miles, Munilla, & Darroch, 2006).

As shown in our analytical framework, it is useful to distinguish between society and firm-level outcomes of CSR practices. Firms that are triggered by the goals of attaining improved corporate image, branding, and profitability to undertake CSR activities are likely to emphasize firm-level outcomes in their assessment of the results of their CSR practices. They will perceive CSR as synonymous with corporate social investments (CSIs). Firms that are motivated by philanthropic concerns will place greater premium on the societal outcomes of their practices.

These discussions justify the following hypothesis:

Hypothesis 5: Foreign firms located in Ghana will emphasize the firm-level benefits they derive from their CSR activities while local firms in Ghana will emphasize the society-level benefits of their CSR activities.

The Empirical Research Context

The empirical investigation reported in the article was undertaken in Ghana. Ghana is a West African country of 24 million people grouped into five major ethnic communities—the Akan (44%) the Mole-Dagbani (16%), the Ewe (13%), the Ga-Adangme (8%), and the Gonja (4%), and 60 other smaller communities. Rural-urban migration during the past five decades has produced mixed ethnic communities with more fluid and dynamic social structures, thereby increasing the cultural homogeneity of the country. In general, most Ghanaians still remain firmly attached to their traditional cultural roots. Role definitions based on ascriptions and other traditional prerogatives are still pervasive. General management practices are also guided by culturally accepted rules of behavior (Kuada, 1994).

Like most other African countries, Ghana experienced drastic economic decline, high rates of inflation, and unemployment in the 1970s (Loxley, 1988). Some consequences of the economic decline included huge cuts in budget allocations to schools, hospitals, and
health centers as well as to the maintenance of roads and transport systems. The economic hardships of the 1970s led to a general decline of moral probity within Ghanaian work organizations and a stronger emphasis on short-term existential needs than longer-term achievement goals of individuals (Kuada, 1994).

Although the past decade has shown some improvement in the Ghanaian economy, most Ghanaians still rely on family members for economic support. For example, family members who face serious economic difficulties naturally expect and demand assistance from those they perceive to have the means to assist. Paying for the education of family members, hospital bills and providing initial working capital for small business formations are popular examples of what is classified in Ghana as “needy” situations in which family members may demand and expect support from the richer members of the family (Kuada, 2009). Similarly, business owners are naturally expected to provide economic support to communities within which they operate. Similar expectations have been found to exist in some other African countries (Himbara, 1993; Sørensen, 2003). It is against this cultural background that the CSR practices in Ghana have been studied.

Methodological Procedures and Analysis

The study is based on responses from a random sample of 80 respondents from Ghana Club 100 (i.e., the top 100 firms in Ghana). The Ghana Club 100 ranking was launched by the Ghana Investment Promotion Centre (GIPC) in 1998 and seeks to identify the best-performing companies in the country, which should serve as role models for other companies. GIPC ranks these firms according to their sizes (measured in terms of number of employees and asset values), growth rate, profitability, and contribution to society (defined in terms of contributions to health, education, concerns for the physical environment, and social conditions). The latest available ranking of the 100 firms (at the time of the present study) was the one published in 2005. This list was used as our sampling frame. The firms on the list covered a wide range of business areas including agriculture, banking, building and construction, energy, tourism and hospitality, information and communications technology, insurance, manufacturing, health care services, trading, automobiles and equipment, and general services.

Most of the firms on the list were located in the Accra-Tema metropolitan area where all other major firms in Ghana as well as over 90% of Ghana’s formal sector businesses are located. For this reason, the sample constitutes a fairly good representation of the top firms in the country.

An earlier study of CSR practices in Ghana by Ofori and Hinson (2007) showed that directors of marketing, finance, and human resources, as well as the managing directors and their deputies, of firms in Ghana are those who are well informed about the CSR practices of their firms. We therefore wrote letters to the managing directors of all the 100 firms explaining the purposes of the study and requesting their participation in the survey. We also requested them to indicate who in each firm should receive the questionnaires. We received 80 positive responses. The questionnaires were then personally handed out to those identified by the managing directors to have the most complete information on CSR practices in their firms. We requested them to fill out the questionnaires within two weeks, after which date they were to be picked up. The decision to send personal couriers to hand out and pick the questionnaire was adopted since the mail system in Ghana is unreliable and past experience has shown that response rates increase with the use of such a data collection method (Kuada & Buatsi, 2005). Reminder telephone calls were made to the firms four days prior to the collection deadline. Those who claimed to have lost the questionnaires were given replacement copies.

The questionnaire was mainly composed of statements scored on a 7-point Likert scale ranging from 1 = strongly disagree to 7 = strongly agree (see appendix). Prior to the collection of the main data we conducted a pilot study among 10 managers to ascertain the clarity of the questionnaire and to identify any issues relating to its administration. Respondents were also asked to describe any difficulties experienced in completing the pilot questionnaire and their feedbacks helped improve the quality of the final questionnaire.

The sample was composed of 54 local and 26 foreign firms (defined by the GIPC as firms formed outside Ghana or with their headquarters located outside Africa). Twenty-five percent of the respondents have worked with their firms for five years or less, while the remainder have worked there for more than five years. Their job functions cover human resource management (20%), marketing (20%), general management (10%), and finance and accounting (10%). The others were managing directors and deputy managing directors (10%) and people designated as heads of corporate affairs, heads of operations, and events management (30%). Thirty-four of the local firms included in the study were publicly owned; the rest were privately owned. But 20 of the 26 foreign firms were privately owned, with only six of them being publicly owned firms. A one-way analysis of variance (ANOVA) was
TABLE 1 CSR Motives

<table>
<thead>
<tr>
<th>CSR Motives (α = 0.579)</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic</td>
<td>80</td>
<td>5.51</td>
<td>1.70</td>
</tr>
<tr>
<td>Legal</td>
<td>80</td>
<td>5.82</td>
<td>1.55</td>
</tr>
<tr>
<td>Ethics</td>
<td>80</td>
<td>5.57</td>
<td>1.44</td>
</tr>
<tr>
<td>Discretionary</td>
<td>80</td>
<td>4.90</td>
<td>1.66</td>
</tr>
</tbody>
</table>

directed more strongly by legal requirements in their CSR decisions (mean = 6.38) than the other three factors. The findings therefore support hypothesis 1, which expects foreign firms to be guided mainly by legal requirements in their CSR adoption decisions.

As shown in Table 3, foreign firms consider profit (mean = 6.27) and shareholder wealth maximization (mean = 6.23) as important objectives for their CSR initiatives. Although local firms also subscribe strongly to the profit objective, they appear to place lesser emphasis on shareholder wealth maximization than the foreign firms (F = 5.11; p = 0.02). As indicated earlier, 77% of the foreign firms in our sample (as against 37% of the local firms) are privately owned. Differences in ownership may therefore partly explain their contrasting emphasis on shareholder wealth maximization. Both groups of firms also differ on the importance of social considerations as CSR objectives (F = 5.44; p = 0.02). But there are no significant differences between their mean scores in terms of taking initiatives to “avoid harm or protect/enhance societal assets” (F = 0.31; p = 0.57), or “respond to the concerns of all stakeholders” (F = 1.29; p = 0.25).

In sum, although foreign firms place greater emphasis on the economic outcomes of their CSR activities (than local firms), the results do not provide clear evidence of significant differences in the philanthropic dispositions of local and foreign firms as suggested in hypothesis 2. But the evidence reinforces the results in Table 2 that discretionary motives appear to be relatively more important triggers of CSR activities of local firms in Ghana than they are for foreign firms located in the country. A closer examination of the list of foreign firms in the sample shows that some of them have their headquarters in other African countries. They are therefore likely to share similar CSR dispositions with the local Ghanaian firms.

Table 4 shows that of the four CSR issues on the international agenda investigated in this study (health

**Presentation and Discussion of Findings**

As shown in Table 1, all four motives listed in our analytical framework have been important in triggering CSR activities in firms covered in the study, with legal considerations appearing to have the greatest influence. Table 2 also shows that local and foreign firms differ significantly on three of the four motives; economic (F = 4.00; p = 0.04), legal (F = 5.41; p = 0.02), and ethics (F = 6.96; p = 0.01). The local and foreign firms differ in terms of the importance they attach to discretionary motives underlying their CSR decisions. But the difference is not statistically significant (F = 1.53; p = 0.22). Furthermore, the foreign firms have been conducted using the target groups (local and foreign) as factors to test differences between the two subsamples. All tests were conducted at 0.05 levels of significance and showed no significant variations in the samples.

The data analysis focused first on examining respondents’ views on the various dimensions of CSR included in our analytical framework. This was done using means and standard deviations. We also calculated the statistical significances of differences between foreign and local firms where we considered them necessary for the evaluation of the hypotheses. Cronbach alpha reliabilities and correlations between the major variables were also calculated where applicable.

**Table 2 Comparing CSR Motives of Local and Foreign Firms**

<table>
<thead>
<tr>
<th>Motives</th>
<th>Company Type</th>
<th>N</th>
<th>Mean</th>
<th>St. Dev.</th>
<th>F</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic considerations</td>
<td>Local</td>
<td>54</td>
<td>5.35</td>
<td>1.82</td>
<td>4.00</td>
<td>0.04</td>
</tr>
<tr>
<td></td>
<td>Foreign</td>
<td>26</td>
<td>6.15</td>
<td>1.31</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legal requirements</td>
<td>Local</td>
<td>54</td>
<td>5.55</td>
<td>1.75</td>
<td>5.41</td>
<td>0.02</td>
</tr>
<tr>
<td></td>
<td>Foreign</td>
<td>26</td>
<td>6.38</td>
<td>0.81</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ethics</td>
<td>Local</td>
<td>54</td>
<td>5.29</td>
<td>1.51</td>
<td>6.96</td>
<td>0.01</td>
</tr>
<tr>
<td></td>
<td>Foreign</td>
<td>26</td>
<td>6.15</td>
<td>1.15</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Discretionary motives</td>
<td>Local</td>
<td>54</td>
<td>5.07</td>
<td>1.58</td>
<td>1.53</td>
<td>0.22</td>
</tr>
<tr>
<td></td>
<td>Foreign</td>
<td>26</td>
<td>4.54</td>
<td>1.79</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
and safety, physical environmental issues, social welfare, and human rights), foreign and local firms differ only on the degree of importance they attach to issues relating to social welfare. But the difference is not statistically significant. Subsequent regression analyses of the data presented in Table 5 show that human rights issues receive the attention of firms whose CSR activities are triggered mostly by legal and ethical motives. Economic motives are negatively correlated with human rights concerns (beta = −0.3; \( p = 0.01 \)). Similarly, there is a negative association between economic motives and social welfare concerns (beta = −0.3; \( p = 0.02 \)), while legal and ethical motives are positively (but not significantly) associated with social welfare concerns. The results for concerns for the physical environment are different. Economic and ethical motives are negatively (but not significantly) associated with concerns about the physical environment while there is a positive and significant association between legal motives and environmental issues (beta = 0.3; \( p = 0.02 \)). The association between economic motives and health and safety concerns is negative (but not significant), while the associations between legal as well as ethical motives and health issues are positive (but not significant).

Together, the results show a negative association between economic motives and the CSR issues prominent on the international agenda while legal motives generally show a positive association. The direction of association between ethical motives and the CSR issues is not consistent. Thus, to the extent that foreign firms are guided more by legal (than economic) motives in their CSR decisions they are more likely to focus on CSR issues that are internationally acknowledged and/or endorsed by their headquarters. Hypothesis 3a is therefore partially confirmed.

Comparing the degree to which local and foreign firms emphasize physical environment or community development in their CSR activities, our findings (presented in Table 6) show significant differences between the two groups of firms. But the differences have been contrary to our expectations. Local firms appear to be more strongly concerned about both issues—maintaining international

### Table 3: Comparing Specific CSR Objectives of Local and Foreign Firms

<table>
<thead>
<tr>
<th>Motives</th>
<th>Company Type</th>
<th>N</th>
<th>Mean</th>
<th>St. Dev.</th>
<th>F</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Make profit</td>
<td>Local</td>
<td>54</td>
<td>5.76</td>
<td>1.62</td>
<td>2.27</td>
<td>0.13</td>
</tr>
<tr>
<td></td>
<td>Foreign</td>
<td>26</td>
<td>6.27</td>
<td>0.83</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maximize shareholders’ wealth</td>
<td>Local</td>
<td>54</td>
<td>5.41</td>
<td>1.76</td>
<td>5.11</td>
<td>0.02</td>
</tr>
<tr>
<td></td>
<td>Foreign</td>
<td>26</td>
<td>6.23</td>
<td>0.82</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Avoid harm, protect or enhance societal assets</td>
<td>Local</td>
<td>54</td>
<td>4.79</td>
<td>1.41</td>
<td>0.31</td>
<td>0.57</td>
</tr>
<tr>
<td></td>
<td>Foreign</td>
<td>26</td>
<td>5.00</td>
<td>1.71</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Undertake social programmes to benefit/serve the public</td>
<td>Local</td>
<td>54</td>
<td>5.26</td>
<td>1.23</td>
<td>5.44</td>
<td>0.02</td>
</tr>
<tr>
<td></td>
<td>Foreign</td>
<td>26</td>
<td>4.54</td>
<td>1.42</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Respond to the concern of all its stakeholders</td>
<td>Local</td>
<td>54</td>
<td>5.07</td>
<td>1.58</td>
<td>1.29</td>
<td>0.25</td>
</tr>
<tr>
<td></td>
<td>Foreign</td>
<td>26</td>
<td>4.54</td>
<td>1.79</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Table 4: Comparing Local and Foreign Firms’ Emphasis on CSR Issues on the International Agenda

<table>
<thead>
<tr>
<th>CSR focus</th>
<th>Company Type</th>
<th>N</th>
<th>Mean</th>
<th>St. Dev.</th>
<th>F</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health and safety</td>
<td>Local</td>
<td>54</td>
<td>5.46</td>
<td>1.43</td>
<td>0.05</td>
<td>0.82</td>
</tr>
<tr>
<td></td>
<td>Foreign</td>
<td>26</td>
<td>5.63</td>
<td>1.36</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Environmental issues</td>
<td>Local</td>
<td>54</td>
<td>5.07</td>
<td>1.43</td>
<td>0.01</td>
<td>0.92</td>
</tr>
<tr>
<td></td>
<td>Foreign</td>
<td>26</td>
<td>5.03</td>
<td>1.75</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social welfare</td>
<td>Local</td>
<td>54</td>
<td>5.11</td>
<td>1.51</td>
<td>0.77</td>
<td>0.38</td>
</tr>
<tr>
<td></td>
<td>Foreign</td>
<td>26</td>
<td>4.81</td>
<td>1.29</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Human rights</td>
<td>Local</td>
<td>54</td>
<td>4.88</td>
<td>1.51</td>
<td>0.04</td>
<td>0.84</td>
</tr>
<tr>
<td></td>
<td>Foreign</td>
<td>26</td>
<td>4.96</td>
<td>1.50</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
argued, on the basis of their respective studies, that firms demonstrate greater CSR when exposed to external pressures such as requirements from foreign trading partners and international regulatory pressures. Our data do not, however, allow us to engage in such an analysis. Future studies must therefore explore this possible explanation.

The results presented in Table 7 show that the main benefit from the CSR activities was reflected in enhanced corporate image (mean = 6.23). This is followed by community development—that is, societal benefit (mean = 5.12). The other listed benefits such as increase in earnings, reduction in costs, employee satisfaction, community-level peace/cohesion as well as social welfare have means ranging between 4.38 and 4.83. Furthermore, there is no significant difference between local and foreign firms with regards to increase in earning, reduction in cost, improvement in company image, a better physical environment, and improvement in social welfare as part of their CSR benefits. However, as shown in Table 8, there was a significant difference between them with regards for physical environmental protection (F = 4.87; p = 0.03) and community development (F = 7.06; p = 0.01)—than foreign firms. Thus, the results do not support Hypothesis 3b. The findings are, however, consistent with the results in Table 5, which show negative association between economic motives and concerns about the physical environment. That is, firms whose CSR activities are triggered mainly by economic motives are less likely to emphasize issues relating to the physical environment (unless legally prescribed). Intuitively, the difference may be explained by the differences in the target markets that the firms serve. Granting that the foreign firms located in Ghana serve the domestic (i.e., Ghanaian) market, they can ignore environmental issues if their local customers do not insist on them. On the other hand, if the local firms serve foreign markets (via exports) they are likely to emphasize environmental issues if their foreign customers insist on them. Our intuitive explanations are consistent with results from some previous studies. For example, Wisner and Epstein (2005) as well as Muller and Kolk (2010) argued, on the basis of their respective studies, that firms demonstrate greater CSR when exposed to external pressures such as requirements from foreign trading partners and international regulatory pressures. Our data do not, however, allow us to engage in such an analysis. Future studies must therefore explore this possible explanation.

The results presented in Table 7 show that the main benefit from the CSR activities was reflected in enhanced corporate image (mean = 6.23). This is followed by community development—that is, societal benefit (mean = 5.12). The other listed benefits such as increase in earnings, reduction in costs, employee satisfaction, community-level peace/cohesion as well as social welfare have means ranging between 4.38 and 4.83. Furthermore, there is no significant difference between local and foreign firms with regards to increase in earning, reduction in cost, improvement in company image, a better physical environment, and improvement in social welfare as part of their CSR benefits. However, as shown in Table 8, there was a significant difference between them with regards for physical environmental protection (F = 4.87; p = 0.03) and community development (F = 7.06; p = 0.01)—than foreign firms. Thus, the results do not support Hypothesis 3b. The findings are, however, consistent with the results in Table 5, which show negative association between economic motives and concerns about the physical environment. That is, firms whose CSR activities are triggered mainly by economic motives are less likely to emphasize issues relating to the physical environment (unless legally prescribed). Intuitively, the difference may be explained by the differences in the target markets that the firms serve. Granting that the foreign firms located in Ghana serve the domestic (i.e., Ghanaian) market, they can ignore environmental issues if their local customers do not insist on them. On the other hand, if the local firms serve foreign markets (via exports) they are likely to emphasize environmental issues if their foreign customers insist on them. Our intuitive explanations are consistent with results from some previous studies. For example, Wisner and Epstein (2005) as well as Muller and Kolk (2010)

### Table 5: Relationship between CSR Motives and Issues on the International Agenda

<table>
<thead>
<tr>
<th>Dependent Variable</th>
<th>Independent Variables</th>
<th>Stand. Coef. (Beta)</th>
<th>T</th>
<th>P</th>
<th>R-Square</th>
<th>Adjusted R-Square</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human rights</td>
<td>Economic</td>
<td>-0.3</td>
<td>-2.5</td>
<td>0.01</td>
<td>0.098</td>
<td>0.063 S.E. = 1.5</td>
</tr>
<tr>
<td></td>
<td>Legal</td>
<td>0.2</td>
<td>1.4</td>
<td>0.13</td>
<td>0.12</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Ethics</td>
<td>0.1</td>
<td>1.0</td>
<td>0.12</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social welfare</td>
<td>Economic</td>
<td>-0.3</td>
<td>-2.3</td>
<td>0.02</td>
<td>0.093</td>
<td>0.057 S.E. = 1.4</td>
</tr>
<tr>
<td></td>
<td>Legal</td>
<td>0.08</td>
<td>0.5</td>
<td>0.57</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Ethics</td>
<td>0.2</td>
<td>1.5</td>
<td>0.12</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Environmental issues</td>
<td>Economic</td>
<td>-0.1</td>
<td>-0.79</td>
<td>0.42</td>
<td>0.071</td>
<td>0.035 S.E. = 1.5</td>
</tr>
<tr>
<td></td>
<td>Legal</td>
<td>0.3</td>
<td>2.33</td>
<td>0.02</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Ethics</td>
<td>-0.1</td>
<td>0.94</td>
<td>0.33</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Health and safety</td>
<td>Economic</td>
<td>-0.1</td>
<td>-0.81</td>
<td>0.42</td>
<td>0.025</td>
<td>-0.013 S.E. =1.5</td>
</tr>
<tr>
<td></td>
<td>Legal</td>
<td>0.1</td>
<td>0.97</td>
<td>0.33</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Ethics</td>
<td>0.06</td>
<td>0.46</td>
<td>0.65</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Table 6: Relationship between CSR Focus and Ownership of Firms

<table>
<thead>
<tr>
<th>CSR focus</th>
<th>Company Type</th>
<th>N</th>
<th>Mean</th>
<th>St. Dev.</th>
<th>F</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maintaining international standards</td>
<td>Local</td>
<td>54</td>
<td>5.66</td>
<td>2.73</td>
<td>4.87</td>
<td>0.03</td>
</tr>
<tr>
<td></td>
<td>Foreign</td>
<td>26</td>
<td>4.27</td>
<td>2.47</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Engage in community development</td>
<td>Local</td>
<td>54</td>
<td>5.55</td>
<td>1.16</td>
<td>7.06</td>
<td>0.01</td>
</tr>
<tr>
<td></td>
<td>Foreign</td>
<td>26</td>
<td>4.61</td>
<td>2.00</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
findings from previous empirical investigations on the subject. Leaning on Simon, Powers, and Gunnemann’s (1972) distinction between negative injunctions and affirmative duties of businesses, the present study reveals the reliance of foreign firms on negative injunctions rather than on affirmative duties as guides to their CSR decisions. The negative injunctions constitute the barest minimum set of obligations that all businesses are expected to uphold (and are legally enforceable), while the affirmative duties are discretionary and socially acceptable obligations. Thus, like Hamann et al. (2005) and Barkemeyern (2009), we found that the CSR decisions of most foreign firms located in Ghana are triggered mainly by legal obligations and anticipated economic gains. By seeing CSR investments as duties rather than morally appropriate discretionary acts, the foreign firms in this study tend to uphold the barest minimum set of CSR obligations. The results are also consistent with findings from studies in South Africa (Fig, 2005; Hamann, 2004), and Nigeria (Edoho, 2008), which show that legal accountability and corporate image preservation constitute key CSR drivers and benefits of foreign firms in these countries.

Second, in contrast to their foreign counterparts, respondents from the local firms maintain that their CSR activities are triggered not only by economic and legal considerations but also by moral and ethical considerations. Thus, the findings also corroborate an earlier study by Ofori and Hinson (2007) in Ghana as well as Amaeshi et al. (2006) in Nigeria, and Hamann et al. (2005) in South Africa. Ofori and Hinson (2007) found that while

guard to improvement in employee satisfaction \((p = 0.02)\) and community peace/cohesions \((p = 0.02)\). An examination of the means reveals that foreign firms see a greater employee satisfaction as part of their CSR benefits. In contrast, local firms see their CSR activities as contributing to a greater degree of community peace/cohesion than foreign firms. Comparatively foreign firms’ biggest CSR benefit is improvement in corporate image. Hypothesis 4 is therefore partially confirmed.

Discussion

Our findings are consistent with the theoretical framework presented in Figure 1 and with the expectations reflected in most of our hypotheses. They are also consistent with

<table>
<thead>
<tr>
<th>Benefits</th>
<th>Company Type</th>
<th>N</th>
<th>Mean</th>
<th>St. Dev.</th>
<th>F</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase in earnings</td>
<td>Local</td>
<td>54</td>
<td>4.67</td>
<td>1.71</td>
<td>1.37</td>
<td>0.24</td>
</tr>
<tr>
<td></td>
<td>Foreign</td>
<td>26</td>
<td>5.12</td>
<td>1.33</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reduction in cost/expenses</td>
<td>Local</td>
<td>54</td>
<td>4.22</td>
<td>1.50</td>
<td>2.08</td>
<td>0.15</td>
</tr>
<tr>
<td></td>
<td>Foreign</td>
<td>26</td>
<td>4.73</td>
<td>1.42</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Improvement in company image</td>
<td>Local</td>
<td>54</td>
<td>6.07</td>
<td>1.54</td>
<td>2.47</td>
<td>0.12</td>
</tr>
<tr>
<td></td>
<td>Foreign</td>
<td>26</td>
<td>6.57</td>
<td>0.76</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Improvement in employee satisfaction</td>
<td>Local</td>
<td>54</td>
<td>4.61</td>
<td>1.31</td>
<td>5.52</td>
<td>0.02</td>
</tr>
<tr>
<td></td>
<td>Foreign</td>
<td>26</td>
<td>5.31</td>
<td>1.09</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community peace/cohesions</td>
<td>Local</td>
<td>54</td>
<td>4.96</td>
<td>1.44</td>
<td>4.27</td>
<td>0.04</td>
</tr>
<tr>
<td></td>
<td>Foreign</td>
<td>26</td>
<td>4.08</td>
<td>2.38</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Better physical environment</td>
<td>Local</td>
<td>54</td>
<td>5.04</td>
<td>1.41</td>
<td>2.39</td>
<td>0.13</td>
</tr>
<tr>
<td></td>
<td>Foreign</td>
<td>26</td>
<td>4.42</td>
<td>2.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Improvement in social welfare</td>
<td>Local</td>
<td>54</td>
<td>4.85</td>
<td>1.29</td>
<td>0.90</td>
<td>0.34</td>
</tr>
<tr>
<td></td>
<td>Foreign</td>
<td>26</td>
<td>4.50</td>
<td>2.00</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
foreign firms in Ghana use CSR activities as deliberate strategies to strengthen their corporate images, local Ghanaian firms focus a lot more on moral and ethical considerations in their CSR decisions.

These results do not, however, suggest that the CSR practices of the local firms are superior to those of the foreign firms. They simply show that the two groups of firms place different degrees of emphasis on legal and moral/ethical expectations in their CSR decisions. We find the local firms’ emphasis on ethical and moral considerations to be consistent with the Ghanaian cultural expectations—that is, demanding and expecting support from more prosperous members of the society to persons facing serious economic difficulties. We have noted that some of the foreign firms originate from other African countries. Such firms may share Ghanaian firms’ inclinations to CSR practices due to the influence of similar culturally prescribed obligations. This possibility has, however, not been statistically explored in the present study due to sample size limitations.

Our findings have potential implications for extending previous knowledge on CSR activities of firms in Africa by suggesting that the rationale guiding the behavior of local and foreign firms may be different. The results also show that the two-fold classification of CSR outcomes—societal and corporate outcomes—makes sense and enhances insight into how firms assess these outcomes. While foreign firms emphasise corporate outcomes in their assessments, the local firms emphasise the societal outcomes of their CSR activities. But the differences between the two groups of firms are not always statistically significant. Put together, the results provide additional credence to previous findings in the existing literature. For example, Amaeshi et al. (2006) and Hamann et al. (2005) showed in their respective studies that culturally induced obligations enjoin even small local firms to engage in social CSR practices in the form of economic support to disadvantaged individuals of their communities or funding community development projects. Similarly, Babarinde (2009) informs that South African firms view donations to health, education, and other social infrastructures as normal costs of doing business. Future research will benefit from the analytical model that has guided the present study.

The findings have strategy and policy implications as well. In terms of policy, the Ghanaian government must consider a greater use of its legislative power and enforcement capability to actively promote CSR adoption in the country, since foreign firms derive their CSR triggering cues mainly from legal demands. Since there are various location-based advantages that draw foreign firms to developing countries (Kogut, 1985), there is good reason to expect them to accept legally stipulated demands from the Ghanaian government for them to take their social responsibilities seriously. Furthermore, it may be argued that the willingness of foreign firms to abide by the legal provisions can be regarded as evidence of corporate social responsibility simply because most African countries have weak institutions and are therefore less capable of enforcing laws meant to regulate business behavior.

In terms of strategy, the headquarters of non-African foreign firms must encourage their subsidiaries in Ghana (and by extension Africa as a whole) to do more than the minimum legally required social obligations in the communities in which they are located. Prior studies have suggested that where the management of foreign firms show a strong commitment to ethics this commitment is likely to apply to their foreign operations (Muller & Kolk, 2010).

In making these suggestions, we are mindful of the fact that there is no one-to-one causal relationship between CSR activities of firms and their impacts on the various stakeholders that these activities target. The initiative–impact relationship has been shown to be complex and to be influenced by several moderating factors including non-business initiatives within societies (Gulbrandsen & Moe, 2007; Idemudia, 2008; Lattemann et al., 2009). For example, Idemudia (2008) suggests that the developmental impacts of oil transnational corporations (TNCs) in Africa depend not only on the initiatives they take (or fail to take) but also on government efforts and projects of donor organizations in the focal communities. As shown in Gulbrandsen and Moe’s (2007) study of the operations of BP in Azerbaijan, the initiatives adopted by the oil giant to establish collective goods in the CSR realm for all foreign oil companies were undermined by the host government’s macroeconomic policies and lack of commitment to developing democratic and accountable political institutions. Thus, Garvin et al. (2009) argue that when engaging in community development activities, corporations run the risk of assuming the role of regional and national governments and, effectively, allowing those governments to abdicate responsibilities. Thus, the Ghanaian government must see the CSR initiatives that it encourages as supplements to its own development initiatives.

The present study also has some limitations and research implications. First, we have relied only on firm-level factors in studying CSR behaviors. It will be useful to include national and industry-level factors in a future study in Ghana. A study by Lattemann et al. (2009) has shown that the governance environment of a country (i.e., the political, economic, and cultural institutions)
facilitates or constrains a firm’s CSR behavior. They argue that governments wishing to encourage the adoption of higher CSR standards of firms in their countries must make improvements in the business environment, especially the governance environment in addition to monitoring business firms more intensively. Similarly, Fig (2005) suggests that the governance environment in South Africa is poorly geared to supporting CSR practices of firms in the country. Thus, subsequent studies must examine the interplay between public governance (the governance environment) and CSR adoption of firms.

Second, the process dimension of CSR activities has not received any attention in the present study and must be included in future research. By explicitly introducing a process dimension into a study, research would be able to examine the manner in which firms create awareness about their CSR activities, the mechanisms adopted to govern the activities and the manner in which these activities are undertaken.

Third, some previous studies have also linked CSR practices to the dominant leadership styles found in firms. Puffer and McCarthy (2008) have argued that transformational leaders have socially and ethically oriented perspectives on their duties and are eager to share these visions with their followers. The present study has not explored this link in the Ghanaian case. Examining this link in future studies will provide new insights into strategies that can enhance top management commitment to CSR practices in the country.

Finally, the Ghanaian context of the present empirical investigation limits the extent to which the results apply in other African countries. This limitation naturally invites studies in other African countries, using the dimensions presented in our analytical framework. Additional research may determine the extent to which Ghanaian cultural prescriptions and their impact on CSR practices apply in other parts of sub-Saharan Africa. In comparing the CSR practices of foreign and local firms in Africa, it will be useful to draw a distinction between African and non-African foreign firms. We have argued that cultural similarities in Africa may result in some similarities in the CSR practices that African firms adopt compared with non-African firms.

**Conclusion**

Overall, the study results lead to the following sets of conclusions: The first conclusion pertains to the instrumental orientation of the CSR decisions of foreign firms in Ghana—they appear to be willing to engage mostly in what is legally required of them. For this reason, the Ghanaian government must set and enforce minimum obligations to guide social behaviours of foreign businesses. In addition, management of foreign firms must be encouraged to go beyond that minimum through incentives, moral education, and headquarters’ interventions. The second conclusion is that, local firms appear to engage in CSR practices that support community development presumably because they see such activities as part of their culturally prescribed duties. Government must provide them with incentives that further encourage these activities. But the Ghanaian government must not see increased CSR initiatives in the country as an excuse to neglect its own social and community development obligations.

John Kuada is professor of International Business and Intercultural Management at the Department of Business and Management, Aalborg University, Denmark. He is the coordinator of the university’s master’s degree programs in International Business and International Marketing. His research interests include enterprise development in Africa, management in Africa, export marketing, and intercultural management. Professor Kuada is author and co-author of 10 books and over 100 peer-reviewed articles and book chapters. In addition to teaching and research, he has consulted for businesses and international organizations in Europe and Africa.

Robert Ebo Hinson is an Associate Professor in the Department of Marketing & Customer Management (M & CM) at the University of Ghana Business School, where he also serves as Head of Department. He is published in or has had papers accepted for publication in international journals like the International Journal of Market Research, Journal of International Consumer Marketing, International Journal of Bank Marketing, Journal of Financial Services Marketing, International Journal of Public Sector Management, Journal of Business and Industrial Marketing and Internet Research.
References


APPENDIX QUESTIONNAIRE  Perspectives on Corporate Social Responsibility (CSR) among Foreign and Local Companies in Ghana

Dear Respondent,

This is a survey created by marketing faculty at the University of Ghana Business School in collaboration with Prof. John Kuada of Aalborg University. The questionnaire is anonymous and there are no right or wrong answers. It is important to answer all the questions. We thank you very much for your cooperation.

Corporate Social Responsibility Issues

<table>
<thead>
<tr>
<th>Strongly Disagree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
</tr>
</tbody>
</table>

**Motives**
- We believe that a company exists to make profit
- We believe that a company exists to maximize shareholders' wealth
- We believe that a company exists to avoid harm, protect and enhance societal assets
- We believe that a company exists to undertake social programmes to benefit/serve the public
- We believe that a company exists to respond to the concern of all its stakeholders

Corporate Social Responsibility Dimension

<table>
<thead>
<tr>
<th>Strongly Disagree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
</tr>
</tbody>
</table>

- We consider our company’s CSR imperative to be driven by economic considerations (i.e., companies have a responsibility to produce goods/services that society wants and sell them at a profit)
- We consider our company’s CSR imperative to be driven by legal requirements (i.e., companies must obey the law)
- We consider our company’s CSR imperative to be driven by ethics: (i.e., companies must exhibit behaviours and ethical norms beyond what is required by law).
- We consider our company’s CSR imperative to be driven by Discretionary factors (i.e., companies must exhibit voluntary roles driven by societal norms)

Firm Level Benefits of Corporate Social Responsibility

<table>
<thead>
<tr>
<th>Strongly Disagree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
</tr>
</tbody>
</table>

- The main benefits our company derives from CSR activities are increase in earnings
- The main benefits our company derives from CSR activities are reduction in cost/expenses
- The main benefits our company derives from CSR activities are improvements in our corporate image
- The main benefits our company derives from CSR activities are improvements in employee satisfaction

Society Level Benefits of Corporate Social Responsibility

<table>
<thead>
<tr>
<th>Strongly Disagree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
</tr>
</tbody>
</table>

- The main benefits our company derives from CSR activities are peace/cohesions within the local community
- The main benefits our company derives from CSR activities are improvements in the physical environment
- The main benefits our company derives from CSR activities are community developments
- The main benefits our company derives from CSR activities are improvements in the social welfare of people living in the community
### Corporate Social Responsibility Strategy

Who controls your corporate CSR strategy?
- Headquarters - outside Africa (US, UK, etc.)
- Headquarters - Africa
- Local – Ghana

### Corporate Social Responsibility Policy

In which of the following areas does your company have an explicit CSR policy?
- Environment
- Occupational health and safety
- Social welfare
- Anti-discrimination
- Human rights
- Community development
- Education
- Worker’s rights
- The disabled
- Gender rights
- Child labor

Through which department is your company’s CSR policy primarily coordinated?
- Marketing Dept
- Corporate Affairs Dept
- Office of the Managing Director
- Whole organization

Through which processes are CSR activities managed?
- Governance Mechanisms
- Headquarters Requirements
- Responses to Pressure
- Awareness Creation

### Corporate Social Responsibility Imperative

What forces are driving CSR in your company?

Please list according to importance
(1 = most important, 8 = least important)
- Rising international standards
- Rising domestic standards
- Domestic regulation
- Increasing awareness
- Company reputation
- Community group pressure
- Company ethical values
- Company benefits

### About You

What is the title of your current position?  

How long have you held this position?
- 5 years or less
- More than 5 years

Would you describe your current position as marketing related?  Yes  No

If YES, please describe how your position is marketing related:  

Code:………..