

**EXAMINING GUINNESS BREWERIES' CORPORATE
SOCIAL RESPONSIBILITY ACTIVITY IN LESS
DEVELOPED COUNTRIES (LDCS)- A CASE OF GHANA**

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Abstract

Corporate social responsibility is important and fundamental to the sustainable operations of Multinational Corporations (MNCs) operating in developing economy contexts. This research examines the corporate social responsibility activities of Guinness Ghana Breweries limited (GGBL). This study adopted a single case study design. Data for this study was obtained through an in-depth interview with some key informants of the company as well as documentary evidence. Findings from the study indicates that GGBL basically engages in community development programmes (provision of clean drinking water; building of schools and hospitals), sports, health, education and the environment as a way of contributing their quota to the development of the communities in which they operate. The study further revealed CSR activities of GGBL centres around fulfilling their ethical responsibility than any other requirement proposed by Carrol. The study contributes to the scarce literature on MNCs CSR activities from developing country context.

Key words: Multinational Corporations, Corporate Social Responsibility, Guinness, Ghana, LDCs

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Introduction

Corporate social responsibility (CSR) of Multinational Corporations (MNCs) in LDCs like Ghana has received significant attention in recent years. CSR understood as actions a company takes that are not legally mandated but are intended to have a positive impact on stakeholders, broadly construed is challenged by the changing shape of the contemporary multinational corporation. Guinness Ghana Brewery Limited (GGBL) has in recent times received multiple awards for its community oriented CSR initiatives in Ghana. These include Second Best Company in CSR at the prestigious Ghana Club 100 awards and recognition of its Water of Life programme at the Ghana CSR Diary and Awards both 2012. Guinness Ghana Brewery Limited (GGBL) was first incorporated in 1960 as Guinness Ghana Limited (GGL) and initially imported Guinness Foreign Extra Stout. Its product range was expanded in the 1980's with Malta Guinness. In December 2004, GGL acquired 99.7 % of the shares in GBL. The two operations were joined in the new entity "Guinness Ghana Breweries Limited" (GGBL). Heineken currently owns 20% of the shares in GGBL, However, The majority of the GGBL shares are held by Diageo, the company that previously owned GGL.

Despite the growing interest in CSR by Multinational Corporations' philanthropic activities within the LDCs, it still leaves much more to be desired as inhabitants feel these firms are not doing enough to better their conditions. For the past three decades, business has been undergoing the most intense scrutiny it has ever received from the public. As a result of the many allegations being levelled at it; that it has little concern for the customer, cares nothing about the deteriorating social order, has no concept of acceptable ethical behaviour and is indifferent to the problems of minorities and the environment; concerns continue to be expressed as to what responsibilities business has to society (Nae and Grigore, 2008). This study therefore aims at finding out to what extent CSR activities of MNCs in Ghana have been helpful in alleviating poverty in communities they operate.

A review of literature in Africa and for that matter Ghana in relation to the CSR activities of MNCs tends to be rather parsimonious. Available literatures on the activities of the Multinational Corporations (MNCs) are heavily present in areas such as mining and petrochemicals. A study by Ite (2004) focused on CSR activities of Shell and their impacts on the Ogoni people in Nigeria. Eweje (2007) critically examined the CSR initiatives of multinational oil companies' (MOCs) in Nigeria; Jallow (2009) investigated the CSR activities of Nestle in Africa in terms of its contribution to developing the continent. In Ghana, aside CSR studies on corporate governance (Abor, 2007); CSR activities of leading

firms in Ghana (Hinson and Ofori, 2007); the need to curb the negative effects of dumping e-waste in Ghana (Ndzibah and Agboveh, 2008). There appear however to be little or no available CSR studies on Multinational Corporations in Ghana. This current study is positioned to fill this research gap by looking at the activities of Guinness Ghana Brewery Limited.

The study seeks to investigate the following objectives

1. To ascertain the impact of CSR initiatives practiced by Guinness Ghana limited
2. To understand the motivation for CSR activities of multinational firms operating in Ghana

Literature Review

Definition of CSR

The organization, Business for Social Responsibility (BSR) defines CSR as “operating a business in a manner that meets or exceeds the ethical, legal, commercial, and public expectations that society has of business.” This broad definition encompasses business decision-making related to “ethical values, legal requirements, as well as respect for people, communities, and the environment” (BSR, 2005). The Green paper of the European Commission (EU, 2002) defined CSR as “a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis”. “CSR means open and transparent business practices that are based on ethical values and respect for employees, communities and the environment. It is designed to deliver sustainable value to society at large, as well as to shareholders” (IBLF, 2005).

According to Carroll (1999), CSR implies that “corporations have an obligation to constituent groups in society other than shareholders and beyond that prescribed by law and union contract”. Warhurst et al. (2000) define CSR as “internalisation by the company of the social and environmental effects of its operations through pro-active pollution prevention and social impact assessment so that harm is anticipated and avoided and benefits are optimised”.

The World Business Council for Sustainable Development (WBCSD, 1998) defines CSR as “a continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large”. The definition by the WBCSD shows that businesses are beginning to see the concept of CSR as important aspect of their business

philosophy. This is further shown by Murphy (1995), who argues that many companies “have issued or revised their firm’s ethical posture ... and more serious attention now seems to be devoted to ethical decision making”.

Some other researchers define CSR in respect to the general community or society. For example, Brown and Dacin (1997) define CSR as the organisation’s status and activities in respect to its perceived societal obligations. Similarly, Kotler and Lee (2005) view CSR as a commitment to improve community’s development through discretionary business practices and contributions of corporate resources. Other researchers (Maignan and Ferrell, 2004; Smith (2003) restrict their audience for CSR to corporate stakeholders, including affected local communities and they incorporated stakeholder theory to suggest that CSR designates the duty of an organization to meet or exceed the norms of diverse stakeholders, which then dictates desirable organizational behaviours. There is however, substantial agreement that CSR is concerned with societal obligations, although the nature and scope of these obligations is not certain (Smith, 2003). Previous studies on CSR have not yielded an encompassing view that enables examination of various social responsibility initiatives (Maignan & Ferrell, 2004).

Conceptualising the CSR Model

Despite the rising increase in CSR investigations, no single conceptualization of CSR has dominated past research, either in the fields of marketing or management (Maignan & Ferrell, 2004). One of the best known CSR models is Carroll’s (1991) CSR pyramid with company responsibilities comprising economic, legal, ethical and philanthropic. Thus a business is expected to be profitable, obey the law, be ethical and be a good corporate citizen (Carroll, 1991). These four categories of corporate social responsibilities can be depicted as a pyramid, in which economic responsibilities are the foundations on which all other responsibilities are predicated and without which they cannot be achieved.

Notwithstanding, companies are expected to fulfil these four social responsibilities simultaneously. An important consideration regarding this perspective is that, contrary to the common belief that economic responsibility is related to what the companies do for themselves, and the other responsibilities are related to what they do for others, “economic viability is something business does for society as well.” (Carroll, 1999, p. 284)

An important and recent addition to the discussion of Carroll’s model was offered by Carroll himself in Schwartz and Carroll (2003). Carroll’s model was later extended and modified by Wartick and Cochran (1985) and Wood (1991). Wartick and Cochran (1985) presented a

“Corporate Social Performance Model” which also integrates three areas: the principles of CSR (using Carroll’s four categories of social responsibilities as “principles”); the processes of corporate social responsiveness (reactive, defensive, accommodative, and proactive); and the policies developed to address social issues (social issues management) (Branco and Rodrigues, 2007).

Classification of CSR Initiatives

The lack of definitive categories of initiatives has meant that no comparison of the effectiveness of different CSR initiatives appears to have been conducted. However, two categories of CSR initiatives have emerged, one developed by KLD Research, and the other by Kotler and Lee (2005). Kotler and Lee (2005) developed a taxonomy of six CSR initiatives. These initiatives are some of the major activities undertaken by organisations in support of social causes in order to fulfil CSR commitments and include cause promotions, cause marketing, corporate social marketing, corporate philanthropy, community volunteering and socially responsible business practices. Cause promotion refers to a company providing fund and other contributions or resources to increase concern about a social cause or to support fundraising for a cause. Cause marketing refers to a company donating a percentage of revenue based on product sales for a specific time to a specific cause (Gourville & Rangan, 2004; Kotler & Lee, 2005). Corporate social marketing is defined as a company’s support of a behaviour change campaign intended to improve public health, safety, the environment or community wellbeing. Corporate philanthropy on the other hand occurs when a company makes a direct contribution to a charity or cause, most often in the form of cash grants, donations or in-kind services. Community volunteering refers to a company’s support and encouragement of employees, retail partners and/or franchise members to volunteer their time to support local community organizations and causes. Socially responsible business practices cover a company’s support and conduct of discretionary business practices and investments that support social causes to improve community well-being and protect the environment (Kotler & Lee, 2005).

CSR activities of MNCs in Less Developed Countries (LDCs)

A multinational corporation (MNC) or transnational corporation (TNC), also called multinational enterprise (MNE), is a corporation or an enterprise that manages production or delivers services in more than one country. It can also be referred as an international corporation. The International Labour Organization (ILO) has defined an MNC as a corporation which has its management headquarters in one country known as the home

country and operates in several other countries known as host countries (www.wikipedia.org/MNCs).

In recent years, corporate social responsibility (CSR) of Multinational Corporations (MNCs) in developing countries has received more attention. However, CSR literature is less represented in Africa than other regions, and existing studies about Africa have mainly focused on South Africa and Nigeria. This phenomenon has resulted in scant research on other African countries where MNCs are located as well, and where their presence is notable. Settings largely unexplored include conflict-ridden areas in Central Africa where a limited number of usually large MNCs can potentially have a large impact on the local situation and play a role in addressing the huge problems with which these countries are confronted. Moreover, the MNCs themselves face large CSR dilemmas, related to the contribution they can (or cannot) give in the different setting compared to their home countries as well as their attitude vis-à-vis ongoing conflicts (Kolk and Lenfant, 2010).

In Africa and most LDCs in the Middle East where the ownership and pace of business is dictated by multinational corporations (MNCs), there have been increasing demands on enterprises to provide community development programmes and assistance to their host communities to promote and protect the welfare of the indigenes (Amaewhule, 1997). In contrast however, CSR activities undertaken by MNCs in developing countries in general and Africa in particular have been criticised for not addressing the root causes of underdevelopment (Idahosa, 2002; Hamann and Kapelus, 2004; Idemudia, 2008) and/or failing to improve relationships with local communities (Idemudia, 2008; Idemudia and Ite, 2006; Omeje, 2006). Whether exaggerated or not, MNCs can use their clout to leverage favourable deals when considering investments, for example, which has been criticised in relation to 'irresponsible business' and tax deals (cf. Reed, 2002; SustainAbility, 2006). In Nigeria for instance, there has been a recent widespread community demands for relevant, direct and sustained benefits from oil/gas and mineral wealth so frequently that neither government institutions nor companies or communities themselves have been properly equipped to respond to (Culverwell et al., 2003).

Multinational Corporations (MNCs) are expected to provide some social services and welfare programmes in addition to their normal economic activities in LDCs. Considerable attention has been asked to be devoted to community development programmes. For example, Multinational Oil Companies (MOCs) "provide education, scholarships, and build roads in

Nigeria” (Eweje, 2007). Similarly, Frynas (2005) argues that oil companies have initiated, funded and implemented significant community development schemes. He further asserts that “global spending by oil, gas and mining companies on community development programmes in 2001 was over US\$500 million” (p. 581). In economic terms, these are not the functions of businesses, but in less developed countries (LDCs) these roles and duties however are expected from MNEs (Eweje, 2007).

According to Eweje (2007), MNEs have a moral responsibility to protect the physical environment and society in which they carry out their operations. When corporations violate this “responsibility” and behave in an unacceptable ethical manner there is tendency for the host community to protest or demonstrate against them. This is consistent with the definition of an unethical situation defined by Eweje (2001, 2005) as:

A situation wherein the actions of a multinational enterprise are commonly perceived to have had a detrimental impact on the host community and other stakeholders, the accompanying effects are strikes, demonstrations, press campaigns, legal actions, financial sanctions and sabotage (ibid). This is similar to Eweje’s definition in the sense that the actions of large multinational companies involved was called unethical and there were widespread press campaigns, sabotage and legal actions as a direct result of the companies’ behaviour. The host communities in this case have alleged that the MOCs had failed in their obligation to provide necessary infrastructures, safe environment to live and minimise the environmental impact of their operations which directly affect their livelihood (Eweje, 2007).

The continued interest of corporations in community and development initiatives has also contributed to the World Business Council for Sustainable Development (WBCSD) definition of social/community involvement (issues) as:

A broad range of activities, including community assistance programs; supporting educational needs; fostering a shared vision of a corporation’s role in the community; ensuring community health and safety; sponsorship; enabling employees to do voluntary work in the community; philanthropic giving (WBCSR, 1998).

Methodology

The study adopts a qualitative approach in understanding MNCs corporate social responsibility activities in developing countries. Data for the study was collected via an in-depth interview with a key witness from the case company. According to Chisnall (1997), the findings of a qualitative research approach cannot provide statistical evidence but can provide unique insights to inspire and guide the development of marketing strategy and tactics.

Qualitative approach was used because it afforded the researchers the opportunity to directly elicit views of the respondents. It also enabled the researchers to clarify issues where appropriate. The case study methodology was chosen because of the researchers' desire to understand why the case company undertakes its CSR activities and how it does it. The case study method is used when the questions involve "who", "what", "how", and "where" questions. The case study research according to Eisenhardt (1989) is the research strategy that focuses on understanding the dynamics present within single settings.

The case study as a design method has been explored by a number of authors (Cavaye, 1996; Darke et al., 1998; Gillham, 2000; Jensen and Rodgers, 2001; Perry, 2001; Stake, 1995; Tellis, 1997; Welman and Kruger, 1999; Yin, 1994). Yin (1994:13), for example, defined a case study as "an empirical inquiry that investigates a contemporary phenomenon within its real-life context." The unit of analysis as explained by Yin (2003) is the fundamental problem of defining what the 'case' is. The unit of analysis for this study is Guinness Ghana Brewery Limited (GGBL) since the study seeks to find out the CSR activities of the firm.

A case study data collection also referred to as sources of evidence could be obtained from five different sources. These are documentation, archival records, interviews, direct observations, participant-observation, and physical artefacts (Yin, 1994). For the purpose of this study, the source of evidence used included all the above mentioned sources. However, the in-depth interview method was used as the primary data source to obtain more information to answer some of the major research questions. The research employed the use of elite interview (Peng and Hackley, 2007; Hinson and Tweneboah-Kodua, 2010; Hinson et al. 2011). In this regard one top official the Communication Manager of Guinness Ghana Brewery Limited was interviewed. This official was selected because he is the mouth-piece of the company and has knowledge to provide adequate information. The interview took place in his office and a tape recorder used to record the interview. The Audio recording was used for the interview session to enable the researcher have a documentary evidence for the study as well as for easy analysis of the research findings. In addition to the interviews and participant observation, this study also made use of documents and artefacts as part of the overall attempt to collect field data during an empirical research project; this has been recognised by a number of authors (Gillham, 2000; Powell, 1997; Saunders et al. 2007; Yin,

1994). Some of the artefacts and documentary sources collected during the empirical data gathering activities included case study organisation's corporate publications and website.

The in-depth interviews were first and foremost transcribed and then sorted and classified according to the major headings of the questionnaire in a systematic and iterative manner. Amaratunga et al. (2002) stated that a case study research is able to draw on inductive method because of the opportunity for open-ended enquiry. In line with Lincoln and Guba (1986) and following good practices in the scientific literature (Harris and Watkins, 1998; Shaw, 1999; Blankson and Omar, 2002), the inductive method was used in this study for coding, categorizing, and identifying the themes from the audiotapes and transcripts.

Findings

Results of the interview are done under key themes identified earlier. These are CSR activities of the firm, the impact of GGBL's CSR activities on the communities they operate; and the benefits of CSR activities to the company.

CSR activities of Guinness Ghana Breweries Limited

From the interview conducted, the findings showed that GGBL undertakes two main activities under the CSR initiatives; Water project and Responsible drinking in the communities they operate. Beside these two however, the company also undertakes other CSR activities aimed at improving the living conditions of the people in the community. These are in the areas of sports sponsoring, education, health and the environment.

Water for Life Programme

The water for life programme is an initiative of Diageo the parent company of GGBL. As part of the subsidiaries of the company, GGBL has the responsibility of implementing programmes and activities of the parent company. As part of its water for life programme, GGBL has provided 350,000 Ghanaians access to portable drinking water over the last five years (2007 and 2012). According to the Communication manager:

“One of our flagship CSR activities is the water for life project and so far, the last two years we provided access to clean water to 350,000 Ghanaians. This year we are on track to do another 50,000.”

The flagship programme ‘Water for Life’ has so far provided access to clean drinking water to 500,000 people across the 10 regions of the country through the sinking of 50 boreholes. The Water of Life program is Guinness Ghana's parent-company's (Diageo) flagship community investment program in Africa, and aims to provide access to clean drinking water to an additional one million people every year until 2015. The program contributes

substantially to the UN's MDG 7, target 10, which aims to reduce by half the proportion of the world's population without access to clean drinking water and adequate sanitation.

Commenting on the same issue, the Managing Director of Diageo Africa Region and the Board Chairman of GGBL mentioned in his statement delivered on the event of the company AGM 2007 thus;

“I am proud to inform you of “The One Million Water Challenge” initiative championed by all operating companies within the Diageo family. The goal of this initiative is to provide clean potable water to One Million Africans in the year under review. In Ghana, GGBL has played a significant role in providing water filters to sixty thousand (60,000) people in rural communities.”

In addition, Guinness Ghana Breweries Ltd (GGBL) has commissioned two WaterHealth Centres at a cost of \$65,000 for the people of Kpembe and Makango in the East Gonja district of the Northern region. This brings to a total of 5 WaterHealth Centres GGBL and its parent company, Diageo have funded and commissioned for 5 communities across the Northern, Greater Accra and Volta regions under the Safe Water for Africa partnership (SWA). This is an innovative multi-year partnership between GGBL, Diageo, the Diageo Foundation and the Coca-Cola system to bring safe drinking water to 2 million Africans by 2013.

Speaking on this issue at the official opening ceremony in Kpembe, the Corporate Citizenship Manager said:

“GGBL remains committed to enriching lives and empowering local communities through sustainable access to safe drinking water. Water is life, it is critical to health and the general wellbeing of every community. As a business, we believe strongly that when communities thrive, our business thrives – hence our continuous effort to support local communities.”

Responsible Drinking Project

Responsible drinking is the second main CSR initiative undertaken by GGBL. Responsible drinking aims at fostering a healthy life style for consumers of GGBL's alcoholic drinks. This also aims at reducing the incident of road accident in the country. As part of this project, the company undertakes periodic consumer education at various lorry parks and drinking bars on the need to drink responsibly.

Additionally, in 2008, prior to and during the Easter festivities, GGBL launched an Easter Safe Drive Campaign. The message communicated GGBL's message not to drink and drive and was carried on key FM stations, and supported by press.

In the words of the Communications Manager:

“Second social responsibility we do is responsible drinking and we've measured the awareness especially on some festive occasion specifically Easter; where we go to the general public, lorry stations to educate customers and drivers on their responsibilities to their customers and the general public. That is, don't drink and drive; drink responsibly.

He added thus:

“We believe that we must take the initiative. For the fact that the alcohol is there does not mean that they should just go and drink it by heart! One must be educated on how to be responsible; drink responsibly for a healthy lifestyle. A good analogy is that of a car. Some cars go 240 kilometres, some go 280. Does it mean that because you can go 260 therefore you should go 260? No! Government has decided that if you drive in the city, 50 km/hr; highway is 80 km/hr; motorway is 100 km/hr.”

Also, GGBL trained over 1,200 bar tenders nationwide in the past year. Additionally, information gathered from the study show that GGBL successfully implemented the Diageo Alcohol Brand Information Policy (DABIP), which requires all brands to communicate accurate calorific, nutritional and alcohol content information on labels and point of sale materials.

Sorghum Development

In line with GGBL's plans to develop local sources for its brewing materials, GGBL has continued to promote sorghum development in Ghana. In collaboration with Techno serve, an agricultural NGO, significant progress has been made. According to the Communication Manager: “so far 2,600 Metric tonnes of sorghum has been realised from the project. GGBL has taken the decision to widen its investment in this area with support from Diageo its parent company and main shareholder.”

The Corporate Relations Director of Guinness Ghana Breweries Limited (GGBL), has also underscored the importance of corporate social responsibility (CSR) for businesses:

“At GGBL, we understand the inter-connected relationship between business and communities and this drives our commitment to improve livelihoods through the pursuit of our Local Raw Material initiative, in addition to our Water of Life programme which seeks to

provide access to clean drinking water to vulnerable communities across the country” she said.

Other CSR activities undertaken by GGBL

Aside the three main activities discussed above, GGBL undertakes other CSR activities which are part of the company’s regular CSR activities. These include education, sports, environment and health.

Education

As part of its CSR activities, GGBL provides support in the area of education. The bulk of the company’s educational support is channelled through the Otumfuo’s Education Fund. In addition, the Chevening Scholarship supervised by the British High Commission, GGBL supported by Diageo offers postgraduate training in the United Kingdom for Ghanaian students.

In his Annual General Meeting speech, the Managing Director of Diageo Africa Region and the Board Chairman of GGBL mentioned other activities undertaken by the company in the areas of sports, environment, and health.

Sports

Sports sponsorship is one of the several CSR activities undertaken by GGBL. Guinness Ghana Breweries limited has been sponsoring the senior national team of Ghana the Black Stars for about a decade as the “official Beverage Sponsor”. The company support the Black Stars with an annual package of USD 400,000. Aside the Black Stars, GGBL also sponsors other sporting activities like Golf Championship.

Environment

With regards to its environmental responsibilities, GGBL is upgrading its environmental controls to fully comply with international best practices. As an initial step, the company has acquired an Environmental Monitoring Unit, AQUASCAN, for installation at the Kaasi Plant in Kumasi.

Also, in line with Diageo zero waste to land fill initiate, GGBL collaborates with the Kwame Nkrumah University of Science and Technology (KNUST) to re-cycle by-product from WWTP (Waste-Water Treatment Plant) for use as natural fertilizers.

Health

As part of GGBL’s CSR activities, the company engages employees around HIV/AIDS awareness. As part of its initiatives to create HIV/AIDS awareness, the Human Resource Department and the Corporate Department played a key role in supporting the Ghana

Business Coalition Against HIV/Aids. A confidential Voluntary Counselling and Testing Centre (VCT) initiative was also established to encourage employees to test and protect their status. Also, in line with the strategy to assist the Health Sector in Ghana, GGBL continues to support the Ghana Heart Foundation and the Burns and Reconstructive Units of the Korle Bu Teaching Hospital.

Impact of GGBL's CSR Activities

With regards to the impact of GGBL's CSR activities on the community, the response from the interview shows that the company's CSR aims at reducing unemployment, water shortage and healthy living among the rural folks.

The Communication Manager mentioned thus;

“Yes, it does lead to poverty alleviation; because for example in communities that don't have good clean water, they spend a lot of time, hours, walking in long distances to go and fetch water. That distance used to go and fetch water could be used for a very productive engagement.”

He added;

“Drinking bad water causes ill-health; which means that they are possibly going to go to the hospital spending money. With the money they don't have on medical bills. With a very clean health, the money they would be used for the health can be used for other productive activities.”

Impact of GGBL's CSR activities on the firms Performance

Improvement in Company's Reputation

Guinness Ghana Breweries limited is one of the most revered companies in Ghana. As a result of its CSR activities undertaken in support of developments in the rural communities as well as its sponsorship of Ghana's senior national team the Black Stars; the company has created a favourable image for itself as a responsible company. The Communication Director therefore mentioned that one of the reasons GGBL undertake CSR activities is to improve the company's image.

In September 2013, in recognition of its being socially responsible GGBL was awarded as the second-best company in CSR at the Ghana Club 100 awards, and its parent company Diageo was also awarded Overall Winner of the “This is Africa Beyond Business” Awards 2012 in the Large Company category in October.

The Executive Director of the Association of Ghana Industries, said: “The annual CSR Diary

and Awards is a platform to recognise socially responsible companies in the country. All companies awarded today have demonstrated strong commitment to supporting and developing communities through their CSR initiatives.

Employee Satisfaction/Retention

Employee satisfaction/retention is also one of the benefits of being socially responsible according to the Communication Director of GGBL. He mentioned that employees would want to work with companies that are seen as socially responsible. In his words;

It improves the company's image and then it improves in employee satisfaction. That is, they work for a very reputable company; that is socially responsible.

The Corporate Relations Director of Guinness Ghana Breweries Limited (GGBL), has also underscored the importance of corporate social responsibility (CSR) for businesses in terms of employee seeking to work with companies/organisations that are seen to be socially responsible.

She said thus:

“Consumers, investors, governments and employees are now becoming increasingly environmentally aware of their purchasing, investment, regulatory and choice of companies to work for.”

Discussion

From the findings as discussed earlier, it was indicated that GGBL's CSR activities is influenced by three issues; these are company's ethical value, company reputation, and rising international standards. According to the Communication Director, GGBL's corporate responsibility act is part of the company's ethical values which is practiced by all subsidiaries operating under the Diageo name. In his words the company undertakes these CSR activities because it is the right thing to do.

With regards to the company's reputation, findings from this research show that, GGBL is one of the reputable and revered companies in Ghana. This is due to the company's reputation and long service to the communities. The company due to its philanthropic activities including schools, hospitals, environment and sports has gained the respect and admiration of Ghanaian consumers who patronize the products of GGBL.

Also, with regards to the rising international standards, GGBL as an International company operates under an international code of conduct that regulates the conduct of international

businesses. As part of the international code, companies are required to be socially responsible. This could be mandatory or discretionary. However, findings from this research show that, GGBL's CSR activities are more or less discretionary rather than mandatory.

The study also brought to the fore some of the CSR activities undertaken by GGBL in the areas they operate in Ghana. Guinness Ghana Breweries limited undertakes the following corporate social responsibility activities or programmes annually; water for life Project, Responsible Drinking Project, Sorghum project as the main CSR activities of the company. However, they also undertake other corporate social acts in other areas like Sports, Health, Education and the Environment. The company in performing these activities believes that it has to give something back to the community from where it operates. As such, it has CSR programmes aimed at enhancing the living conditions of the rural communities. GGBL's corporate social responsibility has impacted positively in their areas of establishment. This is evident in the number of developmental programmes and projects undertaken by the company for more than a decade. In the last 2 years, the company has provided access to clean drinking water to more than 350 Ghanaians. This year, the company hopes to provide another 50,000 Ghanaians access to clean drinking water. Also, GGBL's sorghum project is an initiative to involve the local communities in venture creation by engaging the local farmers in cultivating the sorghum plant as the raw material for GGBL's products.

Some scholars who oppose CSR activities argue that undertaking these voluntary activities by firms erodes the profitability of the firm. However available empirical findings show that undertaking CSR activities offer more benefits to the firm including high margins/return, improvement in sales figures, profitability, customer loyalty, employee retention among others. The impact of corporate social responsibility on GGBL's performance include; improvement in the company's reputation, and employee retention. As discussed earlier, Guinness Ghana Breweries limited undertakes several CSR activities aimed at giving back to the society what the company has taken. This positive initiative has resulted in improving the image and reputation of the company. This supports earlier research findings that show that undertaking CSR activities is beneficial to the company in so many ways. A 2002 UK Work Foundation study revealed that 82% of UK professionals would not work for an organization whose values they did not believe in, and 73% take social and ethical consideration into account when selecting a job (Draper, 2002). Three independent surveys on corporate philanthropy in the US (Rubenstein, 2004) showed that employees expect business to actively help build a better society and they reward those that do. Nearly two-thirds of employees

surveyed believe that their companies should sponsor a corporate citizenship programme of some sort. The reports concur that good corporate citizenship provides benefits to business by improving “employer-employees” relations in terms of recruitment, retention, morale, loyalty, motivation and productivity.

Conclusions and implications for Management

Findings made in this study shows that Guinness Ghana limited has undertaken a lot of initiatives aimed at contributing their quota to the development of the country. These CSR activities are very important to the company because aside having direct benefits to the beneficiaries, it has a resultant effect on increasing the earnings of the company, attracting and retaining competent and efficient staff as well as building a positive image for the company.

An increasing number of studies, both in the practitioner and academic press, show that firms locally are becoming more conscious of the effects of their socially responsible behaviour. Innovative responsible strategy, exceeding government requirements and considering multiple stakeholders, is a long-term objective. Adopting CSR initially burdens a company financially, but, investing resources in charity, environmental protection, and education pays dividends in corporate reputation. Distribution of short-term gains for corporate responsibility activities increases the reliability of long-term returns of profitability. A relationship with employees, competitors, consumers, and suppliers is also assured for companies that are socially responsible. Additionally, investors and business partners seek socially responsible firms and not just the highest current financial returns. The prolonged advantage of CSR ensures sustainable economic advantage and should be a long-term objective of any organization.

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