

## ASSESSMENT OF MANAGEMENT ATTITUDES ON CORPORATE SOCIAL RESPONSIBILITY IN GHANA: A CASE OF SOME SELECTED COMPANIES IN THE TEMA METROPOLIS

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### ABSTRACT

**T**his explorative study examines how managers and executive directors regard the ethical and social responsibility reputations of some selected companies and how this in turn influences their attitudes and behaviours towards corporate social responsibility (CSR) practises. Sixty (60) respondents were surveyed to evaluate how ethical and socially responsible they believed their companies to be, and their attitudes and ethics that shapes these practises. The results of this survey indicates that many managers and executive directors have clear understanding on the reputation and benefit corporate social responsibility brings to their respective companies. This company ethics overrides their personal ethics and intended behaviour towards CSR. The findings support the view in other research studies that the most important factor that influences a managers' attitude towards CSR is the companies ethical values. That notwithstanding, this outcome deviates from government institutional guidelines for CSR practises in Ghana. The nature of CSR practises amongst the companies have been dominated by environmental dimensions with less emphasis on human resource development, and product safety within the past five years. It is recommended that firms establish measurable objectives and, where appropriate, targets for improved corporate social responsibility, including periodically reviewing the continuing relevance of these objectives. These are so general that it would be hard to show that any firm was not abiding by them.

**KEYWORDS:** Corporate Social Responsibility, Attitudes, Companies, Management, Strategies

## 1. Introduction

Corporate Social Responsibility (CSR) has attracted a great deal of attention over the past decade Carroll and Shabana (2010). A large number of companies appear increasingly engaged in a serious effort to define and integrate CSR into all aspects of their business operations. Corporate Social Responsibility (CSR) is an approach whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis. Companies are now expected to act responsibly, be accountable and benefit society as a whole. Corporate executives have also encountered demands from multiple stakeholder groups to devote resources to CSR. This may be partially due to the pressure generated by a union of ethics-oriented campaigners, including Non-Governmental Organizations (NGOs), anti-capitalism activists, labour unions, and news media; and partially due to the demand for doing so by their customers, employees, suppliers, communities, governments, and even stockholders. Many companies traditionally take up their CSR, even though these activities are not explicitly communicated to the community or even inside the company. In general, CSR is characterized by responsible entrepreneurship, voluntary initiatives going beyond legislative requirements and contractual obligations, and activities to benefit the employees, business relevant groups (including the society as such) or the environment (Carroll, 2009).

A very important question in large publicly quoted corporations is whether corporate managers should regard themselves as solely responsible to shareholders or whether they have a wider responsibility as “trustees of the assets of the corporation” on behalf of a wider range of stakeholders (Wood, 1991). To them managers are usually in a powerful position with access to information and channels of influence in organizations to influence the expectations of other stakeholders. With this power comes an ethical responsibility to behave with integrity. In Ghana, the Corporate Social Responsibility Movement (CSR Movement) has been formed since 2001 by executives of Tema Municipality Youth Coalition (TEMYC) as an advocacy movement at the forefront of promoting corporate social and environmental responsibility locally. CSR Movement is convinced that profit maximization should not be the company’s single objective, and that CSR is an important factor to render efficient production. According to a United Nations report produced by United Nations Department of Economic and Social Affairs (UN DESA) and the Division for Public Economics and Public Administration (DPEPA) (UN DESA DPEPA, 2000), Ghana fits the democratic or National Integrity System (NIS) model in which efforts are still being made to install: accountable executives who are subject to clear conflict-of-interest rules; a clean and professional civil service; effective watchdog and enforcement agencies (the Auditor General, the police, anti-corruption agencies, etc.); free media and open access to official information; a responsible business sector; an independent and honest judiciary; and an elected legislature with power to hold public officials to account. Wood (1991) argues that the ethical climate in Ghanaian organizations is characterized by vices such as, greed, selfishness, and rapaciousness. He opines that corrupt behaviour involving people at all levels of organizations has resulted in a lack of confidence in public and private institutions in exhibiting respect for CSR activities.

Today’s heightened interest in the proper role of business in society has been promoted by increased sensitivity to and awareness of environmental, social, and ethical issues. Issues like environmental damage, improper treatment of workers, and faulty production leading to customer inconvenience or danger are highlighted in the media. In some developing countries such as Ghana, government regulations regarding environmental and social issues have increased and standards and laws are also often set at a supranational level. Investors and investment fund managers have begun to take account of a business CSR policy in making investment decisions; some consumers have become increasingly sensitive to the CSR programmes of the companies from which they buy their goods and services (Ofori, 2008).

Ofori (2008) asserts that managers of businesses are being called to action; and not just to pay lip service to the idea of good corporate citizenship by doing a few social works. DeGeorge (2005) assert that national or international business can be no more ethical than the persons who run the firms. It is quite easy to find executives at the topmost hierarchy refusing social responsibility done to communities simply on the basis of increasing the financial base of their respective companies. Various studies have shown that the decision to incorporate CSR in any company activity is usually initiated by the management team. In Pumas (2009) study on the reason for incorporating CSR in a company, he concluded that managers' attitude or perception toward CSR was the key factor in determining whether or not the company would incorporate a CSR program. This was because 63.33percent of his respondents were inspired by the managerial staff. Both attitude and behaviour have long been studied and confirmed that they are strongly related. By understanding an individual's attitudes or perception towards something, one could predict individual's overall pattern of responses (Ajzen & Fishbein, 1980, p.1). It is against this background that the study seeks to examine the attitudes of executives and management toward CSR and the factors influencing these attitudes in some selected Ghanaian companies.

## 2. Methods data collection

The study adopted an exploratory research design to undertake the research since it aims to gain a deeper understanding of CSR as practiced amongst some selected companies in the Tema Metropolis and the attitudes of managers towards the realization of these corporate responsibilities. It is based on triangulating both quantitative and qualitative data sources. A purposive sampling technique was used to select a sample size of eight (8) companies from a list of companies in the Tema Municipality as well as some companies who are members of the Ghana Club 100 and are operating in the municipality. In all, 60 respondents were purposively selected to respond to the questionnaire. Among the companies chosen outside the Ghana Club 100 includes Ghana Textile Printing Company (GTP), Pioneer Food Cannery (PFC), Atlas Manufacturing and Engineering (Gh) Limited, and finally, Ernest Chemist. Companies that have consistently been listed among the 1<sup>st</sup> ten (10) members since the inception of the Club and were within the Accra/Tema metropolis were selected. These are: Scancom Ghana Ltd (now MTN), Guinness Ghana Breweries Ltd., Produce Buying Company Ltd., and Uniliver Ghana. Questionnaire and the interview guide were the main instruments used for the study.

## 3. Results and discussion

### 3.1 Demographic characteristics of respondents

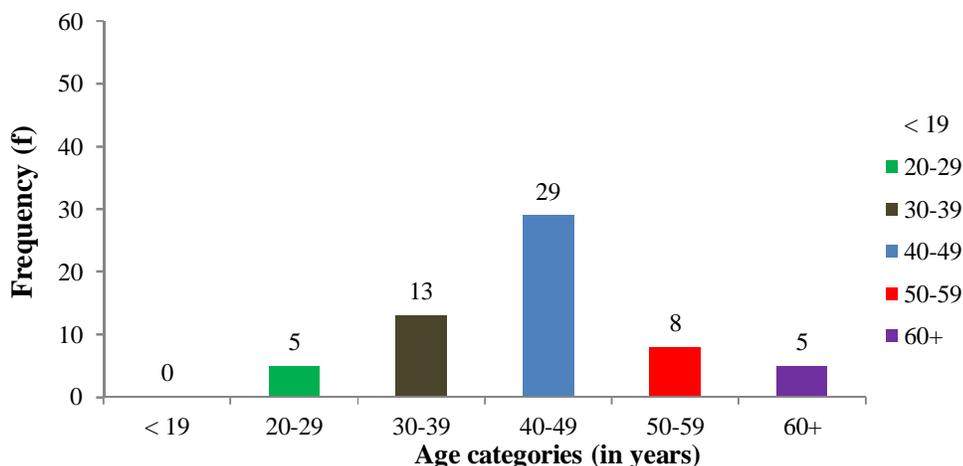
The preliminary questions in the instruments sought to request the demographic characteristics, as well as work history, current and previously held positions and the number of employees in the companies which made up the respondent frame of this study. Out of the sixty (60) respondents in this study, 47 of them (representing 68% were males while 13 respondent representing 22% were females (Table 1).

**Table 1: Sex of respondents**

Sex	Frequency (f)	Percent (%)
Male	47	78.33
Female	13	21.67
Total	60	100.00

Source: Fieldwork, (2013)

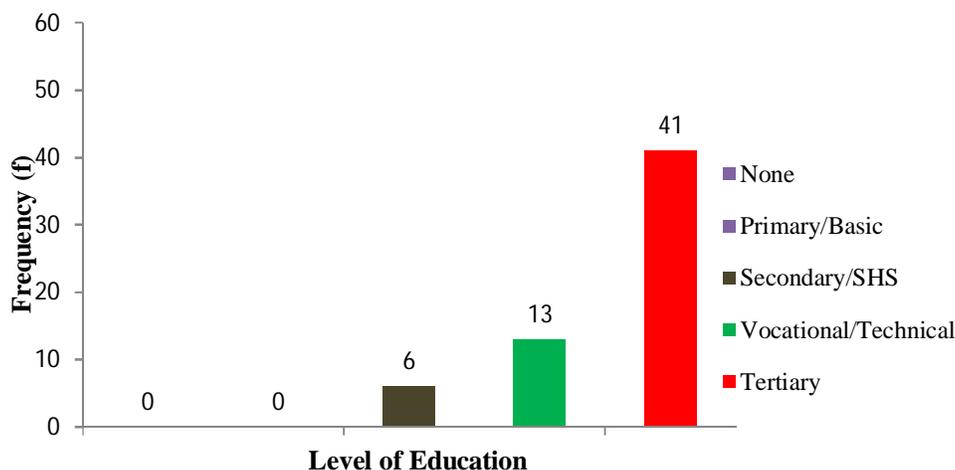
From figure 1, about 29 respondents, representing the highest response rate of forty eight percent were between the ages 40 – 49. Age 20 – 29 was under represented with 5 respondent, representing eight percent of response rate. This suggests that 40 – 49 years is the core age brackets for executive and managerial positions.



**Figure 1: Age of respondents**

Source: Fieldwork, ( 2013).

Remarkable is the fact that even though the respondents are more or less equally spread out over the different age groups, forty-one respondents representing 68 percent were married, while eleven respondents representing eighteen percent were single. With regards to education as presented in figure 2, the sample for this study included people with a variety of different educational backgrounds, with the largest group of people (representing 68 % ) having obtained a tertiary degree. Senior High School certificates were received by six respondents (10 %), representing the lowest response rate. This outcome suggests that majority of respondents had equally the highest educational background for their positions and companies respectively.



**Figure 2: Educational background of respondents**

Source: Fieldwork, (2013)

When asked about their current position in their respective companies, thirty-nine (65%) respondents were managing directors while twenty-one respondents (35%) were executive directors in their companies respectively. This is a positive result because it meant our target population for the study was achieved. All the companies involved in the study employed on the average about twenty and more employees in their respective companies. Relative to the experience’s respondents have had in their respective businesses,

forty-one respondents (68%) indicated that their companies had been in business for more than twenty years. On the other hand, two companies had been in business for the past 6 – 10 years. This result was significant to the study because of the interest in assessing the company’s corporate social responsibilities as undertaken in the past five years. With five or more years of experience, it was expected that companies might have undertaken at least two CSR activities on the basis of ethical constructs, or as influenced by managerial decisions and or attitudes.

### 3.2. Organisational views on corporate social responsibility

To find out what people consider to be CSR, the respondents were asked to give three words that first come to mind or that they associate with CSR. Not all respondents were able to provide three words. All the 60 respondents were able to at least mention one word that came to mind. Four respondents, however, were only able to give one word and could not come up with a second and a third one. Though 10 gave two words, but were not able to provide a third one, 46 were able to provide all three words. During the processing of the results, the words were linked to the five dimensions of CSR definitions, introduced by Dahlsrud (2008). A sixth dimension labelled ‘long term/future’ was added. This was because about 46 percent respondents mentioned a word related to this but could not directly be classified under one of the five existing dimensions. Of course when respondents further specified ‘future for our children’ or ‘future for our planet’ the word was classified under the social or environmental dimension respectively.

Though the outcome of this study confirms the understanding of the concept of CSR in line with an outstanding definition, the concept and idea of “long term future” suggest that CSR is a concept that has implications for both companies and consumers not only for today, but for unforeseen future. In another question, related to this objective, respondents were asked to indicate the nature or extent of their CSR activities. In categorizing the responses as presented in table 2, two major and a minor module were deduced. The two major modules were environmentally driven in nature (representing fifty-two percent of responses) and sustainability in nature (representing thirty-three percent of responses) respectively. The minor module was educational which was suggested by 15 percent of respondents. The three modules conforms to Carrol (2009) and Dahlsrud (2008) definition of CSR which sort to emphasize and pay tribute to the environments and the society at large.

**Table 2: Nature of CSR activities**

Nature of CSR	Frequency (f)	Percent (%)
Environmental	31.8	53
Sustainability	19.8	33
Educational	9	15
Total	60	100

Source: Fieldwork, (2013)

Additionally, as Schaltegger Burritt, & Petersen (2003) argues, conducting business in a sustainable manner could save companies some money, which inevitably acts as a major source of motivation for companies. Bebbington (2001) opined that organisations have to remain sustainable in their business activities in order to maintain satisfactory living conditions and preserve resources on the earth for future generations. Table 3 present the results for reasons why the environmental dimension of CSR activities seems to be the current dispensation. The outcome suggest that fifty-eight percent of respondents out of the thirty-one respondents, representing the highest response rate indicated that the “health of customers is key”, whiles twenty-two percent gave the frequent outbreak of diseases as the justification.

**Table 3: Reasons for focusing on environmental dimensions of CSR (N=31)**

Reasons	Frequency (f)	Percent (%)
Insanitary conditions	8	26
Disease outbreak	5	16
Customer health is key	18	58
Total	31	100

Source: Fieldwork, (2013)

### 3. 3. Factors that influence manager’s attitude towards corporate social responsibility

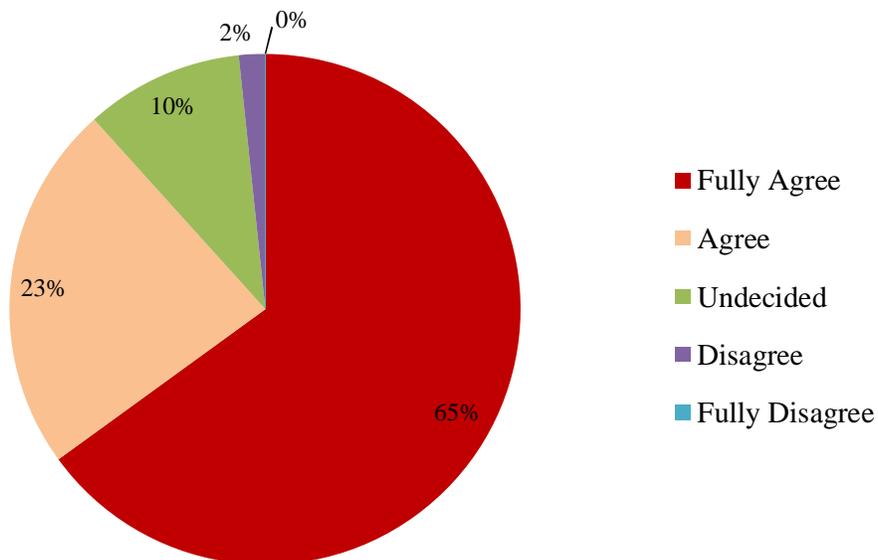
By means of achieving this objective, driving factors that affect or determine managerial attitudes towards CSR activities together with managerial responsibility towards CSR were asked. In the case of the driving factors that affect or determine the attitudes of managers towards CSR activities, respondents were given some factors to rank from. The result of this ranking exercise as presented in table 4 (ranked according to the order of importance) reveals that amongst the seven options provided by the researcher, manager’s attitudes towards CSR activities are influenced by their respective company’s ethical values (62%), followed by companies reputation, and then rising domestic standards. The least ranked factor was rising international standard (five percent response rate); which was ranked seventh.

**Table 4: Factors that influence manager’s attitude in ranking order**

Factors	Ranking Values
Rising international standards	7
Rising domestic standards	3
Domestic regulation	4
Increasing awareness	5
Company reputation	2
Company group pressure	8
Company ethical values	1
Company benefit	6

Source: Fieldwork, (2013)

Furthermore, respondents were asked to provide their response on a five point likert-scale ranging from fully agree (1) to fully disagree (5) on whether manager’s respect for CSR activities should be seen as an ethical duty. The response on the likert-scale provided in figure 3 below suggests that thirty nine respondents (representing the highest response rate of sixty-five percent) fully agreed, twenty-three percent agreed, while about two percent disagreed to the fact that managers have an ethical responsibility or duty towards CSR activities. This result confirms Kramer and Porter’s (2006) arguments that moral standards on the part of managers form a fulcrum for undertaking CSR activities.



**Figure 3: CSR as an ethical managerial duty**

Source: Fieldwork, (2013)

For a clearer perspective on the factors that determine manager’s attitude towards CSR, yet another ranking was provided by respondents in table 5. Out of the seven factors provided from table 7, the ethical standard of the manager was ranked the top factor (65). This ranking was followed by industrial practices (second best ranked), cultural norms and believes of managers (third ranked). However, pressure from community within which the company is situated was least ranked (seventh ranked) amongst the factors that determines managers attitudes towards CSR.

**Table 5: Factors that determine manager’s attitudes towards CSR**

Factors	Rank
Cultural norms and values of managers	3
Industry practices	2
Family upbringing	5
Educational training	4
Ethical standards	1
Number of years in service	6
Pressures from the community	7

Source: Fieldwork, (2013)

By indicating the three most important factors that determine managers attitudes outside the list of plausible factors suggested by the researcher, seventy-three respondents indicated that the ethical standards of the company (first order determinants), fifteen respondents were inclined to industrial practices (second order determinant), whiles the least ordered determinant was the cultural norms and values of the manager himself or herself. This result was obtained after similar or common categories of responses were generated from the open ended responses provided by respondents. However, this outcome deviates from Teoh and

Thong (1984) who researched on the attitudes of managers in developing countries. Their results suggested that the philosophies of top managements other than the ethical standards of the companies are the primary factors contributing to corporate social awareness in developing countries. Executive and management attitude towards CSR activities could be influenced by the benefits the companies accrues from the practice. In this regard, respondents were made to rank amongst four regularly suggested company benefits from CSR. From table 6, forty-one respondents representing 68 percent ranked that a company’s reputation or image is increased with CSR activities. The second ranked benefit is the increase in sales of goods (represented by about twenty-two percent response). The least ranked benefit was that CSR activities do not reduce a company’s operational cost (represented by three percent response rate). This result is in line with Holmes (1976) examination of exceptive perception of CSR in the USA. His findings indicated that corporate reputation and goodwill is enhanced through corporate social endeavours.

**Table 6: Benefit companies accrue from practising CSR activities**

Benefit of CSR	Frequency (f)	Percent (%)	Rank
Financial rewards	4	6.7	3
Increase in sales of goods	13	21.7	2
Improvement in company image	41	68.3	1
Reduction in cost/expenses	2	3.3	4
Total	60	100.0	

Source: Fieldwork, (2013)

### ***3.4. Social responsibility embarked upon by the selected companies for the past five (5) years***

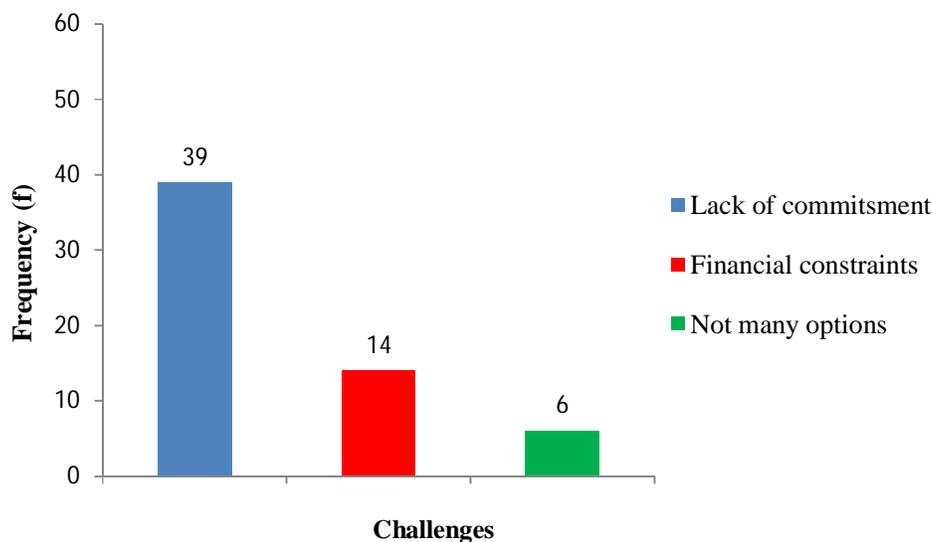
The results of responses gathered were categorised or merged into the content of the CSR activities embarked within the last five years. Merging the captions of CSR activities as puts together in table 9 affords the researcher to capture the individual CSR courses into common concept for appropriate analysis and inferences. (7) major themes were proposed as broad themes for CSR activities undertaken by managers and executive directors in response to the ethical values of their respective companies. From table 7, thirty-one respondents (representing 52%) opined that their major CSR activity focused on environmental protection, while about twenty-three percent focused on charity. However, two respondents each responded that product safety and fair trade respectively were their core CSR activities undertaken within the past five years.

**Table 7: Content of CSR activities practised in the past five years**

Content of CSR Activities	Frequency (f)	Percent (%)
Sustainability	7	11.7
Environmental protection	31	51.7
Product safety	1	1.7
Career safety and development	2	3.3
Fair trade	1	1.7
Equal employment	4	6.7
Charity	14	23.3
Total	60	100

Source: Fieldwork, (2013)

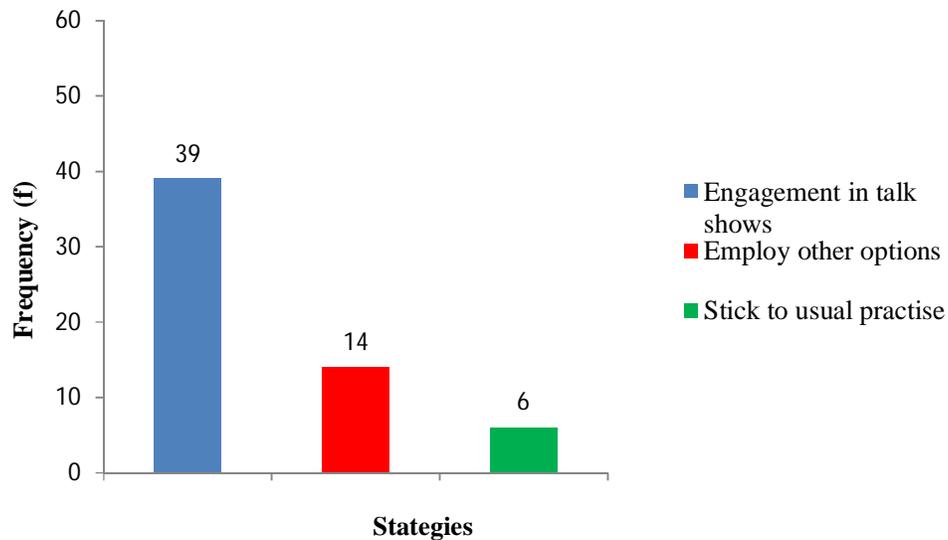
Aside undertaking these CSR activities, respondents were inquired to outline the three key challenges they faced. In line with this response as presented in figure 4, forty-seven respondents representing seventy-eight percent indicated that the lack of commitments on the part of the general public towards environmental issues thus causing them to consistently formulate their CSR activities in that direction. Also from figure 4, twenty-one percent of respondents indicated that the lack of many CSR activity options forced them to commits to only one option. Thus, forcing them to commits periodically to environmental courses of CSR activities. Thirty-two respondents reveal that financial constraints were their greatest challenge.



**Figure 4: Challenges faced during CSR delivery**

Source: Fieldwork, (2013)

When asked to provide strategies they adopts to solve these challenges in Figure 5, respondents who indicated the lack of commitments on the part of beneficiaries pointed that they engage the populace in talk-shows, and communal labour to help sink environmental issues and the need for its protection into the general populace. This result suggests that if customer attitude towards the environment does not change, it is likely the environmentally dominated CSR discourse will continue leaving other possible courses such as charity, educational satisfaction, career development, and product safety unattended. Also from Figure 5, respondents who indicated challenges with funding mentioned they sought additional funding from other sources. However, respondents chose not to disclose such sources. Finally, respondents who indicated there were less options of CSR activities, said they stick to what they do best in order not to duplicate CSR efforts practiced by other companies. It is to be noticed that, competition amongst companies on CSR activities causes duplication of efforts, and limits other options and makes them unpopular.



**Figure 5: Strategies to solve observed challenges**

(Source: Fieldwork, 2013).

#### 4. Conclusions

- The level of understanding of CSR activities is well understood by executive directors and managers, their attitudes, ethics and the states code of conducts for implementing CSR activities are over shadowed by their companies ethics for implementing CSR activities. This disparity must be bridged for the states code of CSR conduct to be granted the highest priority above all other ethical constructions and conducts.
- The study indicated good attitudes towards business ethics and corporate social responsibility by both executive directors and managers. However, there are areas of improvement as indicated by the results.
- Additionally, non-environmentalist approaches to implementing CSR activities must be granted equal level of considerations.

## 5. Recommendations

Based on the key findings and conclusions drawn the following recommendations are submitted for consideration;

- During the analysis of the results, some new opportunities for future research regarding the topic were identified. To improve the concepts of business ethics and corporate social responsibility among executive directors and managers, it is recommended that a code of ethics that give companies the flexibility to streamline and annually change the content and extent of their CSR activities in the years ahead. The code of ethics which should be summoned to annual review must translate core values into specific commitments and expected behaviours in relation to the organization's stakeholders. It should also be made public. The code of ethics will also clearly show how the firm will address environmental responsibility and how the firm will relate to competitors on the grounds to duplication of effort, and adoption of strategies for it implementation.
- Firms should establish measurable objectives and, where appropriate, targets for improved corporate social responsibility, including periodically reviewing the continuing relevance of these objectives. These are so general that it would be hard to show that any firm was not abiding by them.
- Government agencies should promote and encourage SMEs to participate in CSR activities. State regulations and laws governing CSR activities were less valued as compared to the company's business laws governing their CSR endeavours. Government agencies responsible for CSR should organize training for business executives and managers about government's stands and consistent amendments to the rules and regulations governing the practice in the country.
- It might be interesting to dig deeper into other factors which could lead to attitudes of consumers to CSR activities. Consumer's attitudes have been identified in the literature as a crank to CSR engagement in most developing countries. This type of research could reveal some interesting information to best understand both sides of the continuum. It might also be useful in the future to execute more qualitative research regarding the definition of CSR and the value consumers derive from it.

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## Figure legends

Figure 1: Age of respondents; it describe the ages of respondents used in the study with the various colours showing the age brackets of the respondents.

Figure 2: Educational background of respondents: is the exposition of the educational background of the respondents that ranges from red colour that represent the tertiary level of education to the black and green colours

Figure 3: CSR as an ethical managerial duty; this shows the concept CSR as a managerial duty and how respondents agree or disagree with the assertion been made.

Figure 4: Challenges faced during CSR delivery; it is also an exposé of the various challenges managers and executive go through in their quest to deliver CSR.

Figure 5: Strategies to solve observed challenges; this shows the various strategies use by the managers to solve the challenges they encountered.