The Impact of Corporate Social Responsibility on Organisational Performance: A Case Study of Vodafone Ghana Limited

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Abstract

Corporate Social Responsibility has greatly contributed to the success of various corporate institutions in the western world. While the concept is widely recognized as being of significant strategic value to organizations, that seems not to be the case in Ghana, where the focus of most firms is on achieving profit without taking into consideration the needs of stakeholders. This study therefore seeks to address the issue by assessing the impact of Corporate Social Responsibility on organizational performance. The research was descriptive. Primary data were captured through the use of questionnaires administered to management and staff of Vodafone Ghana ltd. Target population of the study was made up of management and staff of Vodafone Ghana ltd. (20) respondents was randomly selected among management and staff through simple random sampling technique. The study revealed that the company engages in CSR programmes because it wants to create an image of a good corporate citizen. It was concluded that CSR has a substantial and positive impact on all performance indicators used in the literature review which are: finance, organizational performance overtime, reputation, employee commitment and brand differentiation. It was therefore recommended that companies should identify their stakeholders' needs before taking CSR initiatives; also top management must understand the strategic financial benefits of CSR activities and include CSR initiates in their strategic plans.

Keywords: Corporate Social Responsibility, Organizational Performance, Good Corporate Citizen, Brand Differentiation.

1.0 INTRODUCTION

In today's economic and social environment, issues related to social responsibility and sustainability are gaining more and more importance, especially in the business sector. Business goals are inseparable from the societies and environments within which they operate. Whilst short-term economic gain can be pursued, the failure to account for longer-term social and environmental impacts makes those business practices unsustainable.

Corporate Social Responsibility (CSR) can be understood as a management concept and a process whereby companies integrate social and environmental concerns in their business operations and in their interactions with the full range of their stakeholders on a voluntary basis. (European Commission, 2001)

The United Nation (UN) Global Compact, created by former UN Secretary General Kofi Annan (nd) asks companies to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labour standards, the environment and anti-corruption.

Many corporate institutions in the developed countries have seen the importance of behaving responsibly towards society. In the US, the San Francisco-based Business for Social Responsibility has been working since 1992 to help companies sustain their commercial success 'in ways that demonstrate respect for ethical values, people, communities and the environment' and it already has 1,400 member companies, including American Express, AT&T, DuPont, Ford, General Motors, Johnson and Johnson and Levi Strauss. "Even Wall Street has responded to this trend, with the Dow Jones launching a Sustainability Group Index (October, 1999). The SGI rates companies for their success in managing economic, environmental and social factors." (Rajni Bakshi, 'Corporate Angels', the Hindu). A recent survey also showed that 86 percent of about 4,000 people aged 15 or older in Europe, expressed a preference for purchasing a product from a company 'engaged in activities to improve society' (Fleishman Hillard, 'Consumers Demand Companies with a Conscience', London). In the UK, the Co-operative Bank report on ethical consumerism recently found that consumers expect more, as citizens, from business corporations.

CSR in Ghana as in many other developing countries is still in the implementation stage. However, in recent times there has been a clarion call on organizations to undertake social programmes, as government alone cannot handle societal problems. (Kwesi Amponsah, CSR in Ghana, p109).

1.1 PROBLEM STATEMENT

In this ever competitive business environment, the focus of every organization is to develop a good and lasting relationship with customers and society at large which will ensure long-term business sustainability. Some organizations have understood and embraced the concept of corporate social responsibility as a means of improving their performance. Others however, do not buy the idea behind "Doing better at doing Good" and they see it as having a negative impact on organizational performance. To them, CSR drains the company's financial resources and therefore they ignore their responsibility towards society or simply refuse to engage in CSR. But

over-reliance on financial performance alone does not capture the full impact of CSR on the firm's overall performance. And most firms, too busy seeking short-term financial benefits; tend to ignore the strategic value of CSR to them. The issue at hand is therefore, to make corporate organizations understand how social responsibility impact on business performance at various levels.

1.2 OBJECTIVES OF THE STUDY
The main purpose of the study is to assess the impact of Corporate Social Responsibility on organizational performance, using Vodafone Ghana as a case study.
1.2.1 Specific Objectives
The specific objectives focus on the following issues:
1. To ascertain if Vodafone understands the concept of CSR;
2. To know the various CSR activities in the telecommunication industry and the benefits to both the company and the community.
3. To examine the problems associated with the practice of CSR.
4. To determine whether CSR enhances the performance of the business.
1.2.2 RESEARCH QUESTIONS
1. What is the concept of CSR?
2. What are the various CSR activities in the telecommunication industry and what are the benefits to both the company and the community?
3. What are the problems associated with practicing CSR?
4. Does CSR enhance the performance of the business?

2.0 LITERATURE REVIEW
2.1 UNDERSTANDING THE CONCEPT OF CSR
As one of the 'new' key elements to business strategy, and a duty as expected by society in this ever competitive market, Corporate Social Responsibility has several times been discussed by many scholars and practitioners. Many definitions have been given, and some are as follow:

Corporate Social Responsibility sees to those management philosophies, policies, procedures and actions that have the advancements of society's welfare as one of their primary objectives (Boone and Kurtz, 1987).

Corporate Social Responsibility is the obligation of decision makers to take actions which protect and improve the welfare of society as a whole along with their own interest (Davis and Blomstrom, 1975). In a seminal article, Carroll (1979, p. 500) presented corporate social responsibility as a construct that ''...encompasses the economic, legal, ethical, and discretionary expectations that society has of organisations at a given point in time.'' In his definition, Carroll argued that these responsibilities are not only performed for the firm's sake but also for the sake of society at large. This means that organisations by their very existence can be viewed as entering into a social contract that obligates the corporation to take the interests of society into consideration when making decisions (Andreasen and Drumwright, 2001). The construct CSR has four intimately related facets: economic, legal, ethical and philanthropic -with organizations striving to achieve all four at all times. Based on these components, a socially responsible firm ''should strive to make a profit, obey the law, be ethical, and be a good corporate citizen'' (Carroll, 1991, p. 43). Conceptualization of CSR (Carroll, 1999) ranges from a wide view of CSR ''as actions that appear to further some social good, beyond the interests of the firm and that which is required by law'' (McWilliams and Siegel, 2001, p. 117) to one that is narrowly focused on maximizing shareholder wealth (Goodpaster, 1991). These conceptual variations reflect different degrees of responsibility ascribed to a firm beyond its role as an economic institution (Hemphill, 1997). For the purpose of this project, the wider societal perspective is adopted, defining CSR as the company's ''status and activities'' regarding its responsiveness to its perceived societal obligations (Brown and Dacin, 1997, p. 68) as they also apply to all company stakeholders. Under this definition, a company is obligated to take action to ''protect and improve both the welfare of the society as a whole and the interest of organisations'' (Davis and Blomstrom, 1975, p. 6).

2.2 TYPES OF CORPORATE RESPONSIBILITY
This refers to the traditional corporate philosophy which suggests three broad areas in which business companies can, and should discharge their social responsibility. These three areas are: traditional corporate philanthropy, corporate social responsibility (with a focus on sustainable development and attending to stakeholder priorities) and ethical business (Saari A., nd).
2.2.1 CSR versus Traditional Corporate Philanthropy
To Barry Gaberman (2008) a more common approach to CSR is corporate philanthropy. Over the years, philanthropy has been defined in various ways. Some linguistic in nature, some tracing back to the Greek Classics, some grounded in religious principles. The root of the word suggests a love for mankind and the responsibility to share one's possessions with others has been a central component of all major religions for thousands of years. On

the practical level, however, it may be most helpful to utilize a simple definition: "Philanthropy is the voluntary capture of private wealth for public purposes". While philanthropy primarily connotes the distribution of financial wealth, it importantly includes non-financial components such as gifts-in-kind, voluntary services and knowledge. Philanthropy comes in two broad categories, individual - whether the sums are large or small - and organized philanthropy. Some forms of philanthropy may be either individual or organized, such as faith-based philanthropy, while other forms, such as giving circles, essentially form a mixture between individual and organized giving.

Wikipedia, the free encyclopedia(2009) explains that corporate philanthropy includes monetary donations and aid given to local and non-local non-profit organizations and communities, including donations in areas such as the arts, education, housing, health, social welfare, and the environment, among others, but excluding political contributions and commercial sponsorship of events. These forms of giving have existed for thousands of years and in all parts of the world.

Samuel and Saari (nd) view corporate social responsibility as qualitatively different from the traditional concept of corporate philanthropy. It acknowledges the debt that the corporation owes to the community within which it operates, as a stakeholder in corporate activity. It also defines the business corporation's partnership with social action groups in providing financial and other resources to support development plans, especially among disadvantaged communities.

The emerging perspective on corporate social responsibility focuses on responsibility towards stakeholders (shareholders, employees, management, consumers and community) rather than on maximization of profit for shareholders. There is also more stress on long-term sustainability of business and environment and the distribution of well-being. There is an increasing recognition of the triple-bottom-line: People, Planet and Profit. The triple-bottom-line stresses on the view that stakeholders in a business are not just the company's shareholders, sustainable development and economic sustainability, and finally corporate profits are to be analyzed in conjunction with social prosperity.

As explained in Wikipedia, the free encyclopedia, the triple bottom lines are words that should be used and practiced in every move an organization makes. People relate to fair and beneficial business practices toward labour, the community and region where corporation conducts its business. Planet refers to sustainable environmental practices. A triple bottom line company does not produce harmful or destructive products such as weapons, toxic chemicals or batteries containing dangerous heavy metals for example. Profit is the economic value created by the organization after deducting the cost of all inputs, including the cost of the capital tied up. It therefore differs from traditional accounting definitions of profit. Traditionally, most corporate bodies viewed CSR as the extension of a financial input for a humanitarian cause. However, the contemporary context of CSR is more complex. According to Srivastava andVenkateswaran (2000), a company that undertakes activities aimed at communities (be they philanthropic, social investment or commercial initiatives) but does not comply with business basics cannot be termed socially responsible.

2.2.2 Ethical Business
Ethical business is the more fundamental, emerging trend on the international scene. It focuses on specifics such as how a business is conceptualized, how it is operated and the notion of fair profit. In an ethical business the essential thrust is on social values and business is conducted in consonance with broader social values and the stakeholders' long-term interests.

2.3 AREAS OR ACTIVITIES OF CSR AND THE BENEFITS TO BOTH COMPANY AND COMMUNITY
2.3.1 Areas or Activities of CSR
According to Richard Welford (2007), corporate social responsibility differs from place to place, from industry to industry and over time. It is gradually being accepted that in order to define precisely what social responsibility means to a company, it needs to interact with its communities and take into consideration their needs, expectations and aspirations when designing CSR strategies and programmes. That is one of the reasons why it is difficult to define CSR precisely because it will always have a location-specific context. It is therefore vital to understand the priorities of communities and take them into account. To some extent, companies need to engage in their own stakeholder dialogue, specific to their own company, but the focus here is to provide the business sector (and others) with some guidance in terms of expectations and CSR priorities of the society.

In a study conducted by Welfordet al (2007), fifteen areas of corporate social responsibility were compared and ranked using a sample of 491 respondents from various sectors namely: social NGOs, environmental NGOs, business sector, the university sector, media, government and others. The most important issues turned out to be the environment, health and safety and governance. All other factors were deemed important, but surprisingly the least important was philanthropy. The research identified CSR priorities for both businesses and their stakeholders that could be transferred to other locations. This is the outcome of the study by Welford et al (2007) as shown in the table below:

Priorities for Corporate Social Responsibility

Factor	Abbreviation
1-Good environmental performance	Environment
2-Good health and safety practices	Health and safety
3-Good corporate governance	Governance
4-Good human resource management & employment practices	HRM
5-Codes of conduct on bribery and corruption	Corruption
6- Codes of conduct on supply chains and factory inspections	Supply chains
7- Ongoing stakeholder dialogue	Stakeholder dialogue
8- Published social and environmental policies	Policies
9- Social and environmental reporting	Reporting
10-Product and service responsibility and responsible marketing	Product responsibility
11- Partnerships with other business and NGOs	Partnerships
12- Community investment and employee volunteering	Community
13- Support for human rights initiatives	Human rights
14- Adherence to international standards and guidelines	Standards
15- Philanthropy and charitable donations	Philanthropy

Table 1. Ranking of the 15 CSR factors with abbreviations used (Source, Welfordet al (2007)

It is good to note that there are notable differences between businesses and their stakeholders and within different stakeholder groups. Views about priority areas may differ from group to group and therefore the outcome of the research should not be used as a perfect prototype in selecting the CSR activities to embark on.

2.3.1.1Common Types of Corporate Social Responsibility Actions in the Telecom Industry

There are many aspects of corporate social responsibility; whether a company decides to develop one area of CSR or multiple, the end result is a more profitable company experiencing a higher level of employee engagement and business performance. The following is a list of common ways corporate social responsibility is implemented in the telecommunication industry (Wikipedia).

- Environmental sustainability: Areas include recycling, waste management, water management, using renewable energy sources, utilizing reusable resources, creating 'greener' supply chains, pollution control, developing buildings according to Leadership in Energy and Environmental Design (LEED) standards etc…
- Community involvement and support: This can include raising money for local charities, supporting community volunteerism, sponsoring local events, employing people from a community, supporting a community's economic growth, engaging in fair trade practices, support of arts and health programmes, educational and housing initiatives for the economically disadvantaged.
- Ethical marketing practices: Companies that ethically market to consumers are placing a higher value on their customers and respecting them as people who are ends in themselves. They do not try to manipulate or falsely advertise to potential consumers. This is important for companies that want to be viewed as ethical.
- Employee Support: Concern for safety, job security, profit-sharing, union relations, and employee involvement.

2.3.2 CSR IN THE TELECOM INDUSTRY AND ITS BENEFITS TO THE COMMUNITY AND THE COMPANY

2.3.2.1 CSR in the Telecommunication Industry 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 organizations have taken up developmental projects in the country. For instance, Vodafone has redefined CSR in Ghana through its multiple award-winning television show Vodafone health line, as it empowers many Ghanaians with reliable information on health issues. The programme has made a resounding impact across all regions of Ghana empowering people by improving the dissemination of information on common health issues and more importantly, saving the lives of many. The health line show has helped about one hundred (100) people to go through successful surgeries, to the satisfaction of the company that believes in making sustainable impact by turning an idea into a reality that changes life. (Ghana News Agency, September 2013)

In the area of education, Vodafone has contributed close to GH¢30,000 to a number of educational funds of traditional councils across Ghana. They include Asogli State, Ga Traditional Council, Essikado Traditional Council, New Juaben Traditional Area, and Otumfuo Educational Fund.

"*We have done this because we believe that social circumstance should not be a barrier to education. Our support will give brilliant but needy students a chance to also go to school*" said Major Don-Chebe (2009), Head of Corporate Communications at Vodafone. Additionally, four public universities have received multi-purpose industrial printers, each valued at GH¢300,000 to enable them to better resource reprographic

(photocopying) centers. Again, at the All Nations University at Koforidua in the Eastern Region, Vodafone has sponsored an award for the Best Electrical Engineering Student.

Through its community assistance programme, the company has also helped light up the streets of Kwame Nkrumah University of Science and Technology (KNUST) under a street lighting project valued at GH¢50,000.Vodafone has also donated GH¢10,000 to the Princess Umulhatiyya Foundation to help build a primary school for the people of Tootlingli, a village near Tamale in the Northern Region. (Ghanaweb.com, September 2009)

Vodafone has among other CSR programmes, '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. The community impact programme 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. (Helena Enimil et al, June 2012). And also sponsoring the Vodafone Ghana Music Award.

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.

Since 2007, Mobile Telecommunication Network (MTN) Ghana Foundation started the 21 Days Yellow care in Ghana. The staff of the telecommunication company embarks on various projects and activities 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 involved in community development projects and this is known 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 made donations to less-privileged institutions like the Akropong School for the Blind in 2008.

2.3.2.2 Benefits of CSR to the Community
Community Defined
'Community' has been defined in so many ways and is sometimes confused with the word 'society' which is much broader. But for the purpose of the topic being treated the following definition will be considered:
A community is a group of people with a common background, who live in the same area and with shared interests within society. (*Microsoft Encarta Dictionaries, 2009*)
So it transpires from the above definition that taking into account the "shared interest" of a community when engaging in CSR activities is very important, because CSR when not well managed leads to poor business performance. Corporate organizations (including management and employees as individuals) belong to a social set up or are part of it and must therefore behave responsibly. This is what a former South African Supreme Court judge told a gathering of corporate in Bangalore in these words: "*Companies are a part of society, not apart from society. So be socially responsible*" (DNA Agency, January, 2014)
Today, CSR has become the new business strategy at heart for many telecom companies in Ghana. This is because a number of issues have been raised concerning the negative effects of their operations on the community. That is, the need to regulate hazardous emissions from telecommunication equipment (for example, radiation).
Being socially responsible can take place at various levels and society has benefitted in so many ways from the practice of CSR.
But as well as bringing revenues to an area and providing financial compensation for the loss of land, housing and livelihoods, community involvement initiatives that telecommunication companies have been employing over the years according to Jenkins and Obara(nd) include:
- Infrastructure improvements - for example, building access roads, community buildings and schools.
- Community Health Initiatives - offering health services to communities (e.g.: Vodafone health line which gives medical assistance to Ghanaian) and building and equipping hospitals and health centers for communities.
- Community foundations - a fund generated by the company that is used for social investment purposes, these also attracted interest from external donors.
- Supporting small local businesses - preferential procurement policies for local suppliers.
- Sustainable livelihood projects - the purpose of these is to reduce the communities' economic dependence on government, and develop alternative and sustainable employment opportunities for stakeholder communities.
- Micro-credit finance schemes - these loans are used to launch new enterprises, create jobs, and help economies to flourish. With access to credit, families can invest according to their own priorities, for example schools fees, health care, nutrition, or housing, and rather than focusing on day-to-day survival, people can plan for the future. Micro-credit schemes aimed at women, offered opportunities to the most

disadvantaged groups in communities.

2.3.2.3 Benefits of CSR to Companies

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 it 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 consumers' attitude. (Enimil et al, June,2012)

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)

A 1999 poll of 25,000 citizens across twenty-three (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.

There are a number of organizations in Ghana who make it a point to include social responsibility programmes in their annual plans, give it the needed attention and there are other organization's that do not include the programmes in their annual plans but act impulse when the need arises.

Surveys indicate that, there are varying levels of favorability 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).

In Ghana, the number one benefit telecom companies derive from CSR is brand awareness. (Bankas, 2010). The need to be recognized as being good 'citizens', follow industry standards, gain competitive edge over competitors, improve their reputation and attract and recruit the best talents are the reasons why many organization's in Ghana today, are serious with corporate social responsibility.

2.4 THE CHALLENGES ASSOCIATED WITH THE   PRACTICE OF CSR IN THE TELECOM INDUSTRY

Companies are confronted with a lot of challenges when engaging in their CSR activities. A study conducted by Enimil et al (2012) on the topic suggests that there are four (4) main challenges which companies are likely to encounter when undertaking CSR. They are categorized into community issues, governmental issues, infrastructure and internal issues.

- The community challenges that came up were companies' inability to reach all the communities that needed help, and their inability to support as many people as they would. This is due to limited resources and sometimes companies exceed their budget allocated to CSR as people keep on coming to them to solicit help. Another community challenge organizations face is illiterate communities' resistance to change. They tend to put up an antagonistic behavior until they understand that it is in their interest if companies act responsibly.
- Governmental issues: The study revealed that there is not much of a governmental challenge since there is no law on CSR in Ghana but the researcher realized that there is a problem with that because this is the reason why many organizations engage in 'anything' in the name of CSR.
- Infrastructure 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, which balls back to the above limited resources.

Problems companies face in carrying out their social responsibility are almost insurmountable. However through commitment and their willingness to give a hand to society they are able to overcome some of those challenges

2.5 THE RELATIONSHIP BETWEEN CSR AND BUSINESS PERFORMANCE

The question as to whether CSR enhances business performance has been the center of many debates over the past years and to date no real consensus has been reached on the topic. This is because, although many companies in developed countries claim CSR has taken their businesses to a whole new level and therefore swear by it, others (especially in the emerging countries) on the other hand view it as a way of wasting organizational resources. But

the fact of the matter is, CSR has helped improve business performance at various levels, and in the long-term. In other words, CSR and business performance are so correlated that it will be difficult to dissociate them. Having said that, the researcher looked at "business performance" in five (5) angles (though other angles may be exploited); financial, organizational performance; employee's commitment, corporate reputation and brand differentiation; which can be used to measure the success or otherwise of CSR activities.

2.5.1 CSR and Financial Performance

Neely et al (1995) define performance system as "the set of metrics (standards) used to quantify both the efficiency and effectiveness of actions" (p. 81).

Thus 'Financial Performance' can be seen as a subjective measure of how well a firm can use assets from its primary mode of business and generate revenues. This term is also used as a general measure of a firm's overall financial health over a given period of time, and can be used to compare similar firms across the same industry.

Financial performance is one of the most studied indicators of the strategic value of CSR (Orlitzkyet al., 2003). Margolis and Walsh's (2001) meta-analysis found that 55% of the 160 studies examined identified a positive relationship between CSR and financial performance, 22% reported no relationship, 18% found a mixed relationship and 4% a negative relationship.

Orlitzkyet al. (2003) conducted another meta-analysis and found similar results. These studies give credibility to the widely accepted notion that being socially responsible would, in most cases, improve a firm's financial performance. Indeed, Aguilera et al. (2007) recently called for closure of the debate on the relationship between CSR and financial performance, arguing that there is over whelming evidence of a positive and significant association between the two.

A number of arguments and rationales have been advanced as to why CSR has a positive impact on financial performance (Allouche and Laroche, 2006). One of the prominent arguments is that the ways in which a firm satisfies its stakeholders and communicates CSR activities to stakeholders can affect its financial performance.

Orlitzky et al. (2003, p. 405) noted that ''the satisfaction of various stakeholder groups is instrumental for organizational financial performance''. Therefore, one could argue that in emerging economies, as is the case in Ghana, the link between CSR and a firm's financial performance is dependent on stakeholders' perceptions of and subsequent reactions to CSR efforts. Stakeholders' reaction to CSR efforts is mediated by the availability and intensity of information on CSR initiatives and preferences of stakeholder's relative to available alternatives (Schuler and Cording, 2006). Hartman et al. (2007) argued that notwithstanding the motivation for the engagement, firms must ultimately communicate their rationale for CSR engagement to stakeholders.

2.5.2 CSR and Organizational Performance

As defined by the Business Dictionary (2014), an organizational performance is an analysis of a company's performance as compared to goals and objectives. Within corporate organizations, there are three primary outcomes analyzed: financial performance, market performance and shareholder value performance (in some cases, production capacity performance may be analyzed). Significant efforts have been made to understand the impact of CSR activities on organizational performance (Husted and Salazar, 2006; Marom, 2006; Moneva et al., 2007; Orlitzky et al., 2003). Pava and Krausz's (1995) comprehensive review of empirical studies of the relationship between CSR and organizational performance found that, overall, firms perceived as having met social responsibility criteria have either outperformed or performed as well as other firms that are not necessarily socially responsible. Such positive relationship has also been supported by a recent meta-analysis of the relationship between CSR and organizational performance (Orlitzky et al., 2003).

2.5.3 CSR and Employees' Commitment

Broadly defined, employee commitment refers to ''the extent to which a business unit's employees are fond of the organization, see their future tied to that of the organization, and are willing to make personal sacrifices for the business unit'' (Jaworski and Kohli,1993, p. 60). Aguilera et al. (2007) noted that employees make judgments about their employer's CSR efforts based on their observations of the firm's CSR actions, outcomes of the CSR actions, and the handling of the implementation process. The authors posit that ''socially responsible or irresponsible acts are of serious consequences to employees'' (p. 843).

A number of studies have explored the link between CSR and employee commitment (Albinger and Freeman, 2000; Backhaus et al., 2002). Overall past research shows that a firm's social responsibility actions matter to its employees (Albinger and Freeman, 2000; Greening and Turban, 2000; Peterson, 2004), and tend to have a positive impact on employees' commitment. Branco and Rodrigues (2006) reported that firms perceived to have a strong social responsibility image often have an increased ability to attract better job applicants, retain them once hired, and maintain employee morale. Similarly, Maignan et al. (1999) suggested that firms that engage in CSR activities are likely to enjoy enhanced levels of employee commitment for two main reasons: first, they are dedicated to ensuring the quality of workplace experiences; and second, they address social issues such as the protection of the environment or the welfare of the community that are of concern to society in general and therefore also to employees.

2.5.4 CSR and Corporate Reputation

According to Brown and Logsdon (1999: 169), reputation is defined as "outsiders' assessments about what the organization is, how well it meets its commitments and conforms to stakeholders' expectations, and how effectively its overall performance fits with its socio-political environment."

Largely, reputation is a general attribute of firms and reflects the extent to which "stakeholders see firms as 'good' or 'not bad'." (Roberts & Dowling 2002: 1078). Thus, a positive reputation indicates that a firm is highly esteemed or well regarded (Weiss et al 1999).

Existing research provides evidence to suggest that corporate reputation is a crucial intangible resource that contributes to a firm's competitive advantage (Roberts and Dowling, 2002; Shamsie,2003), "precisely because the development of a good reputation takes considerable time and depends on a firm making stable and consistent investments overtime" (Roberts and Dowling, 2002, p. 1091). Corporate reputation is enhanced or destroyed by firms' decisions to engage or disengage in CSR activities. Bhattacharya and Sen (2003) pointed out that CSR "builds a reservoir of goodwill that firms can draw upon in times of crisis". Similarly, McWilliams and Siegel (2001, p. 120) reported that CSR "creates a reputation that a firm is reliable and honest".

The link between CSR and corporate reputation in emerging economies is not straight forward. Contrary to employee commitment where employees are able to observe their firms' CSR activities, the impact of CSR on corporate reputation, in the eyes of different but mostly external stakeholders, is shaped by how the firm communicates its CSR activities and how its activities are reported in the national media and other communication media. Branco and Rodrigues (2006) noted that when firms are able to demonstrate, by communicating effectively with a wide range of stakeholders, that they operate in accordance with social and ethical criteria, they can build a positive reputation, whereas failing to do so can be a source of risk to their reputation.

2.5.5 CSR and Brand Differentiation

In crowded marketplaces, companies strive for a unique selling proposition that can separate them from the competition in the minds of consumers. CSR can play a role in building customer loyalty based on distinctive ethical values. Several major brands, such as The Co-operative Group, The Body Shop and American Apparel are built on ethical values. Business service organizations can benefit too from building a reputation for integrity and best practice. (Wikipedia, 2009).

Though opponents suggest that companies may not benefit from their CSR initiatives, the researcher strongly believes that stakeholders are not indifferent and unresponsive to the firms' actions. Neither do they react negatively. On the contrary, people respond to CSR undertaking in the sense of attachment or connection they feel with companies engaging in CSR activities they care about. They are therefore led into buying from socially responsible companies, a way of supporting what they do.

3.0 RESEARCH METHODOLOGY

The research was basically a descriptive approach which focused on the determination of the nature of a situation as it existed at the time of the study. Data were collected from both primary and secondary sources to meet the objectives of the research. And to ensure the relevance and adequacy of the data collected, quantitative and qualitative data methods were used. Primary data were captured through the use of questionnaires administered to management of Vodafone Ghana ltd. Secondary data were collected using online journals, published books, expert literature reviews relevant to the topic. Moreover data on the internet were located using the search engines like Google (http://www.google.com), Bing (http://www.bing.com) and Yahoo (http://www.yahoo.com). Target population of the study was made up of management and staff of Vodafone Ghana ltd. The sample size is very crucial to any empirical research. And one of its characteristics is that it must be representative of the entire population. Hence a sample of twenty (20) respondents was selected using simple random technique.

4.0 DATA ANALYSIS

Both quantitative and qualitative analysis methods were used, and results were given in figures. This was to ensure easy interpretation of the analysis which was done by means of the Version 16.0 of Statistical Package for Social Science (SPSS). The results were finally presented in bar charts, pie charts and graphs.

4.1 Response from Management and Staff of the Company

4.1.1 Educational level, Position, Department and Duration with the Company

Data gathered revealed that majority of respondents chosen for the survey were degree and diploma holders, who have been working with the company for a period ranging between 1 to 3 years, working in the marketing and customer service departments.

4.1.2 Adoption of CSR at Vodafone Ghana Ltd.

Fig 4.1: Responses on whether CSR is well-embraced in the company
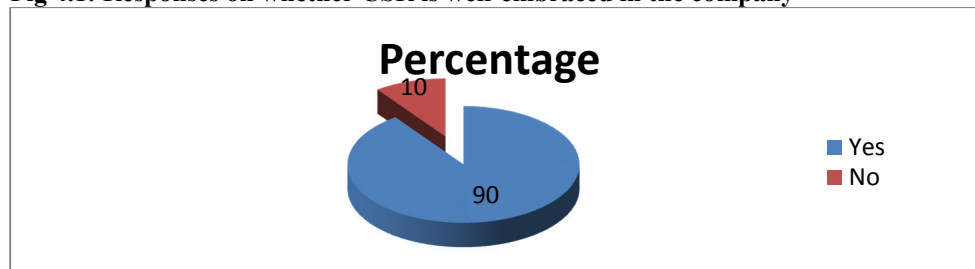
Source: Researcher's Field Survey, June, 2014.

The figure above (*fig 4.1*) shows that majority of the respondents (90%) share the view of CSR being well-embraced in, and well communicated to all members of the company.

Fig 4.2 Social Responsibility typology used by the company
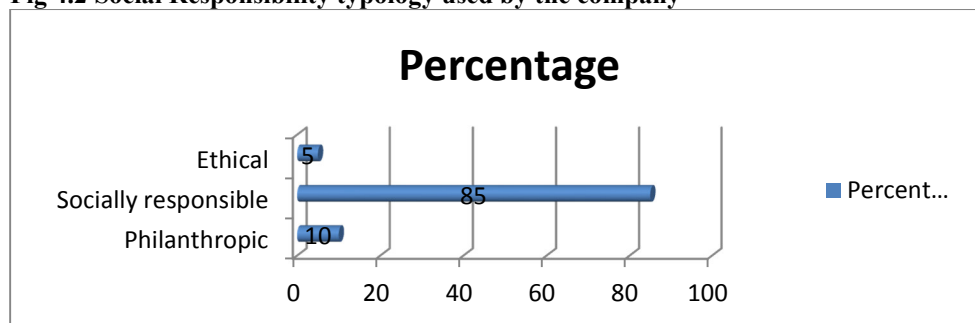
Researcher's Field Survey, June, 2014.

Figure 4.2 shows that 85% of respondents view the company as socially responsible and they seem to agree with Samuel and Saari (nd) when they state that CSR acknowledges the debt that the corporation owes to the community within which it operates, as a stakeholder in corporate activity. Only 10% of them are of the view that the company is being philanthropic, and a few 5% think the company is being ethical.

4.1.3 CSR priorities of Vodafone Ghana Ltd.

Respondents were asked to rank five areas of CSR which the company has been engaging in namely health and safety, charitable donation, community improvement, education and environmental sustainability.

Responses on the CSR priorities of the company

Majority of the participants in the survey (16 out of 20) responded that the CSR priority of Vodafone is health and safety while education came 2nd in ranking. The 3rd priority for the company turned out to be charitable donation or philanthropy. Community improvement and environmental sustainability were respectively ranked 4th and 5th.

4.1.4 Benefits of CSR to communities

When asked whether communities benefit from the CSR activities of Vodafone, 90% of the respondents answered 'yes'.

4.1.5 Benefits of CSR to the company

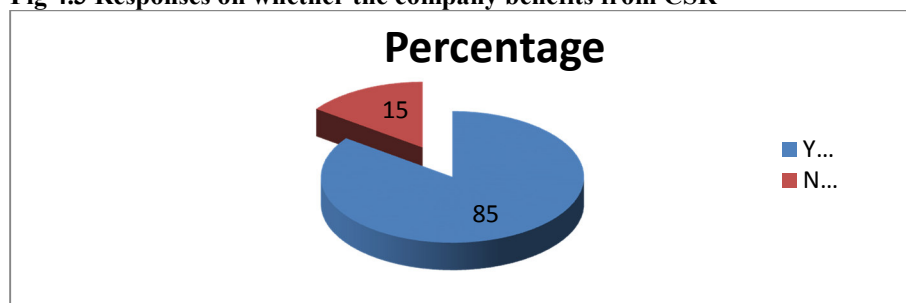**Fig 4.3 Responses on whether the company benefits from CSR**

Figure 4.3 depicts that 85% of the respondents agreed that the company benefits from CSR. The minority (15%) answered 'No' to this question. The reason might be that responses to CSR are not immediate. They evolve over time and ensure business sustainability. Samuel and Saari (nd) also corroborate this view.

**Fig 4.4: Responses on CSR Influence on Stakeholders Purchase Decision**
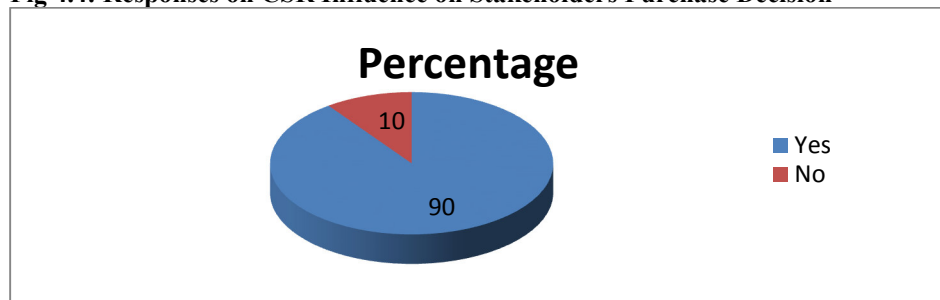
Source: Researcher's Field Survey, June, 2014.

As analyzed in *figure 4.4,* 90% of the respondents said that CSR influence customers purchase decision. This view sides with that of Bankas (2010) when she concluded that the level of awareness of CSR therefore becomes a factor to consider in a person's purchasing decision.

4.1.6 Challenges associated with the practice of CSR

Fig 4.5: Responses on the challenges the company faces in practicing CSR
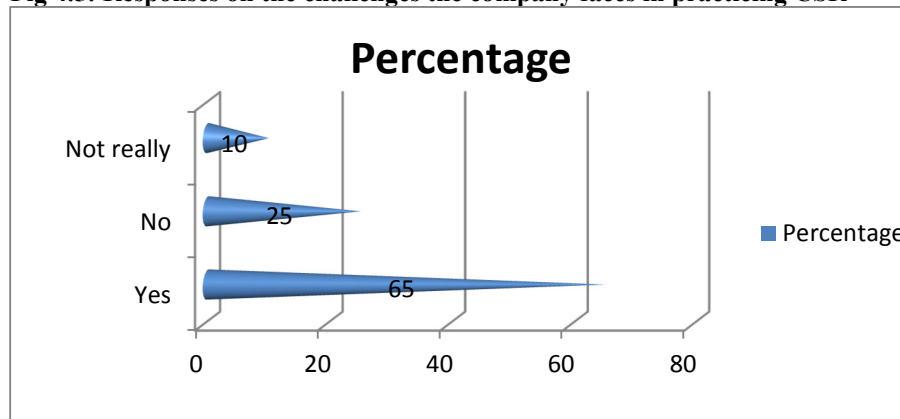

Source: Researcher's Field Survey, June, 2014.

Like any other activity a company may decide to embark on, CSR is not devoid of challenges. Thus 65% of respondents answered affirmatively to this question. Another 25% answered 'no', and 10% were not sure saying that challenges are not always encountered, and that it all depends on the location of the community the company wishes to help.

A high rate of 'no responses' was recorded though, when asked to state some of those challenges. However, 10% of the respondents mentioned the bad nature of roads to reach the target community.

Fig 4.6: Responses on whether the challenges affect CSR continuity
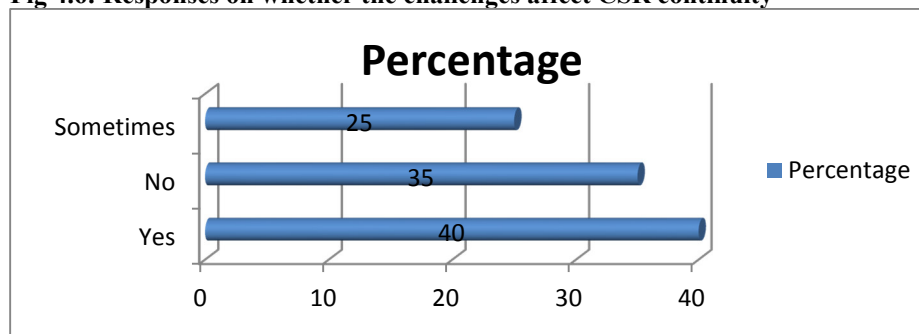
As to whether the challenges affect CSR continuity as depicted in *figure 4.6*, 40% of the respondents are of the view that they do affect it, while 35% think they do not. 25% also said it sometimes affects its continuity.

**4.1.7 Areas of corporate life CSR enhances the most**

Respondents were asked to rank in order of importance 6 areas of corporate life that CSR is likely to enhance. They were Risk management, Reputation, Brand differentiation, Competitiveness, Finance and Awareness creation.

A great number of the respondents, that is 15 out of 20, ranked corporate reputation as the first most important area that CSR positively affects. In line with this, Branco and Rodrigues (2006) argued that, firms that

operate in accordance with social and ethical criteria, can build a positive reputation, whereas failing to do so can be a source of risk to their reputation. And eventually, a good reputation translates into brand differentiation and competitiveness which respectively occupied the 2nd and 3rd positions of the ranking. The financial aspect was 4th, and one could argue that, financial growth could be achieved if the above stated areas are well managed. Awareness creation was 5th, and risks management ended up at the 6th position. In effect, risks management won its place in this ranking, as Bhattacharya and Sen (2003) pointed out that CSR ''*builds a reservoir of goodwill that firms can draw upon in times of crisis*''.

**4.1.8 CSR affecting the financial strength of the company**

Fig 4.7: Responses on whether CSR affect the financial strength of the company
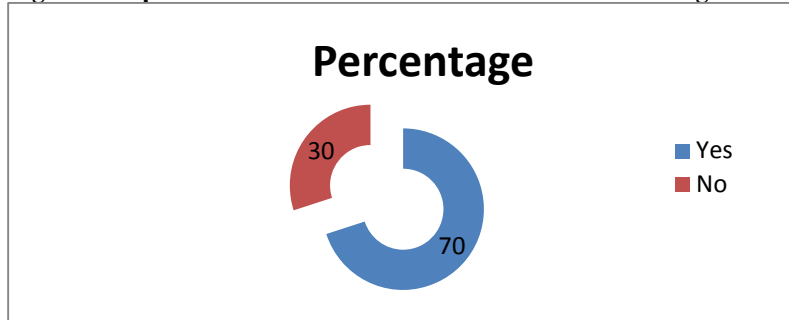
Source: Researcher's Field Survey, June, 2014.

The analysis in *figure 4.7* shows that 70% of the respondents were of the view of CSR affects the financial strength of the company. Only 30% of them disagreed to that.

Fig 4.8: Responses on whether CSR is profitable to the company
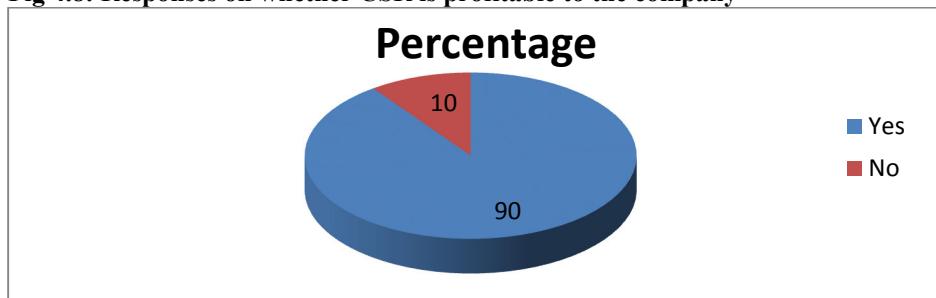
Source: Researcher's Field Survey, June 2014.

Figure 4.8 above depicts that most of the respondents (90%) think CSR is profitable to the company whereas 10% of participants think otherwise. One reason for the latter view can be explained as indeed, a cost analysis would reveal how enormous the budgets organizations allocate to their social responsibility activities are, as compare to the immediate response they get.

Fig 4.9: Responses on whether employees are committed to the CSR activities
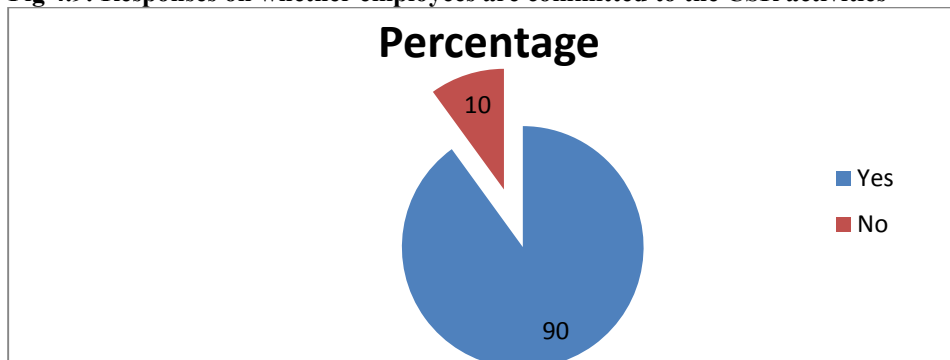
Source: Researcher's Field Survey, June 2014.

Every employee wants to be associated with good deeds, and responses from participants suggest that employees of Vodafone Ghana ltd. are no exception to that. A great 90% of the respondents are therefore of the view that employees of the organization are committed to the CSR activities, whereas 10% do not share this view. Nevertheless, Maignan et al. (1999) suggested that firms that engage in CSR activities are likely to enjoy enhanced levels of employee commitment.

5.0 DISCUSSIONS

The research revealed a good understanding on the concept of CSR by Vodafone Ghana, which depicts how well they have been keeping up with the CSR activities of the organization. It was revealed that the CSR focus of Vodafone Ghana is on, health, safety and education. The company seems not to involve stakeholders before considering new CSR initiative, since there were high rate of no response to some questions which suggests that employees are not always informed about the company's undertakings. Findings also showed that both the community and the company benefitted from CSR; as one receives help and the other wins more customers as the company's CSR projects had influence customers' purchase decision. There were certain challenges in Vodafone's quest to better lives, which can affects CSR continuity. Finally it was revealed that a socially responsible company enjoys committed employees, enhanced image, improved reputation, brand differentiation, and financial growth.

5.1 CONCLUSIONS AND RECOMMENDATIONS

Based on the findings of the study, CSR has a substantial and positive impact on all performance indicators used in the literature review which are: finance, organizational performance overtime, reputation, employee commitment and brand differentiation. Even though there is little attention given to CSR activities in Ghana, however from the literature revealed one of the best ways to achieve this and get additional reward; such as attracting customers, building good image, recording impressive financial performance, and above all ensuring sustainability; is by taking up CSR that satisfy stakeholders needs.

To this end, these recommendations are made,
- Employees should be involved in the CSR activities and the rationale be communicated to them.
- Companies should identify stakeholders' needs before taking CSR initiatives.
- Top management must understand the strategic financial benefits of CSR activities.
- Companies must include CSR initiates in their strategic plans in order to get higher support from top management.
- Companies should appoint someone to champion CSR initiatives within the business.

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