International Journal of Economics and Financial Issues

ISSN: 2146-4138

available at http: www.econjournals.com

International Journal of Economics and Financial Issues, 2019, 9(1), 8-16.

Can Corporate Responsibility Improve Business Financial Performance? A Research Insight

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Received: 23 October 2018 **Accepted:** 24 December 2018 **DOI:** https://doi.org/10.32479/ijefi.7286

ABSTRACT

Social responsibility engagement and business financial performance have received countless authorial observations. While many support the assertion that social responsibility imposes financial strains on the enterprise's incomes, little proof exists to support the claim social responsibility engagement benefits the business. Thus, the study's scrutiny of the proposition has produced an ample and concrete argument for the postulation, having recognised volatility and contentiousness of the corporate/responsibility dichotomy. Focused interviews generate data for analysis through an SPSS Regression technique for findings. The result indicates statistically significant the numerical tests and coefficients, which attest to corporate responsibility (CR) profiting businesses and, therefore, a strong proof that CR prospers enterprises operations. These social values (including social licence, legitimacy and good corporate public standing) when quantified, represent profits for the business. The evidence, therefore, provides a platform for local authorities and corporations' dialogue on the social change agenda for social justice. The research establishes that quantification, in monetary value terms, of non-financial social indicators proves CR flourishes business activities. Thus, this measurement lack, for social licence, legitimacy and company's good image, which constitute colossal corporate profits, and little scholarly work through this approach that social responsibility promotes business financial prosperity, is a significant departure from the traditional, general and unspecific treatment of societal non-financial assets. This is an unexplored, novel and pristine area and deserves a future academic examination.

Keywords: Corporate Responsibility, Social Licence, Legitimacy, Business Financial Performance, Ghana
JEL Classifications: L25, M14, O16

1. INTRODUCTION

Corporate responsibility (CR) or corporate citizenship is a contested construct, and a terrain, which attracts huge authorial attention, delving into such areas as business appropriate roles and place in society and the resulting ramifications for business financial performance. The "old school" view that an enterprise has no business in social agenda except makes profits for its stockholders (Friedman, 1970) perhaps invokes the passion for the ensued age-long debates among scholars. Interestingly, there seem to be no endpoints insight and the bourgeoning and fast mutating character of CR continues to be disputed. The lack of monetary values measurement of host communities' non-financial assets for corporations, namely social licence, legitimacy and company's good image, which constitute colossal corporate profits, and little scholarly work through this technique for the proposition social responsibility promotes or favours business financial performance, is the gap in this field.

In earnest, business active participation in social discourse is gathering momentum and the government's public domain opening for private sector involvement signifies the commencement of an enhanced dialogue for social justice. However, the change waves sweeping across corporate social responsibilities' (CSR) management seems to be oblivious to a great number of companies which are unheedful to the social discourse agenda, betting the scrutiny of whether corporate responsibilities are achievable at great cost to business, or promote and improve business financial performance.

Of course, Shell refusal for oil spillage accountability in Niger Delta contrary to its 2012 Sustainability Report and Monsanto genetically modified seeds provision to farmers in contravention of its 2011 CSR/Sustainability Report sharply contrast with Aaron Feuerstein's donation at functions and paying the workers' salaries for months when he rebuilds the fire-razed factory (Byrnes et al., 1998), while Kellogg Company's provision of technical assistance and direct services to African-American men and boys through the Community Pride Food Stores - offering services and reviving Richmond city and Virginia, and runs top-notch free transports for customers and discounts for communal work participants. Again, the Norwegian-based Norsk Hydro assumption of responsibility, for the well-being of many towns by boosting the local economies via jobs, schools, and housing for the people (May et al., 2007), is an epic gesture and highly laudable.

The foregoing represents the CR interesting and nebulous terrain, which is constantly managed by corporations for selfish profits interests, while others generously pursue good social objectives. This sharp blatant dichotomy observable in unheedful and heedful enterprises makes the corporate responsibilities agenda an inexplicable sphere, leading to abuses by the majority of trans-national conglomerates with increasing business externalities and/or the compounding complications of markets inadequate measurements of corporate operating environments' pollution. This difficulty has led to CR description as an oxymoron because social initiatives have been carelessly managed in stakeholder communities (Devinney, 2009).

The assertion, no studies ever proved that business financial performance improves just by engaging in corporate citizenship (Vilanova et al., 2009) can be misconstrued that social accountability endeavours are without business benefits. However, enterprise requirement of the 'social licence' as legitimacy and acceptance indicator, which when quantified in monetary terms, represents huge income source to business, is empirically proven (interview with David Johnson, Stakeholder Relations, West Africa, GFGL, on 26th August 2016). It is believed that quantification in financial value terms, social licence, legitimacy, and acceptance can produce an imaginable financial windfall for businesses. The proposition that legitimacy and social good image of a business, when translated into financial terms, could represent a substantial monetary value for corporate entities dismisses the claim that CR reduces corporate profits and other financial assets.

The paper believes the recent private sector's enhanced activities in the previously excluded public domain is an indication of business readiness and willingness to dialogue with public authority for the social change agenda. Thus, from a public perspective, CR is gradually becoming a framework to ensure public interests, restructure procedures by which enterprises demonstrate good citizenship vis-à-vis commitments to stakeholder constituencies. In view of the foregoing, the following queries such as 'Are the goals of social responsibilities of business being achieved?' and 'Has corporate engagement in stakeholder community development initiatives improved business financial performance and/or outlook?' deserve scrutiny.

Meanwhile, the overarching aim is to explain that corporate responsibility in the business governance agenda signifies a substantial capital for the enterprise and, therefore, validates a postulation which includes robust reputational and financial gains (Lee et al., 2013). Specifically, an argument is advanced to support the assertion corporate objectives and social responsibilities are in a constant flux yet benefit business and host communities, and that compliance with social commitments improves business monetary values and profits.

In a nutshell, corporate citizenship is loosely deployed to include those initiatives that are undertaken by business in host communities to improve lives and build sustainable corporate operating environments and reduce enterprise externalities as a way of addressing the complex complications of markets inadequate measurements of business environmental pollution, while corporate governance denotes business general administration via the corporations control systems for achieving organisational objectives.

2. EXPLORATION AND REVIEW OF THE LITERATURE

2.1. Institutional Theory

From institutional theory perspectives, corporate citizenship is considered a governance system, which acknowledges stakeholder constituencies and their vast interests. In this context, Carroll (1999) references CR as obligatory tasks through legal compliance or societal expectation, yet some scholarly articles highlight its benevolence character. Vogel (2006) describes those strategies of organisations which seek a conducive working atmosphere for workers, advance the concerns of communities and that which benefits business as constituting social responsibility. This view agrees with the agency theory and likens the explanation of business characteristics in management research (Garriga and Melé, 2004) to disincentivise business ethics (Fourcade and Khurana, 2013). Unfortunately, charity and/or benevolent character of CR even receives scholarly praiseworthy in prominent policy papers of leading business groups (Kinderman, 2012) including some public policy institutions as the Employment Green Paper (2001) defining the construct as an enterprise voluntary commitment that seeks stakeholder needs.

Nonetheless, the theory seeks to place social responsibility clearly within a broader field of state-influenced regulation, which reduces a business-centered approach; a mechanism considered, however, as inconclusive (Orlitzky and Swanson, 2008). The theory also frowns on the notion that corporations embrace social responsibilities to increase financial performance and concludes such a reasoning or logic lacks grounds because it makes blurred the construct understanding and undermines enterprises motivation for engaging in social responsibilities. Corporate responsibility is, therefore, considered as an activity which should be upheld to demystify the long-standing construct perception as business benevolence, making social undertakings and initiatives mythical for some unheedful corporations.

Furthermore, great differences exist globally among regions and countries in construct understanding and, being mostly Global North countries' concept before spreading wild to Global South economies, it de-emphasises parochial business value and profit maximisation proposition. To employ efficiency and profit maximisation logic in explaining corporate entities engaging in interventions in host communities does not carry weight because evidence suggests that most Japanese and European enterprises do not embrace the concept, yet they are successful and break-even in the marketplace (Matten and Moon, 2008).

However, most enterprises rather become apprehensive of social accountabilities (Banerjee, 2000) and encourage observable irresponsibility in corporate operations, where unfair environmental practices (Jermier et al., 2006) reduce the emphasis on policy-backed responsibilities (Crouch, 2004). This development demonstrates that enterprises represent an entity important than just self-centred and parochially profit-driven and rent-seeking agents in society, and therefore, entails that though complying with social responsibilities promotes business financial performance, using this rationality as the foundation for understanding the construct is flawed.

The theory also views corporate bodies as a political creation with initial "limited liability" to operate and pursue stakeholder goals and values but gradually expand beyond limits (Roy, 1999), making corporate authority an issue of employment, consumption, environmental quality, and social equality (Parkinson, 2003). Thus, corporate entities are seen penetrating cultures, prompting understandings and practices surrounding such enterprises as the McDonalds, the Starbucks' (Ritzer and Jurgenson, 2010), and the Disney's in the sphere of consumption (Bryman, 1999) and the immediate gender consideration (Orenstein, 2011).

More so, the theory considers corporate enterprises as having linked political power via informal rules to establish legitimacy (North, 1990), while situating social responsibility in business management firmly to reinforce its importance to corporations. This, therefore, confirms that CSR is a reality and constitutes a business key component with enormous gains for wealth creation, growth, and development. Meanwhile, the so-called dimension of capitalism and multi-stakeholder involvement are coordination issues, exhibiting themselves in different economic systems and markets of Western and European countries, while the institutional distinction is linked to different engagements (Rupp et al., 2006).

It is, however, surprising to note that organisational theorists since the 1960s theorise CR and other environmental considerations on corporations or organisations but not the business' on the environments. The time is, therefore, now for organisational theorists to integrate such efforts and energies in unearthing how business organisations are also altering the natural environment while creating their own environments and other sectors which receives little attention from corporate entities.

Some authors indicated that research in managing the global operations of trans-national conglomerates has been adaptive (Westney and Zaheer, 2001; Geppert et al., 2006). Thus, an interdisciplinary theory that explains business vis-à-vis society should be developed through institutional theory for better understanding. The institutional theory, however, attempts to clarify this phenomenon from a two-pronged approach, namely, institutional dynamics and institutional diversity.

Indeed, particular behaviours can be institutionalised and any deviation(s) attracts sanctions (Streeck and Thelen, 2005), implying a reference to formal institutions. This explains the general view of regulative and normative institutions, cognitive dimensions, and clarifies different ways of institutional identity and dissimilar scopes (Scott, 1995). Moreover, the foundations explain the reasons underlying institutions as consequences of history and rules (Thelen, 1999). Therefore, to simply fathom a particular institution just by considering its present economic purpose is inconclusive. Thus, institutions take their roots from history because, mostly, they are products of conflicts, controversies, and compromises. Indeed, institutions once established exhibit own characteristics and often sediment power relationships by defining rights and responsibilities, and invariably influence social actors for durability (Jackson and Apostolakou, 2010).

Additionally, understanding business accountability as an enterprise charity serves to subordinate it to stockholders and explains the institutional dimension and practices as observed in some developed countries. In international management, responsibility and other governance practices are fused and, therefore, generated debates among scholars on different layers of the construct that are observed in countries. In this regard, corporate management practices are limited and confined to other economies. A study suggests, in general terms, that CSR and institutionalised social cohesion cannot be used for each other (Jackson and Apostolakou, 2010). Nonetheless, a counter-critique of this view may be valid and thus, somehow posits, among others, that institutions can empower stakeholders to put corporate establishments under tremendous pressures to adopt and execute social programmes as the basis for the legitimacy of corporate activities (Aguilera et al., 2007; Campbell, 2007).

For instance, an empowered labour union may use its entrenched power to pressurise enterprises to better and improve standards throughout the organisation and approve initiatives of general acceptability. Measurement indicators are biased toward explicit CSR and this bias is reflected in corporate disclosures (Vitols and Kluge, 2011), while implicit CSR indicators can be blurred and interpreted as such. Consequently, as social indicators reflect outcomes in an insufficient and uncomparable manner, to explain whether the classification provides equivalent results and also agree with favourable consequences is difficult. The above-mentioned institutional environments scrutinise how national institutions are linked with capitalism-influenced CSR, while noting, for instance, that the construct is US' invention (Kang and Moon, 2011).

Through complementarity rules, the explanation is made of how institutions impact CSR on similarity logic of contrast. This theoretical perspective goes to generalise shareholder-influenced CSR (Kinderman, 2012; Brammer et al., 2012). Arguments for relative cases of controlled market economies and stakeholder-driven governance practised in Germany and France as compared to South Korean state-led market economies support different CSR governance systems.

It is further observed that other characteristics also engender social development while considering an implicit form of CSR as an instrument of solidarity to influence the construct, after all, which interrelation indicates a shift in governance institutions (suggestive of countries moving toward shareholder-oriented governance) and makes enterprises adopt the Anglo-American CSR type. For instance, Germany adopts the explicit and business-driven CSR, which is a more mandatory approach to social standards and leads to heated discussions with unions (Brammer et al., 2012). The spread of an Anglo-American construct among diverse societies is an indication of institutional innovation which forever will mutate to produce its kinds.

This thinking, in part, supports the position that managers embrace CSR based on institutional contexts (Witt and Redding, 2011). The analysis for five countries confirm dissimilar CSR agenda and proposes other concept variants. In fact, the significant varieties that exist show stakeholder-oriented and production-oriented types practised in many countries. This distinction, therefore, demonstrates CSR diversity and indicates different stakeholders and countries, where employees' role in organisations in Japan considered important is contrasted with less important employees' duties in state/society CSR as practised in South Korea. Furthermore, two innovations in CSR are introduced, which include static and welfare systems (Koos, 2012).

Thus, the institutional influence is realised at a multi-layer level and permits harmony among institutions, including shaping the CR agenda, suggesting patterns of private enterprises' public engagement, and treating differences in practices (Koos, 2012).

2.2. CR Construct

CR is an evolving concept and poses universal definitional headaches. Many definitions have arisen yet Carroll's (1979) is widely used and referenced in many publications on CSR discourse. The landmark book, "Social Responsibilities for Businessman" arguably begins the modern literature on CSR (Bowen, 1953), indicating that no businesswoman existed or acknowledged in formal writings. Bowen believes that corporate objectives pursuance necessarily affects people's lives, society, and communities, and as such a business must plan for those needs, values, and aspirations. This early definition undoubtedly provides a pathway for contemporary definitions and makes Bowen famous in establishing corporate power and responsibility harmony. This view that the enterprise spans a breadth of markets, conducts research, develops the test, and manufactures eclectic products and services, and its presence, growth fluctuations, and practices affects many people and communities supports the claim that business must embrace CSR with a view to compensating the external stakeholder constituencies.

Rahman (2011) observes that CR decisions transcend primary economic or technical goals while recognising the construct's fluidity and proposes handling it in a managerial context. It is claimed that the responsibility agenda predicate on long-term commercial benefits for the firm (p. 70) and contribute to establishing corporate governance and/or management and accountability nexus.

Heald (1970) argues that CR must be demonstrated in real policy frameworks. By this, a reference is made to community-oriented programmes and business executives who are predominantly pre-occupied with corporate philanthropy and community relations. Johnson (1971), however, defines a socially responsible enterprise as those that declare huge profits and satisfy employees and other stakeholder's needs and stresses that business social obligation is the pursuance of socio-economic goals through elaborate practices approved and implemented by the business.

Moreover, the committee for economic development (CED) opines that business establishment is granted by public authority and its purpose is social values and needs protection. CED further indicates that the social agreement is undergoing a crucial transformation and enterprises are expected to take charge of social responsibilities and to serve wide-ranging human values. In its roles, business should contribute substantially to improve social living standards and satisfy public expectations.

Further, CSR is considered as a business desire to act in an ethical manner and contributes its quota to society, improves living standards of workforce and families, and ensures sustainable communities. Similarly, Australian Parliamentary Joint Committee on Corporations examines CSR from the following standpoints; (a) considering and managing companies' social and environmental impacts; (b) pursuing and creating opportunities and (c) "enlightened self-interest" approach to normalising stakeholder interests in corporate governance.

To delineate the corporate citizenship boundaries, Carroll (1991) establishes a four-pronged CSR principle, which includes economic, legal, ethical and philanthropic obligations. The economic responsibilities relate to a business productive capacity for goods and services, creating job opportunities and ensuring optimal wages. To achieve these value creation objectives, other resources, including technology are deployed. As the beneficiary of production proceeds, a business must fulfill its tax obligations for developing the infrastructure of the incorporated country. Therefore, business economic responsibility is about delivering products and be profitable. Indeed, seven economic activities are delineated, which include, satisfying customers with real value commodities; earning profits for investors; creating new wealth; promoting social values (as their wages rise) through new jobs; defeating envy, treat people equitably and improving lives; promoting innovation; and avoiding exploitation of the majority poor and underprivileged (Novak, 1996).

It is necessary that business laws are passed to regulate corporate behaviour since corporations are perceived to act unlawfully - hence, the basis for legal responsibility. However, laws have limited scope and cover only what is known and about to happen, since human actions determine the present circumstance of the law, and by mere provision of a legal minimum for business conduct (which are reactive, instructing direction to do things) is inadequate.

Again, ethical responsibilities are moral rights of people which are exercised (Smith and Quelch, 1993) and include social norms, institutions, and decisions, either expected (positive) or prohibited (negative) in society, although not written laws (Carroll and Shabana, 2010). These injunctions, therefore, constitute business ethical obligations in stakeholder communities. Nowadays, society disregards productivity as moral justification for business wealth generation, but non-economic effects on society, which includes employee and customer welfare system, stakeholders and business operating environments.

Discretionary obligations are voluntary services that compensate the people and societies because corporations operate in communities and their activities impact social values. Businesses are considered good citizens not by economic performance but social contributions that lift the poor from poverty and squalor. The contract of engagement is changing…and business must serve wide-ranging social needs (Chewning et al., 1990).

That corporate decision-making negatively affects communities and lives supports an implied corporate/social contract - a position strongly conceived by theorists, which spells out business social expectations and specific business decision-makers' responsibilities (Beuachamp and Bowie, 1983) because it has links with people's welfare and better living standards.

It further posits that social progress should weigh equal in balance with enterprise's economic progress, and as a social institution, corporations must join hands and build structures amongst which are the family, the educational system to improve living conditions (Chewning et al., 1990). The modern corporate world is characterised by professional managers whose decisions impact communities (Miller, 1993) while exploiting societal resources to enrich corporate industrial objectives.

A growing consensus, therefore, suggests that business must assist in solving corporate externalities since enterprise taxes alone are insufficient (Jamal and Bowie, 1995) to ameliorate appalling environmental pollution. Indeed, business possesses massive economic resources including know-how and financial power (Lippke, 1996) to develop host communities if so wishes.

3. METHOD

This projects the scientific assumptions and strategies in the paper, situating the study among the existing research traditions. **S**pecifically**,** focused interviews technique relevant for field data gathering is executed and a questionnaire designed, which is personally served to research audience. The study deploys a Regression method of data analysis. The research data is obtained from the online information systems of global reach as the foundation for primary information gathering and without which the empirical data collation is difficult. The investigation conducted interviews for thirty representatives of three mining trans-national conglomerates selected. The population from which individual management is selected represents the enterprises.

These individuals include David Johnson, Stakeholder Relations, West Africa and his two deputies responsible for Corporate Affairs plus other departmental heads (Goldfields Ghana); the Corporate Affairs head including other senior management manning Security, Environment and Human Resource (Asanko Gold Ghana); and the President and his Vice plus other departmental heads managing Environment, Human Resource and Security portfolios (Golden Star Resources).

However, the investigation goes an extra mile to gather individual data, from the community opinion leaders, representatives of community-based environmental institutions, plus non-governmental actors in mining exploration and development, aimed at authenticating and cross-referencing the company data obtained.

The focused/semi-structured interview technique is deployed to gather field data because it enables thorough scrutiny of information and also encourages the investigation to interview details and processes. The on-site interviews also make the investigation to scrutinise the objects under study for an in-depth understanding. Meanwhile, an enterprise data is obtained from 30 management staff representing the mining multi-national enterprises. Information on the impacts of mining is vigorously elicited, pursued and recorded. This information aims to discover enterprises' management understanding for ramifications of their prospecting activities and the safeguards and/or strategies adopted to curb these challenges. Information on community-support and future considerations are also pursued. The investigation used prepared questions which were subsequently altered for dynamism and nature of responses by the respondents.

To validate and cross-examine the business data, the investigation interviewed fifty key participants. Though the individual information is merely aimed at cross-referencing the corporate data, it also legitimises data collation process and empowers the investigation to identify misleading responses for reconciliation.

This method of data gathering gives freedom to the investigation to decide the manner and sequence of questions in the interviews process, and the decisions to explore reasons and motive aimed at confining issues the respondents are familiar with. In general, therefore, this method is deployed in proposition design to constitute unstructured interviews. Indeed, this method benefits the investigation by allowing a complete data gathering with much precision for questionnaire design, leading to increased credibility for findings.

Again, the personal involvement and/or contact with the respondents increases response rates and, more so, allows the investigation to have more order and flow of questions. It also helps the investigation to introduce necessary modifications in the scheduled interviews based on initial results, which is not possible in the case of only a survey study without early interviews. Further, the interviews method offers the investigation expansive data discovery which is perhaps difficult using only a questionnaire or participant observation (Blaxter, Hughes, and Tight, 2006). It also allows the research to generate real-life and authenticated data that stand the taste of time. Besides, this method in objectives setting is important (Hamel et al., 1993; Yin, 1994) underscoring its use in this research.

This technique deployment in data gathering has some few shortcomings. These are biases resulting from fatigue in dealing with large participants and the investigation becoming very much involved with the interviewees. Data generated from qualitative interviews is huge and overwhelmingly voluminous (Neuman and Robson, 2007), and an hour interview may produce gigantic data which can take several pages and many hours or days to transcribe (Dörnyei, 2007). Challenges of potential bias in generating information via interviews exist, yet it is used for small-scale researches.

The study employs the Regression technique because it derives predictors and unknown variables for the predictions. The deployment of this procedure, as an SPSS statistical package, stems from its measure for cause and effect within and among variables. Meanwhile, as a statistical prediction tool, predicting variables, given the other when those variables are interrelated, it shows a mathematical average measurement of variables' relationships and as such includes a measure deployed in an unknown variable prediction. It estimates dependent variables from independent ones and also shows the error involved in estimations. More so, it helps in identifying the correlation, and an actual relationship enables the value estimation for which it is valid. The variables' relationships are the same until the calculations are made. While the dependent variable assumes any value taken at random, independent ones are fixed.

In a regression calculation, one dependent measure is selected but many autonomous variables are considered. Research indicates that a regression analysis only gives confidence levels to the investigation that the predictions are okay except proving the claim.

4. EMPIRICAL RESULTS

4.1. Quality Criteria for Measures

The demographic variables indicate participants' stratification (as male and female) and their agreement percentages with specific questions. Male constitutes 42.5% (n = 17) and female 57.5% (n = 23) of the whole population (40). Participants' age groups include 41–50 (n = 37, 92.5%) and 51–60 (n = 3, 7.5%), while 72.5% (n = 29) and 27.5% (n = 11) are married and unmarried respectively. 45.0% (n = 18) obtain Bachelor degree, 42.5% (n = 17) acquire Master degree, and 12.5% (n = 5) have Postgraduate degree. The respondents' professional positions are Branch Manager (45.5%, n = 18) and President, Corporate affairs (55.0%, n = 22). They work from between 1-10 and 11-20 years, representing 55.0% (n = 22) and 45.0% (n = 18) respectively. Mining services participants represent 17.5% (n = 7) and 82.5% (n = 33) is mining multi-national enterprises (Table 1).

The R column variable, where r = 0.793[a], demonstrates strong variables relationships between predictors and the outcome. Similarly, the R^2 (0.629) determines the variance outcome and statistical significance. It, therefore, indicates the model predictor can predict the outcomes (Table 2). The overall standard error coefficient (0.30060) shows insignificant value, meaning that the variables are within preferred regression limits.

The variance analysis, also called ANOVA table, describes the variability (inconsistency) among measures (Table 3). The Source column includes Regression, Residual and Total, where the corresponding values (22.088 and 13.012) denote response variance variability. Thus, the ANOVA determines the model variables predictive capability. The $P < 0.001$ indicates statistical significance and, therefore, makes the model a suitable predictor of the event, where $F(3, 36) = 20.371$, $P < 0.001$.

5. DISCUSSION

The study's objective is to provide evidence favouring the proposition CR promotes business financial prosperity. In specific terms, it is to argue that corporate objectives are achieved when business attends to social needs while validating the claim quantification of societal non-financial assets, including social licence and legitimacy improves corporate monetary value and performance. The subsequent discussion is to advance these objectives through the statistical findings.

Table 4 includes p-values of each term, statistical tests, and coefficients. Statistically significant p-values suggest that a predictor shows prominence and needs to be reported on since predictors' variables affect response variables. Therefore, the coefficients (0.582, −0.741 and −0.659) specify statistical significance (0.001 × 3), meaning the constructs are monotonically

Table 1: Descriptive analysis of demographic variables

Characteristics	Sub level	Frequency (%)
Gender	Male	17 (42.5)
	Female	23 (57.5)
Age	41–50	37 (92.5)
	51–60	3 (7.5)
Marital status	Married	29 (72.5)
	Single	11 (27.5)
Education	University	18 (45.0)
	Graduate school	17 (42.5)
	Post graduate school	5 (12.5)
Position	Branch manager	18 (45.0)
	President corporate affairs	22 (55.0)
Period of Work	1-10	22 (55.0)
	11-20	18 (45.0)
Business ID	Mining	33 (82.5)
	Mining services	7 (17.5)

Table 2: Model summary

Model	R	R^2	Adjusted R^2	Standard error of the estimate
1	0.793[a]	0.629	0.598	0.60120

[a]Predictors: (Constant), Board diversity ensures effective CG for CSR, Decoupling CSR from corporate affairs attracts and improves corporate attention, CG equals accountability to stakeholders

related. More so, the t-values (4.299, −3.455, and −3.368), show the little variability of model variables, suggesting the constructs share associations. Further, the error coefficients (0.135, 0.215 and 0.196), which are an average distant line, display insignificant measures, indicating the measures are closely related.

More importantly, the constant's value (4.859) implies that the model takes a mathematical value of 4.859, giving the independent predators. Therefore, a unit change of the constant (4.859) results in this measure (0.582) of change in 'CG equals accountability to stakeholders'. Further, one unit change of the model's constant (4.859) changes the measures (−0.741 and −0.659) and confirms 'Decoupling CSR from corporate affairs attracts and improves corporate attention' and 'Board diversity ensures effective CG for CSR' validity respectively.

The foregoing results vehemently support the claim that corporate responsibilities and business objectives, though in constant flux, are intertwined and incentivise common goals. This argument that corporate responsibilities seek to promote and improve business financial performance and prosperity through social legitimacy and consumer confidence is validated.

The proposition that corporate responsibilities encourage an enhanced business value creation and prosperity cannot, however, be under-estimated. This is because the monetary value quantification for a social licence, legitimacy, and upright corporate image represents a gargantuan income stream for the business, and thus undertaking commitment initiatives in stakeholder communities for livelihoods improvement is necessary and as a compensation. Therefore, the assertion that social responsibility reduces business financial performance and prosperity (Vilanova et al., 2009) is outdated and obsolete, which represents a myopic and unenlightened view of business activities valuation calculus.

Table 3: ANOVA[a]

Model	Sum of squares	df	Mean square	F	Sig.
1					
Regression	22.088	3	7.363	20.371	0.000[b]
Residual	13.012	36	0.361		
Total	35.100	39			

[a]Dependent variable: CSR and business are related and complementary.
[b]Predictors: (Constant), Board diversity ensures effective CG for CSR, Decoupling CSR from corporate affairs attracts and improves corporate attention, CG equals accountability to stakeholders

The realisation, by some few trans-national conglomerates that embracing social responsibilities is business prosperity, enables them to execute stakeholder community development programmes to improve relations rather than animosity, which corroborates Barnett's (2007) assertion that increased profits and rent-seeking do not serve the business interest, since increased financial performance might be perceived as less social good, resulting in rising profits to favour investors and upper management, and may incentivise cynicism and violence from local populations.

The paper's findings are critically important to policy-makers and local authority because the compounding complications of markets inadequate measurements of business externalities are unresolved and, quantifying, in monetary terms, business non-financials would help resolve the perennial challenge of corporate production cost externalisation, including pollution of business operating environments, since it is known corporations also get monetary benefits from the stakeholder communities and not only the former being charitable and/or benevolent to the latter.

The paper could not agree more with the proposition that CSRs incentivise business profits, value creation, and improved financial performance, making corporate citizenship an attractive arena for business grasp with sincerity.

6. CONCLUSION

The bourgeoning and fast mutating character of CR place business directly in public domain and it is required to actively participate in social change dialogue with the local authority to shape ways through which corporations can contribute meaningfully to their operating environments improvement. Providing basic amenities, welfare packages and/or other development initiatives in host communities is welcomed wholeheartedly by some heedful and notable enterprises. For instance, the Norwegian-based Norsk Hydro assumption of responsibility for the well-being of many towns by boosting livelihoods via jobs, schools, and housing for the people (May et al., 2007) and Kellogg Company's provision of technical assistance and direct services to African-American men and boys through the Community Pride Food Stores - offering services and reviving Richmond city and Virginia, and runs top-notch free transports for customers without cars, and discounts for communal work participants are encouraging.

Table 4: Regression coefficients[a]

Coefficients[a]					
Model	Unstandardized coefficients		Standardized coefficients	t	Sig.
	B	Standard error	Beta		
1					
Constant	4.859	1.156		4.202	0.000
CG equals accountability to stakeholders	0.582	0.135	0.497	4.299	0.000
Decoupling CSR from corporate affairs attracts and improves corporate attention	−0.741	0.215	−0.394	−3.455	0.001
Board diversity ensures effective CG for CSR	−0.659	0.196	−0.348	−3.368	0.002

[a]Dependent variable: CSR and business are related and complementary. [b]Predictors: (Constant), CG equals accountability to stakeholders, decoupling CSR from corporate affairs attracts and improves corporate attention, Board diversity ensures effective CG for CSR

By the statistical results, the paper finds that business engagement in social undertakings correlates with financial benefits which include corporate societal approval, legitimacy, consumer confidence, and good social standing. The measurement of these values gives an unimaginable windfall to corporations, which unfortunately is not realised because of methodological and quantification challenges. It is, therefore, hoped that business in conjunction with local authorities and the stakeholder constituencies engage in ways to formalise appropriate measurement criteria for social non-financial values.

Indeed, as business utilises local resources for profits, its participation in building economically viable stakeholder communities (Crane, 2008) is highly expected. Employing stakeholder governance model, an enterprise prospers and becomes more successful by maintaining a continuous development-linked association with its host-constituent communities (Barnett and Salomon, 2012). The foregoing instances validate the finding, social responsibility thrives business financial prosperity.

That devoting part of business proceeds for community improvement efforts improves business financial performance is not an understatement, and cannot, however, be over-emphasised. Thus, the quantification, in monetary values, of the corporation's non-financial benefits namely social licence, legitimacy and company's good image constitute colossal corporate profits. In this view, corporate accountability has become a pre-condition for business success, which invariably heightens stockholders' importance (Epstein et al., 2015). It is, therefore, misleading to consider corporate responsibilities burdensome for business financial resources (Friedman, 1970), and the apparent evidence lack to support the position CR improves companies' financial performance (Vilanova et al., 2009) implies that enterprises do not benefit from embracing social responsibilities. Meanwhile, a body of studies reveals that CR and business financial performance share harmony and, therefore, makes the business beneficiary of stakeholder initiatives implementation (Walsh et al., 2003; Orlitzky et al., 2003).

The statistical result that "CSR and business are related and complementary" suggest a strong authentication for the proposition corporate responsibilities help not only stakeholder communities via development programmes but also business through the grant of a social licence, legitimacy, and good corporate public standing. All this, when quantified, represents profits for the business. The finding's practical implication agrees with Tschopp and Nastanski's (2014) perception of little measurement information availability and indicators' non-financial, while standards absence prevalence (Tschopp and Nastanski, 2014) has made it difficult for quantification of business benefits from the stakeholder communities.

The novel expose of an empirical foundation for the proposition that social licence, legitimacy and good public enterprise outlook obtainable from CR are major incomes sources for companies makes this new field a future academic research point and to establish a proper understanding of how valuable these social non-quantified parameters are for the business.

7. ACKNOWLEDGMENT

My gratitude goes to David Johnson, Stakeholder Relations and his two deputies responsible for Corporate Affairs (Goldfields Ghana); Adelaide Boye (Mrs.), Corporate Administration Manager, African Mining Services, Accra Office; Corporate Affairs of Asanko Gold Ghana; and the President, and his Vice, of Golden Star Resources Ghana for interviews and survey data gathering. I am also indebted to my beautiful daughter, Caitlyn Edudzi Mic-Kumaza, for being an inspiration on this long and difficult journey. I recall times that my leaving Ghana back for school (in China) makes you cry. To all whose names did not appear, I say a big thank you. To God Be the Glory.

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