

**CORPORATE SOCIAL RESPONSIBILITY, A PUBLIC RELATIONS  
GIMMICK?  
A CASE OF BHARTI AIRTEL GHANA LIMITED.**

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We have read the university regulations relating to plagiarism and certify that this report is all our own work and do not contain any unacknowledged work from any other source. We also declare that we have been under supervision for this report herein submitted.

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We hereby declare that the preparation and presentation of the dissertation were supervised in accordance with the guidelines on supervision laid down by Christian Service University College.

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## **ABSTRACT**

Corporate social responsibility is a concept that emerged in the United States of America in the early 1960s; the concept is now widely known and accepted worldwide due to globalization of businesses. In Ghana, the concept was introduced to the business community by the various multinational organisations in the early 1990's.

In recent times, the concept of CSR has seen a new heightened interest where many organisations in Ghana have joined the CSR bandwagon, it is as a result of this reason that the research set out to explore the reasons why organisations undertake CSR activities. The research focused on one organisation in Ghana, Bharti Airtel Ghana Limited whose CSR activities is widely publicised throughout Ghana. Therefore, interviews sought to find out the views of management executives of Airtel Ghana Limited on the motives of their organisation in engaging in CSR.

The results from the study showed that CSR can be undertaken without having any business motive but the desire to make a change and help the society in any way possible. However, the research revealed that there are greater benefits in undertaking CSR activities because stakeholders are attracted to people who do 'good' in the community. CSR activities create positive public image and reputation in the minds of stakeholders and brand awareness. It is also worth knowing that, consumers' factor their purchasing decisions on the CSR activities carried out by the organisation whereby the organisation which actively engages in CSR activities stands to gain a lot in the community. Therefore undertaking CSR propels an organisation to have good standing in the community and among its competitors.

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*“Creating a strong business and building a better world are not conflicting goals – they are both essential ingredients for long- term success”.*

William Clay Ford Jr. Executive Chairman, Ford Motor Company.



## **CHAPTER ONE**

### **INTRODUCTION AND BACKGROUND**

#### **1.1 INTRODUCTION**

Ghana has seen an increase in the growth of the corporate sector over the last decade and more in both multinational and indigenous organisations. This development is largely due to the sound governmental policies that government over the years has laid to ensure economic growth and the establishment of organisations in the country. The establishment of these organisations and the growth in the sector has led to an increase in corporate social responsibility programmes. It is therefore not surprising that a lot of developmental and philanthropic programmes ongoing in the country can be credited to these organisations.

#### **1.1 BACKGROUND OF THE STUDY**

The need to address questions of low living standards, exploitation, poverty, unemployment and how to promote social development in general, has to date been almost entirely the preserve of governments. Clearly, they will continue to have a, if not, the major role to play in this area; but, increasingly in the future, the promotion of social development issues must also be one of partnership between government and private and non-governmental actors and, in particular, the corporate sector. Bagnoli and Watts (2003) find that the tendency of firms to engage in strategic CSR depends on two factors: the intensity of competition in the market and the extent to which consumers are willing to pay a premium for social responsibility. The first factor can be said to exist in the telecom industry in Ghana. The competitive nature of the industry as a result of the presence of multinational telecom company in a relatively small Ghanaian market is

probably one of the reasons for the engagement in CSR activities by most companies in that industry.

It has become an accepted fact that corporate social responsibility has diverse meanings, practice and nature. Corporate social responsibility is often referred to as “triple bottom line” which (Norman & MacDonald 2004) embodies the totality of a corporation’s financial, social, and environmental performance in conducting its business.

### **1.1.1 History of Corporate Social Responsibility**

The term "corporate social responsibility" came in to common use in the late 1960s and early 1970s, after many multinational corporations formed. According to Post, Lawrence and Weber (1999), the idea of corporate social responsibility appeared around the turn of the twentieth century in the United States. Corporations at that time came under attack for being too big, too powerful, and guilty of antisocial and anticompetitive practices. Critics tried to curb corporate power through antitrust laws, banking regulations and consumer-protection laws.

Faced with this kind of social protest, a few farsighted business executives advised corporations to use some of their power and influence voluntarily for broad social practices rather than for profits alone. Some of the wealthiest business leaders like steelmaker Andrew Carnegie are a good example because he took up the challenge and became great philanthropist who gave much of his wealth to educational and charitable institutions. Others like automaker Henry Ford, developed paternalistic programmes such as increased salaries, paying social security taxes, provided conducive environment to work in, support recreational and health needs of their employees. The point to emphasize

is that these business leaders believed they have a responsibility to society that went beyond or worked in parallel with their efforts to make profits.

In Ghana, several companies whose productions have significant effects on the environment are leaders in promoting CSR in Ghana, particularly in mining, oil and gas sectors. For years, Anglo Ashanti Limited, Golden Star Resources (Prestea & Bogoso), Goldfields Ghana (Tarkwa), Ghana Oil Company, Tema Oil Refinery, and others have been accused of undermining human rights in local communities and doing serious damage to the environment. A report by the government's **Commission on Human Rights and Administrative Justice** titled '*The State of Human Rights in Mining Communities in Ghana*' in 2008 concluded that there is some justification to these charges by NGOs. Most international companies in the extractive industry are therefore striving to improve their public image by engaging in social, education and health-related programmes.

Accordingly, CSR is perceived in Ghana as closely linked<sup>1</sup> to the public relations efforts of major foreign companies like improving organisation's reputation, attracting customers to its business because of the perceived good image among others and regarded with some doubt because the citizenry knows that some of the companies undertake the social responsibility programmes as a mechanism to attract them to their services.

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<sup>1</sup> History of CSR in Ghana available at [www.csr-weltweit.de/en/laenderprofile/...../ghana/index.html](http://www.csr-weltweit.de/en/laenderprofile/...../ghana/index.html) (Last time visited on 20<sup>TH</sup> January, 2012)

In the view of the German embassy in Accra, it would be more helpful for the Ghanaian government to impose higher charges on companies for extraction of raw materials, which would compensate for the damage they cause. This money could be used to benefit the entire population rather than specific projects selected by the companies.

Other CSR activities, however, are positive examples of corporate engagement, as in the case of fair trade in the cocoa sector. In 2008, the British chocolate manufacturer Cadbury began to switch to purchasing fair trade cocoa beans and it plans to purchase only from fair trade sources in Ghana by 2012. The company which is part of Kraft Foods also plans to invest a total of GBP 45 million to upgrade its supply chain and raise the standard of living of cocoa farmers. In addition to Ghana, target regions include India, Southeast Asia and the Caribbean.

### **1.1.2 Corporate Social Responsibility –What Is It?**

Corporate social responsibility according to Post, Lawrence and Weber (1999: 58), “means that corporations should be held accountable for any of its actions that affect people, their communities, and their environment. It implies that negative business impacts on people and society should be acknowledged and corrected if at all possible”.

According to the EU Commission [(2002), 347 final 5 ],”CSR is a concept whereby companies integrate social and environmental concerns in their business operations and their interaction with their stakeholders on voluntary basis”.

The CSR Foundation Ghana defines the concept as, [(2011), 24:1(1)],”CSR is a planned, systematic and ethical corporate behaviour that meets statutory and regulatory requirements beyond an organisation’s mission statement or charter and also satisfies the

needs of all stakeholders and social imperatives in a transparent and sustainable manner for development.

Crowther and Aras (2008: 11), defined corporate social responsibility as the, “the relationship between global corporations, governments of countries and the individual citizens”.

World Business Council for Sustainable Development (2001) defines it as, “Corporate social responsibility is essentially a concept whereby companies decide voluntarily to contribute to a better society and a cleaner environment. More locally, the definition is concerned with the relationship between a corporation and the local society in which it resides or operates.

Corporations are seen as being a part of the society and so they should report the impact of their activities to the society. The desirability of considering the social performance of a business has not always been accepted and has been the subject of extensive debate. Thus, Hetherington (1973:37 as cited in Crowther & Aras 2008) states, “there is no reason to think that shareholders are willing to tolerate an amount of corporate non-profit activity which appreciably reduces either dividends or the market performance of the stock.”

Conversely, writing at the same time, (Dahl 1972:18 as cited in Crowther & Aras 2008) states “every large corporation should be thought of as a social enterprise; that is an entity whose existence and decisions can justify insofar as they serve public or social purposes”. Similarly, Carroll (1979 as cited in Crowther), one of the early theorists of CSR states

that: “Business encompasses the economic, legal, ethical and discretionary expectations that society has of organisation at a given time”.

More recently this was echoed by (Balabanis, Philips and Lyall 1998 as cited in Crowther & Aras 2008), who declared that: “in modern time’s commercial area, companies and their managers are subjected to well publicize pressure to play an increasingly active role in [the welfare] society”.

There are some writers who however, have opposing views to these other writers because they believe corporation should not be concerned with social responsibility programmes and they think profit is all that matters. Notable among them is Milton Friedman (1970) states: “there is one and only one social responsibility of business-to use its resources and engage in activities designed to increase its profit so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud”. Friedman might have been right when he said that business are there to make their shareholders happy by recording impressive profits but he failed to realised that undertaking corporate social responsibility programmes has a long – term increased financial performance (McWilliams and Siegel 2001) enhances corporate image and reputation (Lewis 2003; Sagar and Singla 2004 as cited in Tench & Yeomans 2006), pulls best talents and recruits (Lines 2004 cited in Tench and Yeomans 2006) and attracts customers to the organisation. This is so because; people want to be associated with good ventures.

Post, Lawrence & Weber (1999) also is of the view that, there are times businesses should forgo some profits if its social impacts are seriously harmful to some of its stakeholders or if its funds can be used to promote a (Jones 1997 and Corell 2001 cited in Bankas

2010) positive social good and long - term gain. Therefore, it is not always that businesses should think of profits but also work to leave lasting positive image in the minds of stakeholders by engaging in corporate social responsibility.

### **1.1.3 The Nature of Corporate Social Responsibility**

The charity principle, the idea that the wealthiest members of society should be charitable towards those less fortunate is a very ancient notion. Royalty through the ages have been expected to provide for the poor. Biblical passages invoke this most ancient principle, as do the sacred writings of other world religions. Andrew Carnegie and D. Rockefeller are usually credited with pioneering the path of the giant givers of modern philanthropy. (Post, Lawrence and Weber, 1999:60)

The stewardship principle is when many of today's corporate executives see themselves as stewards, or trustees, who act in the general public's interest. Although their companies are privately owned and they try to make profits for stockholders, business leaders who follow the stewardship principle believe they have an obligation to see that everyone, particularly those in need, benefits from company's actions. According to this view, corporate managers are placed in public trust. They control vast resources whose use can affect people in fundamental ways. (Post, Lawrence and Weber, 1999:61)

These two principles, the charity principle and the stewardship principle, established the original meaning of corporate social responsibility. (Post, Lawrence and Weber, 1999:61)

The modern forms of corporate social responsibility are:

- Corporate philanthropy
- Voluntary actions to promote the social good.

- Acknowledging business and society interdependence
- Balancing the interests and needs of many diverse groups in society.

Corporate philanthropy is the modern expression for the charity principle and the stewardship principle is given meaning today when corporate managers recognise that business and society is (Post, Lawrence & Weber 1999 ; Seitel 2007) intertwined and interdependent as explained earlier. This mutuality of interests places a responsibility on business to exercise care and (Carroll 1991) social concerns in formulating policies and conducting business operations.

The practice has evolved to such a degree that companies now produce specific corporate responsibility reports. For example, O2 (formerly part of BT) is a Europe – wide mobile telephone company that launched its first corporate report in 2003. (Tench& Yeomans, 2006)

Corporate employee volunteerism is relatively new phenomenon. Many large corporations developed charitable programmes but left employee involvement in community service up to the individual. According to The National Volunteer Center, more than 1,100 major U.S. corporations had established structured activities to involve their workers in community volunteerism by 1990. A 1996 survey of 180 leading U.S. companies found that 79 percent had volunteer programmes. (Post, Lawrence and Weber, 1999:62 -63)



#### **1.1.4 Reasons and Benefits of CSR**

There are a number of reasons why organisations undertake corporate social responsibility, prominent among are:

- To create mutual understanding between the organisations and its publics ,
- As a moral obligation,
- It can separate organisations from their competition in the minds of their consumers in a crowded marketplace,
- It has been found to encourage customer orientation among frontline employees so organisations embrace the opportunity to do more good,

*Winning with Integrity*, the 2000 report of The Business Impact Task Force of Business in the Community (United Kingdom) identified the benefits to companies of engaging in corporate social responsibility as being:

- ‘Reputation- affected by the costs and benefits of a company’s goods and services, how it treats its employees and the environment, its record on human rights, its investment in local government and even its prompt of bills;
- Competitiveness-the advantages of good supplier and customer relationships, workforce diversity and work or life balance, as well as efficient management of environmental issues;
- Risk management-better control of risk-financial, regulatory, environmental, or from consumer attitudes’.

An emphasis on social responsibility can attract customers. A poll conducted by Opinion Research Corporation shows that 89 percent of purchases by adults are influenced by a company’s reputation .CSR also benefits companies by enabling them to recruit a high-quality labour force. The reputation of the firm and goodwill associated with socially

responsible actions attract talented prospective employees, people seeking an employer for which they would be proud to work. (Post, Lawrence and Weber, 1999)

It is apparent of course that any actions which an organisation undertakes will have an effect not just upon itself but also upon the external environment within which the organisation resides. In considering the effect of the (Crowther and Aras, 2008) organisation upon its external environment it must be recognised that this environment includes both the business environment in which the firm is operating, the local societal environment in which the organisation is located and the wider global environment.

The effect of the organisation can take many forms such as:

- The utilisation of natural resources as part of its production processes
- The effect of competition between itself and other organisations in the same market
- The enrichment of local community through the creation of employment opportunities

It can be seen therefore from these examples that an organisation can have a very significant effect upon its external environment and can actually change that environment through its activities. (Crowther and Aras, 2008:13)

### **1.1.5 Principles of Corporate Social Responsibility**

The uncertainty surrounding the nature of CSR activity has made it difficult to define CSR and to be certain about any such activity. It is therefore imperative to be able to identify such activity, according to Aras and Crowther (2008), they were of the view that there are three basic principles which together comprise all CSR activity. These are:

- Sustainability
- Accountability
- Transparency

Sustainability is concerned with the effect which action taken in the present has upon the options available in the future. If resources are utilized in the present then they no longer available for use in the future, and this is of particular concern if the resources are finite in quantity. (Crowther and Aras, 2008:14)

Sustainability therefore implies that society must use no more of a resource than can be regenerated, this can be defined in terms of the carrying capacity of the ecosystem (Hawken,1993 as cited in Crowther &Aras 2008 : 15) and described with input and output models of resource consumption.

Accountability is concerned with an organisation recognising that its actions affect the external environment ,and therefore assuming responsibility for the effects of its actions.This concept therefore implies a quantification of the effects of actions taken,both internal to the organisation and externally (Crowther and Aras, 2008 :15).

Transparency as a principle, means that external impact of the actions of the organisation can be ascertained from that organisation's reporting and pertinent facts are not disguised within that reporting.Thus all the effects of the action is of the organisation ,including external impacts,should be apparent to all from using the information provided by the organisation's reporting mechanisms. (Crowther and Aras, 2008 :15)

Corporate social responsibility is a broad subject which has varying opinions and can be examine in a number of different ways.

What Crowther and Aras (2008) failed to identify is Participation and involvement from the external stakeholders of the organisation. The researchers have identified that one of the principle of corporate social responsibility should be the participation and involvement of the external stakeholders (final beneficiaries of corporate social responsibility activities) of the organisation. The researchers propose this principle because we believe as final users or beneficiaries of a CSR activity, total participation and involvement from the stakeholders in the processes of a CSR activity for the community would ensure total commitment from the stakeholders because they can identify what their community needs at a particular time and the stakeholders can provide other relevant information on the programme the organisation intends to embark upon. It is also incumbent on the organisations to identify the various groups (ethnic, religious and others) within the communities to present their proposal to them and seek their opinions on it before they embark on any activity or else their generosity will be in vain where the stakeholder will refuse to utilise the CSR project. There are many of these situations in Ghana where CSR projects have been left unused because the beneficiaries claim they were not both involved and consulted in the processes of project or they did not need that project at the time when it was constructed.

#### **1.1.6 Corporate Social Responsibility Undertaken By Some Telecommunications Companies in Ghana.**

Over the past decade, there have been a lot of corporate social responsibility programmes in the country. There are a number of instances where organisations have taken up developmental projects in the country, for instance, Bharti Airtel Ghana limited has Touching Lives which is aired on television in Ghana as one of their social responsibility

programmes. This programme is a community-based activity where members in a community are given the opportunity to nominate people in their community they think deserve to be assisted, these nominated people must be people who have greatly affected the lives of the community positively and so deserve to be rewarded for a good work done.<sup>2</sup>

Since 2007, Mobile Telecommunication Network (MTN) Ghana Foundation started the 21 Days Yellow care in Ghana. The staffs of the telecommunications company embarks on various projects and activities in all over the country. The programme focuses on community-development activities. The programme is instituted by the company to encourage employees of MTN to be personally involves in community development projects and this is known<sup>3</sup> as Corporate Employee Volunteerism. During these times, employees educate the public on various social activities like Road safety issues, Breast cancer care, and Malaria prevention among others. They also make donations to less-privileged institutions like the Akropong School for the Blind in 2008.

Vodafone has among other CSR programmes, Health Line, World of Difference and Valentine Day's Special. World of Difference was instituted in 2010 which is an initiative to provide ordinary people the opportunity to contribute their skills to community development or project that they are connected with<sup>4</sup>. The community impact programme

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<sup>2</sup> CSR information on Airtel Ghana Limited available at <http://www.airtel.ghana.com> (Last visited on 3<sup>rd</sup> June,2012)

<sup>3</sup> CSR information on MTN Ghana Limited available at <http://www.MTN.com> (Last visited on 12<sup>TH</sup> February,2012)

<sup>4</sup> CSR information on Vodafone Ghana Limited available at <http://www.vodafoneghana.com> (Last visited on 12<sup>th</sup> February,2012)

gives twenty (20) Ghanaians the chance to offer their time and skills, experience to make a change in a charity they are passionate about in the country.

A 1999 poll of 25,000 citizens across 23 countries on six continents showed that perceptions of companies around the world are more strongly linked with corporate citizenship (56%) than either brand quality (40%) or the perception of business management (34%). These studies show how stakeholders put premium on social responsibility programmes undertaken by companies.

The goal of corporate social responsibility is to embrace responsibility for the organisation's actions and encourage a positive impact through its activities on the environment, consumers, employees, communities, stakeholders and all the other members of the public sphere. Corporate social responsibility focus is on organisations which proactively promote the public interest by encouraging community growth and development and voluntarily eliminating practices that harm the public sphere, regardless of legality. There are a number of organisations in Ghana who make it a point to include social responsibility programs in their annual plans, give it the needed attention and there are other organisations that do not include the programmes in their annual plans but act on impulse when the need arises.

Surveys indicate that, there are varying levels of favourability relating to perceptions of CSR involvement by companies, translated in terms of levels of loyalty to employers and willingness to purchase products by reference to the ethical policies and practices of suppliers or their association with 'good causes', such as charitable donations (Davis, 2004:62). Again in a poll conducted by **Opinion Research Corporation** in 1996 showed

that 89 percent of purchases by adults were influenced by a company's reputation (Post, Lawrence & Weber-1999).

The need to be recognised as being good 'citizens', follow industry standards, gain competitive edge over competitors, improve their reputation and attract and recruit the best talent are the reasons why many organisations in Ghana today are serious with corporate social responsibility.

It is for these reasons and more that some individuals have come together to set up the CSR Foundation of Ghana with the motive of taking advantage of the opportunities Corporate Social Responsibility provides to encourage a partnership between corporate organisations, government, civil society and individuals to reach their varying needs. International organisations like United Nations, the International Labour Organisation and the Organisation for Economic Co-operation and Development are critical in what is the acceptable business conduct.

The Golin Harris Corporate Citizenship Index survey found Americans want corporate America to be more authentic. The 5,000<sup>5</sup> sample survey rated 152 brands on 12 drivers. The top 10 percent of brands with the highest corporate citizenship ratings were Ben & Jerry's, Target, Patagonia, SC Johnson, Gerber, Southwest airlines, Johnson & Johnson, The Body Shop, UPS and 3M. The five most trusted sources of information on corporate responsibility are word-of-mouth, people affected by an issue, newspapers and their web

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<sup>5</sup> Information on CSR Surveys and Polls available at [www.nfcsr.org/international/opinion-views\\_attitudes..../index.htm](http://www.nfcsr.org/international/opinion-views_attitudes..../index.htm) ( Last time visited on 27th March ,2012)

sites, the Internet, and TV stations and their web sites. Golin Harris' fourth annual survey on this topic also found that check book philanthropy is not enough. Company citizenship must be credible and not opportunistic because Americans are watching carefully. In another study by The\_GlobeScan's Global CSR Monitor 2003 survey found that among individual shareholders in G20 countries, 56 percent believe socially responsible companies are more profitable than irresponsible companies and 18 percent say they have bought or sold stocks because of the company's social or environmental performance. Moreover, another key finding is that consumers expect companies to go beyond traditional economic roles.

## **1.2 THE PROBLEM STATEMENT**

The corporate world in Ghana is increasingly becoming an important sector in the economy of the country and as such, there should be mutual understanding between them and their publics. The organisations rely on their publics to sustain their operations and it is against this background that, they should undertake the social responsibility programmes.

Milton Friedman (1970) and Hetherington (1973) have argued that an organisation's purpose is to maximize returns to its shareholders and that; the shareholders are the only people the organisations are accountable to and not the entire society. In the researchers' perspectives, organisations are not only supposed to maximize profits but also to give back to society.



Currently, uniBank Ghana Limited, Multimedia Group, rlg Ghana Limited, Vodafone Ghana among others<sup>6</sup> are involved in many social responsibility programmes, and it is taking a different momentum due to the stiff competition in the market among the organisations. Despite the increase of organisations which are undertaking corporate social responsibility programmes Ghana, there are also a lot of doubts as to whether the organisations are using this as a tool to gain public sympathy from their publics to direct their opinion of the organisations to the good they are doing in the country or to vindicate Okpoti <sup>7</sup> (2011) that corporate social responsibility is an important part of any organisations plans towards its publics. Therefore, the study sought to find out if Bharti Airtel Ghana Limited undertakes corporate social responsibility programmes as a strategy to attract customers to itself because they are doing ‘good’ to the society.

### **1.3 PURPOSE OF THE STUDY**

The purpose of the study was to find out the motive behind Bharti Airtel Ghana Limited corporate social responsibility programmes in Ghana.

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<sup>6</sup> Information on organisations engages in CSR in Ghana available at [www.modernghana.com/news](http://www.modernghana.com/news) (Last visited on 27<sup>th</sup> March,2012)

<sup>7</sup> Victor Okpoti’s Submission on CSR, Morality or Public Relations Gimmick? available at <http://www.ghanaweb.com/news> (Last visited on 11<sup>th</sup> November,2011)

## **1.4 OBJECTIVES OF THE STUDY**

The study sought to:

1. Find out why Bharti Airtel Ghana Limited undertakes corporate social responsibility programmes.
2. Find out if Airtel Ghana Limited undertakes the corporate social responsibility as a mechanism to attract customers to its services.
3. Find out the benefits Bharti Airtel Ghana Limited gets from undertaking the programmes.
4. Find out if Airtel Ghana undertakes corporate social responsibility programmes to gain positive public reputation for Airtel Ghana Limited.
5. Find out the challenges that hinder smooth undertaking of corporate social responsibility programmes.

## **1.5 RESEARCH QUESTIONS**

The research questions to address the objectives were:

1. Why Bharti Airtel Ghana Limited undertakes corporate social responsibility programmes?
2. Does it mean Bharti Airtel Ghana Limited undertakes social responsibility programmes as a way to attract customers to the organisation?
3. What are the benefits Bharti Airtel Ghana Limited derives from corporate social responsibility programmes?
4. What are the challenges Bharti Airtel Ghana Limited encounters in their bid to fulfill their social responsibility to their publics?
5. How does Airtel Ghana overcome the problems?

## **1.6 SIGNIFICANCE OF THE STUDY**

As noted already, this study is going to help organisations in Ghana to know and understand the concept of corporate social responsibility as described by Carroll 1991 and Dahl 1972. Organisations would also know and appreciate the added value engaging in social responsibility programmes have on their business such as enhancing corporate reputation (Lewis 2003: Sagar and Singla 2004 cited in Tench & Yeomans 2006), attracting best talents and prospective recruits (Lines 2004 cited in Tench and Yeomans.), brand awareness (Bankas 2010) and increased financial performance as described by McWilliams and Siegel 2001.

The study will add to the existing literature on corporate social responsibility in Ghana and it will serve as a reference guide to other researchers interesting in corporate social responsibility studies in future.

## **1.7 SCOPE OF THE STUDY**

The company being studied is a private limited liability company which has been operating in Ghana since 2008. Although a number of corporate organisations are embarking on different types of social responsibility programmes in Ghana the research focused on ‘*Touching Lives*’ and other social responsibility programmes embarked on in the country by Bharti Airtel Ghana Limited. The study sought the views of the management of Airtel Ghana Limited on their stance of their organisations engagement in corporate social responsibility activities. The study covered the time Bharti Airtel Ghana Limited started embarking on the Airtel Touching Lives and the other corporate social responsibility programmes they undertake. *Adoption of schools, Airtel Rising Stars* which is a football talent hunt for junior school pupils and *investment into deprived communities*

(Charity) are the other corporate social responsibility programmes Airtel Ghana Limited undertakes in Ghana.

## **1.8 LIMITATIONS**

The major limitations of the study were:

The researchers inability to solicit the personal viewpoints of the respondents because the study was about Airtel Ghana Limited as an organisation therefore, the respondents could not infuse their own personal views and stance of CSR into the research study.

The inability of the researchers to interview all the twelve top managers of Airtel Ghana because of time constraints on their part and also the fact that the researchers were assured of getting the same responses to the questions because they could not go contrary to what Airtel stands for when it comes to CSR programmes and what the policy document on CSR represents.

The study was limited to one organisation, Airtel Ghana Limited so the findings cannot be generalized to the other organisations in Ghana engaged in CSR because the outcome of the study is skewed towards the viewpoint of Airtel Ghana Limited as a company and not even to that of the employees.

For using one organisation as a case study, the study lacks the needed comparism it should have because the study did not seek for the opinions of other companies whether in the telecommunications field or any other organisation to really test the research topic of whether '*Corporate social responsibility is a public relations gimmick*'?

## 1.9 STRUCTURE OF THE STUDY

In order to provide sequential flow of ideas to the study, the study has been divided into five (5) main chapters.

**The first chapter** deals with the introduction which consist of the Background to the Study, Problem Statement, Purpose of the Study, Objectives of the Study, Research Questions, Significance of the Study, Scope of the Study and Definition of key Terms.

**The second chapter** entails the Literature Review of relevant topics from textbooks, journal and other similar research work.

**The third chapter** contains the Methodology used to gather relevant facts for the data.

The **fourth chapter** deals with the Analysis of data and results.

**The fifth chapter** contains the Summary of the findings, Conclusions and Recommendation

## 1.10 DEFINITION OF TERMS

**Corporate social responsibility** is the duty that businesses have towards their community; the duty extends to the environment, legalisations, giving back to the community and making profits for the business, shareholders and the other stakeholders.

**Public relations** as used in the study applied to the various forms of perception either good or bad that attracts customers to the organisation or otherwise such as organisation's image, reputation, among others.

**Gimmick** is a mechanism or device that marketers used to attract customers to its services and good.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 INTRODUCTION**

This chapter consisted of the theories that corporate social responsibility hinges on. The study delved deeper into what brought about the theory or theories and the viewpoint about all experts in the field of communication. The researchers reviewed the available literally works of experts in the field. This chapter further discussed selected work of some researchers in the study of corporate social responsibility.

#### **2.2 THEORETICAL FRAMEWORK**

##### **2.2.1 The Social Contract Theory**

The theoretical framework of the study was based on the Social Contract theory described and produced in a book by Jean-Jacques Rousseau in 1762, it was designed to explain and therefore legitimate the relationship between an individual and the society and its government. In the book, Rousseau argued that individual's voluntary gave up certain rights in order for the government of the state to be able to manage for the greater good of all citizens. There were a few people like Tom Paine who rhetorically said," it is impossible that such governments as have hitherto existed in the world ,could have commenced by any other means than a total violation of every principle sacred and moral" (Paine 1792). Nevertheless the opposition, the idea of Social Contract has been generally accepted. The Social Contract has gained a new prominence as it has been used to explain the increasing relationship between a company and the society. In this view, the company has obligation towards other parts of society in return for its place in society.

This model is very important in managing the relationship between an organisation and its stakeholders because it legitimises the connection between them and the organisation in reaching out to its society. Organisations can study the needs, perceptions and values of their stakeholders in order to design social responsibility programmes that will meet the needs of its public and convince them to accept the operations of the organisation.

Gray, Owen and Adams (1996 as cited in Moir 2001) describe society as ‘a series of social contracts between members of society and society itself’. In the context of CSR, an alternative possibility is not that business might act in a responsible manner because it is in its commercial interest, but because it is part of how society implicitly expects business to operate.

Donaldson and Dunfee 1999 as (cited in Moir 2001) develop Integrated Social Contracts Theory as a way for managers to take decisions in an ethical context. They differentiate between macro social contracts and micro social contracts. Thus a macro social contract in the context of communities, for example, would be an expectation that business provide some support to its local community and the specific form of involvement would be the micro social contract. Hence companies who adopt a view of social contracts would describe their involvement as part of ‘societal expectation’ – however, whilst this could explain the initial motivation, it might not explain the totality of their involvement. One of the commercial benefits that were identified in the Australian study (CCPA, 2000) was described as ‘licence to operate’ – particularly for natural resource firms. This might be regarded as part of the commercial benefit of enhanced reputation, but also links to gaining and maintaining legitimacy (Suchman, 1995 as cited in Moir 2001).

As we have seen, corporate social responsibility has gained prominence over the years and there have been a number of changes in the nature as different issues have become more prominent. A careful look has been on environmental issues and how organisations over the years have solved such issues with its accompanying effects and costs externalization away from the organisation.

### **2.2.2 The Stakeholder Theory**

Another theoretical framework for the study was based on the Stakeholder theory. It established the relationship and responsibility between an organisation and the society. It is a major determining factor in the continual existence of the organisation in the society. The stakeholder theory is one of the major influences on corporate social responsibility. The term stakeholder means those on whom organisation activities have an impact on beyond the shareholders.

The stakeholder theory was used to describe corporate owners beyond shareholders as influential in a book by R. Edward Freeman, 'Strategic Management: A Stakeholder approach' in 1984. Freeman was building on the process work of Ian Mitroff (1982), Richard Mason, and James Emshoff (1978).

The impetus behind stakeholder management was to try and build a framework that was responsive to the concerns of managers who were being buffeted by unprecedented levels of environmental turbulence and change. As Freeman observed "Our current theories are inconsistent with both the quantity and kinds of change that are occurring in the business environment of the 1980's. A new conceptual framework is needed." [Freeman, 1984, pg. 5] A stakeholder approach was a response to this challenge. Stakeholder analysis is a clear



way of defining those groups and individuals who have a significant relationship with an organisation. Stakeholders can be described as those with a vested interest in the organisation's operations (Tench & Yeomans, 2006).

Corporate social responsibility can only be successful where the organisation foster positive reactions in its community or it will face protest from and disagreements with community activists. Community relations, therefore, is to analyze (Seitel, 2007), the community, help understand its makeup and expectations, and communicate the organisation's story in an understandable and uninterrupted way. According to Aras and Crowther (2008), stakeholders are the groups without whose support the organisation would cease to operate. They also said any group or individual who can affect or is affected by the achievement of the organisation's objectives.

Thus, a major contribution of the social responsibility literature was to broaden the scope of stakeholder analysis and to impress on management the importance of building relationships with previously estranged groups. The social activist movement has demonstrated the dangers of developing strategies that ignore the influence of antagonistic groups. (Freeman 1984).

Edward Freeman is widely credited for developing the stakeholder theory when he realised that there were inconsistencies in the current theories in both the quantity and kinds of change that were occurring in the business environment of the 1980's.

### **2.2.3 The Stakeholder and Corporate Social Responsibility**

Successful corporate social responsibility is of the point of view that all stakeholders are equally important, simply because all have moral standing. It is difficult to document this position in the writings of stakeholder theorists, for instance in Freeman (1984), yet this idea that all stakeholders, defined widely, are equally important have been a barrier to further development of this theory. The idea of stakeholders, or stakeholder management, or a stakeholder approach to strategic management, suggests that managers must formulate and implement processes which satisfy all and only those groups who have a stake in the business. The central task in this process is to manage and integrate the relationships and interests of shareholders, employees, customers, suppliers, communities and other groups in a way that ensures the long-term success of the firm. A stakeholder approach emphasizes active management of the business environment, relationships and the promotion of shared interests.

Since 1984 academic interest in a stakeholder approach has both grown and broadened. Indeed the number of citations using the word stakeholder has increased enormously as suggested by Donaldson and Preston (1995). Most of the research on the stakeholder concept has taken place in four sub-fields: normative theories of business; corporate governance and organizational theory; corporate social responsibility and performance; and, strategic management.

Donaldson and Preston (1995) argued that stakeholder theories could be categorized from descriptive, instrumental or normative points of view. A descriptive theory would simply illustrate that firms have stakeholders, an instrumental theory would show that firms who consider their stakeholders devise successful strategies; a normative theory would

describe why firms should give consideration to their stakeholders. Thus, the search for a normative justification for stakeholder takes the theory beyond strategic issues and into the realm of philosophical foundations.

Various attempts have been made to ground stakeholder management in a broad range of philosophical foundations. Evan and Freeman (1993) developed a justification of a stakeholder approach based on Kantian principles. In its simplest form this approach argued that we are required to treat people “as ends unto themselves.” Thus, managers should make corporate decisions respecting stakeholders’ well being rather than treating them as means to a corporate end. This framework has been further developed by Norman Bowie (1999) into a fully fledged ethical theory of business. From a different perspective, Phillips (1997) has grounded a stakeholder approach in the principle of fairness. When groups of individuals enter voluntarily into cooperative agreements they create an obligation to act fairly. As such, normal business transactions create a moral obligation for firms to treat stakeholders fairly and thus to consider their interests when making strategic decisions. Others (Wicks, Freeman and Gilbert 1994, Burton and Dunn, 1996) have tried to justify a stakeholder approach through the ethics of care.

A significant area of interest for theorists of social responsibility has been the definition of legitimate stakeholders. That is, that the theory is often unable to distinguish those individuals and groups that are stakeholders from those that are not” (Phillips and Reichart, 1998). Mitchell, Agle and Wood (1997) addressed this issue by developing a framework for stakeholder identification. Using qualitative criteria of power, legitimacy and urgency, they developed what they refer to as “the principle of who and what really counts.” This line of research is particularly relevant in areas such as the environment and

grassroots political activism. The critical question is whether there is such a thing as an illegitimate stakeholder, and if so how legitimacy should be defined. Agle, Mitchell and Sonnenfield (2000) have taken an opposite approach. Rather than try and theoretically define stakeholder legitimacy, they have conducted an empirical study to identify which stakeholders managers actually consider to be legitimate.

Stakeholders must not only be understood in the present, they must also be managed over the long run. (Harrison and St John 1999) distinguish between two basic postures for managing stakeholders: buffering and bridging. Buffering is the traditional approach for most external stakeholder groups and it is aimed at containing the effects of stakeholders on the firm. It includes activities such as market research, public relations, and planning. Buffering raises the barriers between the firm and its external stakeholders. In contrast, bridging involves forming strategic partnership. This approach requires recognizing common goals and lowering the barriers around the organization. Partnering is proactive and builds on interdependence. It is about creating and enlarging common goals rather than just adapting to stakeholder initiatives

### **2.3 STUDIES ON CORPORATE SOCIAL RESPONSIBILITY**

A study on Corporate Social Responsibility, a Tool in Creating Corporate Brand Awareness: A Case Study of the Telecommunication Industry in Ghana by Bankas (2010) in partial fulfilment of a Bachelor's Degree revealed that, the respondents knew and understood CSR. The respondent were students from four universities in the Greater Accra region, the result indicated that 92 percent understood what CSR meant. It indicates that about 90 percent of the respondents were familiar with the activities of the various companies, indicating (p.33) that the CSR activities of the companies in the

telecom industry were communicated to the public. The information obtained from the responses helped in accessing the extent to which CSR had played a role in influencing the awareness of (p.34) the corporate brand of MTN, Airtel Ghana, Tigo, Vodafone Ghana and Kasapa now Expresso. The study indicates that those who were familiar with the CSR activities of the company mostly (p.38) reported that their awareness of the company's brand was influenced by its CSR activities. Close to about 80 percent of the respondents fall in this category. This shows that for brand awareness to occur as a result of CSR, people had to have knowledge of the company's CSR activities. On the other hand, all those that were not familiar with the CSR activities of a company reported that their awareness of the company was not affected by its CSR activities.

More than 50 percent of the respondents who have become aware of the company through its CSR activities were highly prone to purchasing a service or product of a brand that they were aware of or are knowledgeable about. The analysis shows that (p.39) most respondents associated Zain now Airtel Ghana Limited to Philanthropy reporting 67.9 percent. MTN reports slightly less than half of what Airtel reports. At the extreme bottom with regards to this association is Kasapa now Expresso, which records 1 percent. It will not be coincidental to say that Zains positive associations are as a result of its high ranking in all aspects of CSR.

Ranking of telecom companies in terms of CSR was measured and in this category, Zain (Airtel) Telecommunication Network with 46.9 percent of respondents was in the lead. This is an interesting finding because, Zain entered the Ghanaian market about 3 years ago and as compared to other existing companies such as Tigo and Vodafone who have been in the market for over five years, it is considered to be the most philanthropic in the

view of customers. MTN on the other hand comes second, reporting less than 10 percent of the figure reported by Zain. Vodafone and Tigo following in this rank respectively. Kasapa on the other hand is not represented here because none of the respondents considered it as philanthropic.

The study further revealed that, the respondents rated the level of activeness of a company in CSR; Airtel Ghana then Zain topped this category with about 99 percent of the 41 respondents (p.40) considering it to be very active in CSR, as compared to others like MTN, 96 percent, Vodafone percent. This explains why Zain emerged as number 1 in philanthropy as compared to other companies in the telecommunication industry.

Top of the mind awareness indicates the highest level of awareness. At this level, the respondent needs not have any form of assistance in order to recall a brand that has attained this level. This awareness as measured (p.41-42) could be as a result of variety of factors. In this category MTN records the highest figure of 62 percent level of awareness; this is followed by Zain that reports about 24 percent. The other companies, Tigo, Vodafone and Kasapa follow with recorded figures of 5 percent, 5 percent and about 2 percent respectively. Looking back at the history of Tigo, it is known that it was the first to start operations in Ghana (then known as Mobitel). For this reason one would expect that, the company should have a strong top of the mind awareness, but this is not the case. It is important to mention that where as MTN has the highest percentage of top of the mind awareness; Zain is overall ranked number 1 in regards to achieving corporate brand awareness as a result of CSR, which was the focus the study.

Bankas (2010) concluded that, events relating to each other (p.42) can be identified from the analysis that is; the familiarity with CSR activities of a company, in this case a telecom company, will have an influence on a person's level of awareness of the corporate brand of the company. This level of awareness therefore becomes a factor to consider in a person's purchasing decision.

In another survey titled Communicating CSR: Talking to the People who listen, conducted by APCO Insight, the opinion research division of global strategic communication firm<sup>8</sup>, APCO Worldwide. A total of 419 opinion elite panelists from 10 countries in North America, Europe and Asia-Pacific completed the survey between February 5 and April 27, 2004.

The survey shows that people most likely to be listening are receptive and responsive to proactive corporate social responsibility (CSR) communication and this communication directly impacts behaviour. The Global CSR Survey sheds new light on the perceived value of CSR communication, the role key stakeholders play in influencing and working with companies on CSR and how CSR communication impacts consumer and investment behaviour.

The survey further revealed that, 9 percent of respondents said they know a lot about the companies CSR programmes, 31 percent did not know much of the social responsibility activities of companies, 56 percent admitted to knowing some of the CSR activities and the remaining 3 percent said they did not know any CSR programmes of the companies.

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<sup>8</sup> Communicating CSR; Talking to people who Listen available at <http://www.APCOworldwide.com> (Last visited on 3<sup>rd</sup> June,2012)

Thirty five percent of the people who are listening believe corporate CSR communication is both credible and important, 56 percent said is somewhat credible and important, 9 percent said there is no different and 1 percent said is less credible to communicate corporate CSR. However, 91 percent of the respondents said third-party verification of CSR practices clearly enhances credibility. Third-parties are perceived as playing an important role in influencing CSR. In particular, the media and government are perceived to be more responsible than other parties for moving companies toward responsible behaviour. Non-Governmental Organizations (NGOs) are also recognized as an important stakeholder with which companies should engage, but not at the exclusion of the media, government, employees, customers and other key stakeholders.

The study also revealed that people are skeptical about CSR activities and this was proven when 45 percent of the participants said they are not convinced with the CSR activities of companies, 27 percent are less convinced, 16 percent of them also said they are much less convinced with the CSR activities, 4 percent much more convinced with the CSR activities and 9 percent said the CSR activities have no change their perception. The survey also measured what makes a company to be considered as being CSR responsive and it was revealed that, 75 percent of the (p.2) respondents said being a CSR responsive company goes beyond just complying with laws and regulation but the company going beyond what the law requires, 25 percent of the respondent said a company complying with all the laws is regarded as being social responsible.

Fifty one percent of the respondents believed that companies undertake CSR activities because is in their business interest to do so and not (p.3) because of pressures from stakeholders, whereas 41 percent believed that companies undertake CSR activities



because of pressures from internal and external stakeholders on companies to address society's concern.

Lastly the survey findings clearly show CSR communication impacts opinion elites' perceptions and behaviour, including their purchase decisions. A strong majority of opinion elites say they have purchased a company's products and services (72 percent) and have recommended the company to others (61 percent) in response to positive news about a company's social responsibility. Negative news about a company's CSR also impacts behaviour, but slightly less than positive news. Sixty percent of opinion elites have boycotted a company's products or services in response to negative news about a company's social responsibility. The survey indicates CSR information is more likely to affect consumer decisions than investment decisions. Still, 14 percent of opinion elites say they have purchased shares of a company's stock in response to positive CSR information, and a similar proportion (12 percent) have sold shares in response to negative news.

This survey goes to prove the importance people attach to corporate social responsibility worldwide, how CSR activities of companies change opinion and attitude of stakeholders towards their business including purchase behaviour and how people value corporate CSR communication because it seems credible and important to the stakeholders.

In another study by Carrillo, Arias, Álvarez & Layton (2008) titled Corporate Philanthropy in Mexico, it revealed that "trend towards professionalization, with progress in terms of the use of guidelines and in targeting resources in cash and in kind to legally incorporated CSOs, although tax deductibility is not a prerequisite for making a donation for more than half of companies" (p.62). This study indicates that corporate philanthropy

has responded to a national context marked by polarization, social inequality, and growing suspicion of the corporate sector in the midst of a generalized lack of resources and opportunities among the population. This is reflected in the large number of participating companies that have carried out philanthropic work for more than ten years, as well as the increasing number of new corporate efforts that are under way.

In the study under reference, among companies' motivation for undertaking philanthropic work were their commitment and obligation to society; their desire to foster harmonious relations with the communities where they operate; and their interest in improving their image and reputation since most participants in the study agreed that the state alone is not capable of solving social problems and that there is the need for collaboration in this field. The findings of the interview conducted among 90 companies indicated that, 42 percent of the participants said that their main objective for corporate philanthropy is to improve the company's reputation, 22 percent of the interviewees said they do not have any objective for CSR, 12 percent said it is a way to help reduce the company's risk, 9 percent said it is a way to collect information to innovate existing products, 6 percent said it is a way to differentiate themselves from the competition, 3 percent said to comply with industry standards and they were no responses to collect information on potential markets and improve talent recruitment and retention (p. 27).

The study further revealed that, in their philanthropic endeavours, companies aid themselves with their own employees' volunteer work, since as many as 60 percent of participants promote employee volunteering for the company's own philanthropic activities (e.g. collections, events, campaigns). Similarly, in 27 percent of cases, employees carry out volunteer activities in organizations supported by the company, and

only in 13 percent of the cases can they choose the organization they want to volunteer at, regardless of whether the company supports it or not. Interestingly, only half of the companies (49 percent) allow volunteering activities to be carried out during office hours, with pay. This implies that the rest of the companies only promote volunteering as a value that employees put in practice in their own free time. As incentives to volunteering, companies prefer to provide information and encourage their employees' interest, as well as to recognize their efforts through internal communications.

From the study, almost half of the companies studied showed that they undertake corporate social responsibility because they want to improve their reputation to the outside world as being good 'citizens'. A decent percentage does not have any other objective for undertaking CSR programmes apart from the desire to help the society. What this means is that most companies undertake corporate social responsibility programmes because they want to portray a good image of their companies while their underlying objective is to have a positive reputation in the society they exist.

It was in this situation that the study into why Bharti Airtel Ghana Limited undertakes CSR programmes was pertinent and useful. As revealed in the study, 42 percent of the participants attributed their companies involving in corporate social responsibility as a medium to build positive reputation for the business; therefore, the researchers sought to find out if Airtel Ghana Limited engages in social responsibility as a genuine cause because Airtel Ghana sees the need to contribute its quota to the development of the country or as a mechanism to attract customers to the organisation because of the 'good' it is doing in the country and also as a good business case for Airtel Ghana.

## CHAPTER THREE

### METHODOLOGY

#### 3.1 INTRODUCTION

This chapter explained the various data collection methods used for the research. According to Sarantakos (1998), methodology or research design is defined as “the plan that contains all the steps in the research process and includes the logical sequence in which the study is to be carried out<sup>9</sup>. It also includes the elements of the study such as the method of data collection, method of analysis and all the administrative procedures that need to be considered without delay”. The researchers used the qualitative method because of the depth of the study in order to holistically study and get the results the study aims to achieve. The qualitative method was used because it was more appropriate than the quantitative method for the purpose of this study.

#### 3.2 RESEARCH DESIGN

The research design for the study is going to be the exploratory design. The exploratory design can also be called the ‘formulative’ design. The main aim of the design was to find out *why* (Fisher, 2007). The researchers chose this design because the study aimed to find out why Bharti Airtel Ghana Limited undertakes corporate social responsibility programmes. This kind of study necessitates the knowledge of the history and new insights of the research problem to understand events and situations. The exploratory design was done for a number of reasons including, to satisfy a better understanding of a phenomenon, to explore other methods of replication among others and also is intended to

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<sup>9</sup> Research for Business Students by Sarantakos 1998 available at [www.kimmagedsc.ie/Research%2520Meth](http://www.kimmagedsc.ie/Research%2520Meth) (Last visited on 15<sup>th</sup> July,2012)

search for data *indications* rather than to attempt to find causality (Tukey, 1962, 1986 as cited in Wimmer& Dominick 2003).

There are a number of advantages when using the exploratory design. The advantages are; it ability to analyse situations and come up with new insights –break new grounds and also provides possibilities for doing research differently. Exploratory design has a disadvantage of its inability to provide grounds for testing hypotheses.

### **3.3 STUDY POPULATION**

The study population was management executives of Bharti Airtel Ghana Limited. The researchers chose this study population because they helped the researchers by providing valuable information about the corporate social responsibility programmes undertaken by Airtel Ghana Limited. Airtel Ghana Limited has an employee population of one hundred and seventy five, top management population of twelve and fifty managers in their branches across Ghana. Deciding on only one company was the most difficult decision in the design of the study. Even though this decision flies in the face in the face of established scholars such as Eisenhardt (1989), we followed Gloser and Strauss' (1967: p30) intention that, “the number of cases is not so crucial. A single case can indicate a general conceptual category or property; a few more cases can confirm the indicators”. This contention perfectly fit the purpose of our study, which is to explore and not to confirm. The executives were assured that all information provided would be used only in the context of the study.

### **3.4 SAMPLE AND SAMPLING TECHNIQUE**

Qualitative data collection allows for a small sample because it allows the researcher to get to the depth of the study. According to Saunders et al. (2003), judgemental or non-

probability is more frequently used for case study research. Also, judgemental sampling enables you to use your judgement to select cases that will best enable you to answer your research question(s) and meet your objectives. This form of sampling is often used when working with very small samples such as in case study research. Neuman (2003), argues that qualitative research rarely draw a representative sample from a huge number of cases to intensely study the sampled cases- which is the case in quantitative research. For qualitative research, it is rather their relevance to the research topic than their representativeness which determines the way in which the people to be studied are selected. Non- probability or judgemental sampling was used for this because it allows the researcher to use his/her judgement to select cases that are familiar with the concept. Our sample size was the management executives from the study population; the researchers will use intensive or in-depth interview to (Fisher 2007) collect the data. The researchers decided to use the in- depth interview because it provides detailed background about reasons why respondents give specific answers. Elaborate data concerning respondents' opinions, values, motivations, recollections, experiences, and feelings are obtained (Wimmer & Dominick, 2003). In - depth interview also is customized to individual respondents where interviewers form questions based on each respondent's answers.

### **3.5 DATA COLLECTION INSTRUMENT**

The researchers decided to use the interview guide as a tool for obtaining the necessary data for the research. The interview guide will be where broad questions will be ask and it will allow the researchers the freedom to determine what further questions to ask to obtain the required information (Wimmer &Dominick, 2003). There are six different

interview scripts for six management executives of Airtel Ghana Limited who the researchers chose because they were in the position to provide valuable information on the corporate social responsibility programmes Airtel Ghana engages in Ghana.

Data was collected via the internet and face- to- face interview. The researchers had a face-to-face interview with the Corporate Social Responsibility manager and Corporate Relations Manager at the Airtel Ghana office in Kumasi, for the rest of the executives, the interview guide was sent through electronic mail before we had the interview with them over the internet through the social networking site Skype with the other executives except the Managing Director (C.E.O) who responded the interview guide via electronic mail. The Director of Finance, The Director of Communication and External Affairs and the Director of Human Resource were the other executives data was collected from for the study.

### **3.6 RESEARCH QUALITY MEASURES**

Once the study was designed, we introduced a reliability measure that contributed to the quality of our research.

#### **3.6.1 Reliability**

Case study research is reliable if the data collection can be repeated with the same results (Yin 1994, 33). We took notes during the interviews and have asked the respondents subsequently to review the interview notes.

## **CHAPTER FOUR**

### **DATA ANALYSIS AND RESULTS**

#### **4.1 INTRODUCTION**

The data for the study was obtained from six management executive of **Bharti Airtel Ghana Limited**. An interview guide was used to collect the data from the Managing Director, Director of Communication and External Affairs, Director of Human Resource, Director of Finance, Corporate Social Responsibility Manager and Corporate Relations Manager. The focus of the study was to elicit the viewpoints of Airtel Ghana Limited in undertaking of corporate social responsibility because the researchers wanted to know the main motive of the organisation's involvement in corporate social responsibility programmes. The analysis is based on the data collected on the research objectives; the main objective was to find out why Airtel Ghana Limited undertakes corporate social responsibility. The other objectives were:

- Find out if Airtel Ghana Limited undertakes the corporate social responsibility as a mechanism to attract customers to its services.
- Find out the benefits Bharti Airtel Ghana Limited gets from undertaking the programmes.
- Find out if Airtel Ghana undertakes corporate social responsibility programmes to gain positive public reputation for Airtel Ghana Limited.
- Find out the challenges that hinder smooth undertaking of corporate social responsibility programmes.



## 4.2 FINDINGS

*On Why Airtel Ghana Limited undertakes corporate social responsibility activities?*

From the responses, two main reasons came up as to why Airtel Ghana Limited engages in corporate social responsibility. These were:

- Airtel Ghana Limited undertakes corporate social responsibility because it is an important way to give back to the society.
- Airtel Ghana gives back to the society because Airtel sees it as a duty to do so for the community.

The managing director of Airtel Ghana limited said that;

For us at Airtel undertaking CSR has been a part of our make-up, our DNA. We love engaging in CSR because it demonstrates our commitment as a company to the other things that are important to our people and we love to give back.

He added that;

“I am personally passionate about CSR. It is important to give back to the community, not just our subscribers so it is a key component of our business”.

This was the response the researchers got when sought to seek his person opinion on CSR in Airtel Ghana limited.

This point was also emphasized on by the CSR manager when she said that;

” Airtel is passionate about CSR because we believe we should give back to the community; we see it as a duty of sorts so CSR is very important to Airtel Ghana”.

The Corporate Relations manager also said that;

” Airtel Ghana Limited undertakes corporate social responsibility programmes because the best way to help the community is to give back and help the community anyway possible”.

The responses implied that Airtel Ghana Limited sees a need to help the society through their CSR programmes but in the process of doing this it would be building goodwill in the community, as it stands now; a lot of people in Ghana now are attracted to the Airtel brand because of the social responsibility programmes it embarks on. People think the only way they can help the community in their small way is to be on the Airtel network so as to contribute their quota to see somebody helped through Airtel's corporate social responsibility activities.

*Does it mean Bharti Airtel Ghana Limited undertakes social responsibility programmes as a way to attract customers to the organisation?*

When this question was asked, the respondents replied in the negative. The CSR manager said that;

” Well the public response has been awesome. We do not run the stories as a marketing tool in the strictest sense but to draw attention to the sort of heroic deeds being undertaken daily by ordinary folks. From reactions on social media, emails and face-to-face interactions we have received it is clear that *Touching lives* has been accepted by the public. Aside these we believe people have been moved to do more for their families and their communities. It is not our intention to draw people to tears (as we have heard a lot of people say to us) but we hope that as people are moved, they will be driven into action”.

The Communication and External Affairs Manager also said that;

“There are a number of ways an organisation can use to attract customers to itself and not only through CSR activities. We have various ways but yet again Airtel

Ghana is moved to action because we want to see lives touched and changed that it why we do what we do here”.

The Corporate relations manager gave this submission, he said;

“Airtel Ghana is passionate about giving back to the society and we realised that the way to do it is to identify some under privilege people in the society whose lives we can change positively. If people are attracted to our good acts, then it makes our aim of getting people moved to action and helps our communities in our (individuals) own small way, a success and an achievement on our part”.

The managing director added this to buttress the submissions of the others, he said;

“Well the sort of remarks or feedback we receive from the public via email, social media and face to face interactions tell us that people recognize the fact that we contribute to society in ways that they can relate to and these have been encouraging to us as a company. We want to believe that these programmes have influenced the way people see our brand. The Airtel brand is a life-enriching one and we aim at been the most loved brand in Ghana by 2015”.

According to the responses given, Airtel Ghana Limited does not have any marketing strategy in undertaking corporate social responsibility, but as people are attracted to good deeds, the attention of people had been draw to Airtel Ghana because they are helping the community. True as it may be, we are asking why everybody is suddenly talking about the Airtel brand and their CSR programme, *Touching Lives*. From Airtel’s point of view, there may not be any marketing or public relations strategy as submitted by the Corporate Relations manager on why Touching Lives is televised. He said;

“We thought the best way to tell the many exciting, heart-warming and encouraging stories was the power of television. So people can see and be moved into action and contribute their quota to the society in their own small way”.

It may be true but when Airtel Ghana Limited decides to put their CSR programmes on television, it may not only be to tell the community about what it is doing to contribute its quota to nation building but also to play on peoples' emotions and conscience.

*What are the benefits Bharti Airtel Ghana Limited derives from corporate social responsibility programmes?*

From the responses the executives were of the view that they take delight in the fact that Airtel Ghana Limited is able to put smiles on the faces of the people they are able to touch. The Corporate relations manager and the CSR manager had this to say about the benefits Airtel derives from its CSR activities. They said;

“To us at Airtel the benefits of CSR are in the support we offer and the smiles we see in the faces of those who benefit from it. We want our customers and indeed the nation to understand that we want to help with the development of this nation in our own little way.”

The External Affairs and Communication Manager said that’;

“At Airtel Ghana, we are not so much into what we stand to gain when we embark on CSR programmes and our other activities; we delight and take pride in the fact that at the end of the day, a life has been changed, a community is improved and we have restored hope to the dejected. That is the benefit we get from doing what we do at Airtel”.

The other respondents seemed to be in accordance with these accounts given when the Finance manager said that;

“We cannot quantify the joy, hope and gratitude we get from the beneficiaries and the people who appreciate what we are doing, there is nothing rewarding than that so that is our benefit as an organisation”.

From the accounts that were given, it was established that, Airtel Ghana limited derived satisfaction from the CSR activities it carries out and the results they get from ventures but that notwithstanding, Airtel Ghana limited gets additional benefits as in enhanced corporate reputation and image as other studies have revealed.

*What are the challenges Bharti Airtel Ghana Limited encounters in their bid to fulfill their social responsibility to their publics?*

The study further revealed that, there are challenges in undertaking corporate social responsibility. The CSR manager simply put it that;

“There are a lot more we wish to do but then we can only spend just as much”.

The Managing Director and the other executives all supported the point put forward by the CSR manager as to the challenges Airtel Ghana Limited faces in its quest to be charitable to the community. We could realised that, the executives would want to do more, touch many lives and many deprived communities in Ghana but their limited resources are not able to carry all their CSR programmes.

It was also revealed that, Airtel Ghana limited have a budget allocation for CSR programmes and even though it at times exceed it CSR budget allocation, it tends out that, is not adequate to meet all the various developmental gap in the society and especially in helping all the people who are nominated for its *Touching Lives* programme.

The challenges are categorized into community issues, governmental issues, infrastructure and internal issues. The responses are the collective response of Airtel Ghana Limited. The findings are presented in table 1.1 below.

**Table 1.1 Challenges in undertaking Corporate Social Responsibility**

Categories	Participants Response
Community issues	The community challenge that came up was the fact that Airtel Ghana Limited's inability to reach all the communities which needs help, the organisation's inability to support more nominees for the <i>Touching Lives programme</i> .
Governmental issues	The study revealed that there is not much of a governmental challenge since there is no law on engaging in CSR in Ghana but the researchers realised that there is a problem with that because that is why many organisations engage in 'anything' in the name of CSR.
Infrastructural issues	Poor road network leading to communities was a main challenge.
Internal issues	Lack of resources run through as the most important challenge management faces in their quest to be philanthropic.

The table shows how Airtel Ghana faces challenges in its bid to help the society. There are limited resources which makes it difficult for the organisation to do little for the society although they realised and admitted that there are a lot to be done in the country. The organisation is also faced with the challenge of doing what is right and accepted in

the name of corporate social responsibility since there are not laws on the concept in Ghana. There are also community and infrastructure issues which are all impediments on Airtel Ghana's way in its quest to give back and support the society.

*How does Airtel Ghana overcome the problems?*

According to the respondents the challenges Airtel Ghana faces in carrying out its CSR activities is almost unsurmountable. The CSR manager had this to say about overcoming the challenges, she said;

“ For example when it come to Touching Lives we receive a lot of nominations and most of them are indeed very compelling stories and we wish we could extend support to all of them. But then we cannot so we pick the most compelling stories keeping diversity in mind”.

The other respondents supported the views held by the CSR manager when they in accordance and said;

“There would not be any problem in the society if we are able to overcome the challenges we face in the process of extending a hand to the community. There are a lot that need to be done and we are trying our best as an organisation to do touch and change more lives so for now with the limited resources, Airtel will do what it is doing now keeping diversity in mind but Airtel Ghana will strive to do more in the years ahead”.

Aside from the research questions, the researchers asked several other questions in order to get to the executives minds on Airtel Ghana Limited's CSR activity. Among the questions and responses were;

*Do you have a policy on CSR?*

The CSR manager responded in the positive and said Airtel Ghana has a document policy on CSR programmes. She said;

“Our CSR is driven from our African Regional office with each country adapting it accordingly. Our CSR focus is on education, sports, arts and culture”.

The question was asked because the researchers wanted to find out how committed Airtel Ghana Limited is towards social responsibility programmes. From the response, Airtel Ghana Limited’s CSR is regulated from the African Regional office so there seems to be a high level of committed in the area of CSR because in the policy document, there are objectives to be met every business year which the Ghana office strives to meet and exceeds all other expectations.

The researchers also wanted to find out from the Human Resource Manager and the CSR manager about the level and awareness from employees in their CSR programmes and they both said that;

“Yes. Employees are always informed about our CSR programmes and products before they hit the market. They in fact make inputs into some of these initiatives sometimes and they support our CSR fully everybody wants to be associated with good deeds and employees of Airtel Ghana Limited are not different”.

From the findings, employees of Airtel Ghana Limited are included in the CSR processes and they have room to make valuable suggestions into Airtel Ghana Limited’s CSR programmes. Conversely, as employees of an organisation like Airtel, what else can they do than to accept whatever executives bring their way? There is not much they can do than to accept such programmes or else they can face the wrath of management.



### 4.3 DISCUSSION OF FINDINGS

The first objective of the study was to find out why Airtel Ghana Limited undertakes corporate social responsibility programmes. From the findings, it was revealed that, Airtel Ghana Limited identify a need in the society and is moved to help solve the need and change the lives of the deprived in the society. The findings also revealed that it is important to give back to the society since it ensures peaceful co-existence between the organisation and the host community.

The most recent McKinsey & Company Quarterly global survey revealed the recognition of executives that their roles and that of their companies go beyond satisfying shareholders. From the survey, 84 percent of the respondents believed the role of corporations in society is to generate high returns for investors balanced with contributing to the broader public good<sup>10</sup>, 68 percent generally felt corporations' contributions to overall society were mostly positive in nature. According to the third annual Corporate Social Responsibility (CSR) Monitor (2001), the survey conducted revealed that companies are facing increasing demands from the public to broaden their role in society. This supports the findings on the reasons for embarking on social responsibility programmes and further revealed that, Airtel Ghana Limited does not want the community antagonising its operations thus, it is doing what the community expects from it in order to have a cordial relationship with the community.

According to CSR Monitor (2002),

The research investigated a range of corporate issues including public expectations of companies, governance, communications, poverty, consumerism,

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<sup>10</sup>CSR opinion polls and surveys available at [www.nfrcsr.org/international/opinion-views\\_attitudes.../index.htm](http://www.nfrcsr.org/international/opinion-views_attitudes.../index.htm)

investing, human resources, and company CSR ratings. Citizens around the world have high expectations for companies to go beyond their traditional economic roles. People believe that global corporations should do more to help solve social problems than provide charitable funding: Eight in ten people across the world say that companies need to go beyond philanthropic donations. There are equally high public expectations for companies to be involved in addressing social issues such as providing healthcare services.

The 2007 *PRWeek*/Barkley Public Relations Cause Survey revealed that more than ever consumers expect companies to give back. In turn, those companies are responding with cause-related programs that engage consumers and their employees. From the findings and discussions it can be said that although Airtel Ghana limited is giving back to the society and the respondents admitted that Airtel Ghana Limited see CSR as a duty, they are not right from wrong as the society (consumers) expects organisations to have such responsibilities towards it. Corporate social responsibility has thus become a core part of Airtel Ghana's existence.

The second objective was to find out if Airtel Ghana Limited undertakes the corporate social responsibility as a mechanism to attract customers to its services and from the findings, it was realised that Airtel Ghana Limited does not undertake CSR programmes because it wants to attract people to itself but it was found out that people are attracted to good corporate citizens. This is supported by a recent survey conducted by Cone Incorporated and AMP Insights. The survey revealed that, 13-25-year-olds favour companies who practice corporate social responsibility. The study revealed that, 89 percent of 13-25-year-olds surveyed are likely to switch brands (given equal price and quality) to support a cause. More than 75 percent think companies are responsible for

making a difference in the world 74 percent are more likely to pay attention<sup>11</sup> to messages of companies deeply committed to a cause 69 percent consider a company's social commitment when deciding where to shop and 66 percent consider a company's social commitment when recommending products. A study by The Globescan's Global CSR Monitor (2003) revealed that;

Among individual shareholders in G20 countries, 56 percent believed socially responsible companies are more profitable than irresponsible companies and 18 percent say they have bought or sold stocks because of the company's social or environmental performance. Moreover, another key finding is that consumers expect companies to go beyond traditional economic roles.

This implied as Airtel Ghana Limited and other organisations for that matter embark on corporate social responsibility programmes, the organisation is opening itself up to many opportunities such as attracting customers to its services. From the studies reviewed, it revealed customers are attracted to the generosity of companies, customers believe that it is profitable to be associated with an organisation which is socially responsible than a company which is irresponsible. From the Globescan's 2003 survey, 18 percent of the people surveyed admitted to have bought or sold stocks because of the social responsiveness of a company, it will therefore not come as anything new, should Airtel Ghana Limited decide to trade stock and it is over subscribed. This will support this study and the many other studies done on the attractiveness of a company to the customer when the company is socially responsible.

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<sup>11</sup>Globescan CSR Monitor Report available at [www.globescan.com/new\\_archives/CSR-press\\_release.html](http://www.globescan.com/new_archives/CSR-press_release.html). (Last visited on 11<sup>th</sup> June, 2012)

The third objective of the study was to find out if the benefits Bharti Airtel Ghana Limited get from undertaking the programmes and from the findings it was realised from the in-depth interview carried out that Airtel Ghana's benefits from undertaking corporate social responsibility activities are the smiles it is able to put on people's faces. It may be true but who invest in any venture that would not reap success and other benefits? We believe Airtel Ghana Limited gets more than what we were told.

According to a survey by The Golin Harris Corporate Citizenship Index, it was revealed that Americans want corporate America to be more authentic. The 5,000 sample survey rated 152 brands on 12 drivers. The top 10 percent of brands with the highest corporate citizenship ratings were Ben & Jerry's, Target, Patagonia, SC Johnson, Gerber, Southwest airlines, Johnson & Johnson, The Body Shop, UPS and 3M. This implied that in undertaking corporate social responsibility programmes, the Airtel Ghana brand is given a huge boost and creating brand awareness for itself as this point is buttress a study by Bankas (2010) on the relationship between CSR and brand awareness, it was revealed that, Airtel Ghana was ranked first among four other telecom networks in Ghana. Respondents in this study said they are attracted to the Airtel brand because of the CSR activities they carry out in the country.

The results was not in accordance with the findings and studies done by other researchers because Airtel Ghana Limited failed to give the researchers the real benefits the organisation derives from it CSR activities. According to the Social Contract and Stakeholder theory, for an organisation to co-exist cordially with its community is a benefit because stakeholders have the power to antagonised an organisations operations and make it unbearable for irresponsible companies to operate within the communities. The emergence of CSR in the United States was a result of the stakeholder antagonistic

ways which forced the rich and (Post, Lawrence & Weber, 1999) powerful business executives at that time to adopt more socially responsible ways to operate and also they designed accepted working conditions for their internal and external stakeholders. Therefore organisations should count its cordial existence in the society as the number benefit because the organisation can only operate and make profits and carry out CSR activities if it has a place in the society to carry out your business activities.

Atuguba *et al* (2006) reiterated that<sup>12</sup>;

Corporate Social Responsibility (CSR) is about the relationship of corporations with society as a whole, and the need for corporations to align their values with societal expectations in order to avoid conflicts and reap tangible benefits.

Kotler *et al* (2005) identified the benefits of engaging in CSR activities which are improved brand positioning which is in accordance with Bankas (2010) findings on the relationship that exist between CSR and brand where customers develop a positive feeling towards a brand engaged in CSR. Improved image and clout whereby the organisation involved in CSR gets publicity for its generosity and finally, the organisations increased ability to attract motivate and retain employees because employees working for companies that are engaged in CSR activities describes that they are proud of their values and they say that motivates them to work hard.

From the submissions from the Airtel Ghana executives they did not put the benefits Airtel Ghana derives from its CSR activities succinctly but from the studies that have been done on this subject, it can be deduced that organisations and for that matter, Airtel Ghana Limited gains a lot more like improved image, publicity, brand awareness among

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<sup>12</sup> The Need for Corporate Social Responsibility, available at [www.modernghana.com/news/.../](http://www.modernghana.com/news/.../) (Last visited on 28<sup>th</sup> July 2012)

others than just the smiles they see on the faces of the beneficiaries of their CSR activities.

To find out if Airtel Ghana undertakes corporate social responsibility programmes to gain positive public reputation for Airtel Ghana Limited was the fourth objective of the study. From the findings, it was revealed that Airtel Ghana Limited do not undertake CSR activities in the strictest sense as a marketing tool but studies have confirmed that there is a relationship between CSR and reputation building. In Weber Shandwick's new Safeguarding Reputation™ survey, it was revealed that the relationship between corporate social responsibility and reputation management has never been so important. Global business executives overwhelmingly believe that corporate responsibility directly affects company perceptions and hastens crisis recovery.

A substantial majority of global business executives (79 percent) surveyed believe that companies with strong corporate responsibility track records recover their reputations faster post-crisis than those with weaker records.

Over one-half (55 percent) of global business executives surveyed report that being recognized as committed to corporate responsibility contributes “a lot” to a company's overall reputation.

This point is supported by a study among 90 companies conducted by the Committee to Encourage Corporate Philanthropy which showed that nearly nine out of ten companies surveyed encourage volunteer programs for their employees. Further, the article points out the reputational benefit of corporate responsibility - “bottom line, the generosity of local and national corporations goes a long way toward improving the image of the company on all levels. And, if that happens to boost the reputation of the company CEO at the same time, all the better.”

From the findings it was revealed that people are pulled towards the organisation by the generosity Airtel Ghana is doing in the community and that is what positive image and reputation is able to achieve. When a gesture a company is doing has the ability to attract people, it implies that, the company has something good and it creates positive perceptions about the company in the minds of the people. A study by Carrillo *et al* (2008) confirmed this assertion when their findings showed that almost 50 percent of respondents in the study confirmed that their organisations engaged in CSR to build positive reputation for their organisations. In effect it can be that Airtel Ghana Limited does not set out to create positive reputation when it carries out the CSR activities but studies shows that an added advantage of CSR is that it creates positive image and reputation.

The last objective of the study was to find out the challenges that hinder smooth undertaking of corporate social responsibility programmes. From the findings it was revealed that there are both internal and external challenges but the common challenge was limited resources and how Airtel has to make do of the available resources to solve its CSR programmes. The researchers believe that Airtel Ghana Limited in order to overcome the challenges it faces in the undertaking of social responsibility programmes can collaborate the government or other organisations and combine resources together. For now Airtel Ghana Limited is standing alone but we believe it can identify an organisation which is also doing what Airtel is doing and get into a partnership with to enable them do more for the community. This assertion is supported by Hopkins (2004:4)

“The promotion of social development issues must also be one of partnership between government and private and non-governmental actors and, in particular, the corporate sector”

Carrillo et al (2008) also support this and they said” synergies in community work are very important because besides bringing to the table the best each one can offer, working together with several sectors toward a common objective sends a good message to society.”

From Carrillo et al perspectives, when there are collaboration between companies for the common goal of ensuring change in the community, it sends a good message to the people such as the people knowing the companies involve genuinely want to be good corporate citizens in the society.

The findings from the studies and the other research studies have highlighted the various reasons why organisations undertake corporate social responsibility programmes. It further revealed the benefits engaging in social responsibility programmes have on the organisation although Airtel Ghana did not admit this fact; there are added advantages in engaging in CSR activities. The study was able to measure the research objectives with the research questions and it was also able to explore the principles and nature of the corporate social responsibility concept.



## **CHAPTER FIVE**

### **SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATION**

#### **5.1 INTRODUCTION**

The chapter entails important issues this study sought to answer which are captured under the summary while the researchers opinion formed as a results of undertaken the study are presented under the conclusion and limitations of study. The recommendation part is relevant to stakeholders in the country who wish to undertake CSR activities in the future and also researchers who are interested in taking a research in CSR.

#### **5.2 SUMMARY OF FINDINGS**

The study discussed and focused on corporate social responsibility whether it is public relations gimmick or not on from the perspective of management of Airtel Ghana limited .The objectives and research questions addressed why Airtel Ghana Limited undertakes CSR activities as well as what it stands to gain from CSR. It also explored the image enhancing and reputation building of CSR and the challengers that hinders smooth undertaking of CSR programmes by Airtel Ghana Limited.

A lot of studies were reviewed for the studies and from the journals, articles, and studies reviewed, it was deduced that corporate social responsibility is not engage in as a public relations but people are attracted to the generosity of the organisations that engages in social responsibility activities. Enhanced image and improved reputation are some of the added benefits in engaging in corporate social responsibility. From the studies that was reviewed it was revealed that organisations may engage in social responsibility programmes because they see it as a moral obligation as the findings of this studies revealed but again, customers (stakeholders) push organisations into undertaking CSR

activities. However, the concept means different thing to different organisations as well as what motivates or drive them to undertake such responsibilities. It was also revealed that, organisations undertake CSR initiatives as a way to augment the government responsibilities in their own small way and make the society a better place.

Although organisations may genuinely set out to do ‘good’, there is a long – term benefit for such organisations because if stakeholders are attracted to positive ventures, therefore in as much as it is organisations only motive is to help the society, they<sup>13</sup> get additional rewards such as attracting customers, building good image (Lines 2004, Kotler *et al* 2005 and Carrillo *et al* 2008) and recording impressive financial performance.

Further findings revealed that:

- The motivation for CSR is to see people helped any way possible, this was in total agreement with Donaldson and Dunfee (1999 cited in Moir 2001) when they developed Integrated Social Contracts Theory as a way for managers to take decisions in an ethical context. They differentiate between macro social contracts and micro social contracts. Thus a macro social contract in the context of communities, for example, would be an expectation that business provide some support to its local community and the specific form of involvement would be the micro social contract. Hence companies who adopt a view of social contracts would describe their involvement as part of ‘societal expectation’ – however, whilst this could explain the initial motivation, it might not explain the totality of their involvement. Gray, Owen and Adams (1996 as cited in Moir 2001) describe society as ‘a series of social contracts between members of society and society

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<sup>13</sup> CSR and Finance Performance, A Case of PwC available at [www.dissertations.se/about/csrt-24k](http://www.dissertations.se/about/csrt-24k) (Last visited on 20<sup>th</sup> June 2012)

itself". In the context of CSR, an alternative possibility is not that business might act in a responsible manner because it is in its commercial interest, but because it is part of how society implicitly expects business to operate with this, the company is expected to contribute to the society if the organisation is motivated to help or otherwise.

- Management is committed to the CSR concept and have made frantic efforts to sustain all the CSR programmes. The research also revealed that, the organisation also has a policy document on CSR which they are passionate and committed about. With this, we realised that, aside from the fact that Airtel Ghana Limited wants to be good citizens, they also stands to gain a lot more than what they did revealed and also legitimised its operation (Suchman, 1995 as cited in Moir 2001). The researchers were convinced that no organisation would put funds into any venture without getting anything in return so Airtel Ghana Limited stands to gain from investment they are putting into their CSR programmes.
- There is no competitive advantage because all the Telecommunication companies are involved in CSR practice. Although Airtel Ghana Limited said that there is no competitive advantage in undertaking CSR in Ghana because the other telecommunication companies are also undertaking CSR programmes, studies showed otherwise. The University of Western Ontario's Ivey School of Business conducted a series of experiments to determine if it pays companies to invest in social responsibility, reported in *The Wall Street Journal* (May 12, 2008). The study concluded that consumers were willing to pay a slight premium for ethically

made good and would buy unethically made goods only at a steep discount. Further, it determined that a little social responsibility goes a long way-- companies don't necessarily need to go all-out with social responsibility to win over consumers. It seems that once companies hit a certain ethical threshold, consumers reward them by paying higher prices. Therefore if stakeholders of an organisation can take decisions base on a company's social responsibility programmes then it shows that undertaking social responsibility activities creates a competitive edge for the companies that engage in corporate social responsibility.

- The employees and management are oriented in the CSR concept because they are the organisation's stakeholders and they also can antagonised the organisation's decisions if they are not consulted on issues concerning the organisation's programmes including CSR initiatives. Employees can be aggrieved if they feel they are not being treated fairly when it comes to increment in salary, good condition of service and in other incentives, they antagonized the organisation especially when the organisation is undertaking more CSR programmes in the community. According to Aras and Crowther (2008), stakeholders are the groups without whose support the organisation would cease to operate. They also said any group or individual who can affect or is affected by the achievement of the organisation's objectives in agreement with Aras and Crowther (2008), the employees of any organisation are an important stakeholder like any other stakeholder of the organisation.

In addition, a 2002 Citizenship Study indicated that 80% of the study's 1040 respondents would be likely even to refuse to work in an organization that had

negative corporate citizenship practices (Kotler & Lee, 2005). Several studies have also confirmed that employees are attracted to companies that engage in social responsibility programmes because the employees feel proud to associate with such companies (Jorgensen 2011)<sup>14</sup>.

- The external stakeholders who are the final consumers of the CSR programmes are not consulted on any decisions regarding what CSR programmes to embark on, the form it should take and how it should be implemented. This contradicts Wicks, Freeman and Gilbert 1994, Burton and Dunn, 1996 when they said that all the normal business transactions create a moral obligation for firms to treat stakeholders fairly and thus to consider their interests when making strategic decisions. Stakeholder relation is important because the organisation has to analyze (Seitel, 2007) the community, help understand its makeup and expectations, and communicate the organisation's story in an understandable and uninterrupted way because they are stakeholders in this case. The community can antagonise the organisation and its services in the long run if the organisation (Freeman 1985) fails to relate cordially and consult them when it wants to be philanthropic towards them.

Airtel Ghana Limited is excited about their CSR programmes because of the difference they want to make in the society. They have a department for CSR which scans the environment for suitable initiatives that sit among its core brand aspirations and vision.

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<sup>14</sup> Relationship between Employee Specifications and CSR available at [www.dissertations.se/about/corporatesocialresponsibility](http://www.dissertations.se/about/corporatesocialresponsibility) (Last visited on 21st June, 2012)

However, much consultation has to be done with stakeholders (the external stakeholder) when CSR initiatives are considered.

### **5.3 CONCLUSIONS**

From the analysis made, it was concluded that management is committed to the CSR concept by having a policy document on it; it was also revealed that the employees were also very much involved in the programmes where they are allowed to share their views and employees are always informed about CSR programmes and products before they hit the market. They in fact make inputs into some of these initiatives sometimes and they support the CSR programmes fully this made the researchers to conclude that when it comes to CSR, Airtel Ghana means business.

It was found out that, there are no written laws on CSR practice in the country which makes it an option left to organizations so in this case, nobody can really coerce any organisation to undertake CSR programmes except the organisation's own motivation to engage in CSR. The organisation can only thrive to do more since they admitted that there is still more to be done in the country in the area of development.

### **5.4 RECOMMENDATION**

Based on the findings we recommend that;

- Consultations should be done with all stakeholders of the company when they are considering a new CSR initiative, this will make the stakeholders feel part of the company and will not think that brand their CSR initiatives as a public relation gimmick.

- Airtel Ghana should extend their CSR programmes to the communities where children are schooled under trees since there are a lot of schools like that and lots of deprived communities scatter all over Ghana with the very basic amenities such as water difficult to come by.
- Airtel Ghana Limited can collaborate with other organisations as they are doing with the Ghana Football Association in Rising Stars in order to raise more resources to do more good for the society.
- Future research can be based on the effect CSR initiatives have on beneficiaries and how their life has changed or otherwise after benefiting from Airtel's CSR programmes.
- In future, research in this field should incorporate stakeholders' view as to whether undertaking CSR programmes amounts to being a public relation gimmick.

Corporate Social Responsibility is a complex concept but it brings in its fold many benefits such as image enhancing, builds good reputation (McWilliams and Siegel, 2000) as well as profits (Norman and MacDonald, 2004) and brand awareness creation (Bankas 2010) in the long-term.

Corporate social responsibility can be genuinely undertaken without having any additional objectives; however, analysis shows that organisations will gain more than profits, as being good citizens comes with good reputation, enhances corporate image and attracts prospective employees to the organisation. Data collected and analysed proved that it is not always the case that, organisations undertake corporate social responsibility as a public relations gimmick.

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## **APPENDICES**

### **INTERVIEW TRANSCRIPT**

#### **Appendix A-** A sample Questions for the CSR manager

1. What does CSR mean to Airtel Ghana Limited?
2. Do you have a policy on CSR?
3. Why is Airtel Ghana undertaking CSR programmes?
4. What CSR programmes is Airtel Ghana undertaking?
5. How did you arrive at the programmes you undertake?
6. Describe the programmes please.
7. Is every employee aware of the CSR programmes you are undertaking? How do they feel towards CSR?
8. Please tell us how your CSR activities have contributed to enhancing the image of Airtel Ghana Limited?
9. Do you implement CSR programmes throughout Ghana?
10. What some of the benefits of your CSR programmes to the ordinary Ghanaian?
11. Is it beneficial to undertake CSR programmes? What are the benefits or otherwise?
12. Do you have a budget allocation for CSR programmes?
13. Do you encounter challenges in your bid to fulfill your CSR activities?
14. What are the challenges?
15. Are you able to overcome the challenges? How do you overcome the challenges?

**Appendix B-** showing a Sample Questions for the Corporate Relations Manager  
(Producer for the Airtel Touching Lives Programme.

1. How did “Touching Lives” come about?
2. When did you start Touching Lives?
3. How did you determine the nature the programme was going to take?
4. Why is Touching Lives shown on television?
5. Is it a way to tell your stakeholders that you are doing ‘good’?
6. What are the reasons for showing Touching Lives on television?
7. Is Touching Lives shown on television for public relations reasons?
8. How do you get the people who come on the show?
9. Do you do follow ups to ensure what you equip the participants is being put to the desired use?
10. Is the programme sustainable?
10. How do you sustain the programme?
11. Are there challenges in producing the programme? What are the challenges?
12. How do you overcome the challenges?
13. Do you face any monetary constraints in the implementing programme?
14. What has been the response from your publics?

**Appendix C** - Sample of Questions for the Chief Executive Officer

1. What does CSR mean to you?
2. What does it mean to Airtel to undertake CSR programmes?
3. Is Airtel Ghana undertaking CSR programmes because every organisation is into CSR?
4. Do you have objectives for CSR?
5. Are you able to meet your objectives?
6. What sets Airtel Ghana apart from the rest of the organisations undertaking CSR programmes?
7. What does Airtel Ghana derived from its CSR programmes?
8. Does Airtel Ghana undertake CSR programmes in order to have competitive edge over your competitors?
9. What is your motivation for undertaking CSR programmes?
10. Are your stakeholders satisfy with what you are doing in rendering service and CSR programmes?
11. Milton Friedman is noted for saying that the only business organisations have to do is to maximize profits to satisfy their shareholders, what is your take on his view?
12. Should every company undertake CSR programmes?
13. What role are you playing to encourage other organisations to be socially responsible and contribute to national development?