The Effect of Corporate Social Responsibility of Blue Skies Ghana Limited on Socio-economic development of Nsawam-Adoagyiri Municipality

By

Genevieve Dasoberi

(10080471)

THIS DISSERTATION IS SUBMITTED TO THE UNIVERSITY OF GHANA, LEGON IN PARTIAL FULFILLMENT OF THE REQUIREMENT FOR THE AWARD OF MA DEVELOPMENT STUDIES DEGREE.

July, 2015
DECLARATION

I hereby declare that this work is the product of my own research. With the exception of references made to other people’s work, which I have duly acknowledged, I am singularly responsible for all views expressed in this research as well as any shortcomings that may be found in this study. This thesis has neither in whole nor in part been presented for another degree.

........................................ DATE ..............................

Dasoberi, Genevieve

STUDENT

........................................ DATE ..............................

Prof George Owusu

SUPERVISOR
DEDICATION

I would like to dedicate this dissertation to my Lord Jesus Christ and my late mother, Mrs. Dasoberi. I believe my journey on the academic ladder has been possible due to the Grace bestowed on me by God through Christ Jesus.

To my lovely late mother, I am forever grateful for your courage. She defied all odds posed by tradition of her hometown to fulfil her desire in education. She was the first female to be educated in her hometown when educating the girl-child was not regarded at that time. My sisters and I have had a better life through formal education because of the bold step she took. She has been a great source of motivation in my academic pursuits.
ACKNOWLEDGEMENTS

My deepest and biggest appreciation goes to the Almighty God who gave me the opportunity and the protection to go through education up to this level successfully.

I express my appreciation to my supervisor, Prof George Owusu who made time to enrich this work through his discussions and suggestions. I am grateful for reading through every submission I made to him despite his tight schedules. I am very grateful for his patience. God richly bless him.

My appreciation also goes to my husband Mr. Ernest Darko; who assisted me in diverse ways throughout this research paper, Ms Joana Mensah, Head of Risk Department, Ecobank Ghana who made it possible to secure study leave to pursue this program and last but not the least, Dr Ernest Appiah who helped in the formulation of the topic to be researchable. I say a big thank you to all my friends, especially Justice K. Baah, Karl Y. Osei Afoduo, Joana Okai, Eric Dompreh and Tobias Dawaare, who contributed immensely in many ways to make this work successful.

While appreciating the great assistance from my supervisor, family and friends in making this work possible, I am also grateful to Mr. Alistair Djimatey of Blue Skies Foundation and my research respondents without whom there would not have been any data for this study.
2.3.2 LEGAL RESPONSIBILITIES .................................................................................................. 12
2.3.3 ETHICAL RESPONSIBILITIES .............................................................................................. 13
2.3.4 PHILANTHROPIC RESPONSIBILITIES ................................................................................ 13
2.4 INTERNATIONAL PERSPECTIVE ON CSR ................................................................................ 14
2.5 CSR IN DEVELOPING COUNTRIES ............................................................................................ 15
2.6 CSR IN GHANA .............................................................................................................................. 19
2.7 CONCLUSION ................................................................................................................................. 22

CHAPTER THREE ...................................................................................................................... 23
PROFILE OF BLUE SKIES AND NSAWAM-ADOAGYIRI MUNICIPALITY ................................ 23
3.1 INTRODUCTION ............................................................................................................................ 23
3.2 HISTORY OF BLUE SKIES COMPANY LIMITED ..................................................................... 23
3.3 ORGANIZATIONAL MODEL OF THE COMPANY .................................................................... 25
3.4 CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES OF THE COMPANY ............. 26
3.5 CSR ACHIEVEMENT(S) OF THE COMPANY ............................................................................ 30
3.6 GENERAL OVERVIEW OF STUDY AREA ............................................................................... 32
3.7 GEOGRAPHICAL DEMOGRAPHICAL BACKGROUND OF MUNICIPALITY ....................... 33
3.8 SOCIO-ECONOMIC BACKGROUND OF MUNICIPALITY ....................................................... 34
3.9 DEVELOPMENT PLANS OF THE MUNICIPALITY ................................................................. 35
3.10 CONCLUSION ............................................................................................................................... 36

CHAPTER FOUR ......................................................................................................................... 38
RESEARCH METHODOLOGY .................................................................................................. 38
4.1 INTRODUCTION ............................................................................................................................ 38
4.2 STUDY APPROACH ....................................................................................................................... 38
4.3 DATA SOURCES .......................................................................................................................... 38
4.4 METHODS OF DATA COLLECTION ........................................................................................... 39
4.5 TOOLS FOR DATA COLLECTION ............................................................................................. 39
SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS ....................... 75

6.1 INTRODUCTION ............................................................................................................................ 75
6.2 SUMMARY OF FINDINGS ............................................................................................................ 75
6.3 CONCLUSIONS ............................................................................................................................... 78
6.4 RECOMMENDATIONS .................................................................................................................. 80

REFERENCES ....................................................................................................................................... 82

APPENDICES ...................................................................................................................................... 86

APPENDIX 1: Interview Guide for Blue Skies Company Limited's Official .................. 86
APPENDIX 2: Questionnaire for Households ............................................................................ 89
Appendix 3: Tables from Analysis ............................................................................................... 93
LIST OF TABLES

Table 3.1: Blue Skies projects in the Municipality from 2010 – 2013 ....................................................... 30
Table 5.1: Profits of Blue Skies Company Limited from 2009 to 2013 ...................................................... 46
Table 5.2: Number of employees in Blue Skies .......................................................................................... 47
Table 5.3: Projects by Blue Skies in the four communities ......................................................................... 51
Table 5.4: Blue Skies Expenditure on selected projects .............................................................................. 52
Table 5.5: CRS undertaken by Blue Skies Company in the communities according to Respondents ... 63
Table 5.6: Respondents assessment of Blue Skies CRS ............................................................................. 64
Table 5.7: Benefits of CSR to communities ............................................................................................... 69

LIST OF PLATES

Plate 1: Picture of Akraman Primary School block before renovation ....................................................... 53
Plate 2: Picture of Akraman Primary School block after renovation .......................................................... 54
Plate 3: Picture of a school block built at Doboro ..................................................................................... 54
Plate 4: Picture of training centre in the hospital at Ayigbe town .............................................................. 55
Plate 5: Toilet facility built for residents of Djankrom ............................................................................. 56
Plate 6: Water project in Akraman ............................................................................................................ 61
LIST OF FIGURES

Figure 2.1: Types of social responsibilities ................................................................. 12
Figure 2.2: CSR in Developing Countries ........................................................................ 17
Figure 3.1: Governance Structure Diagram ................................................................. 28
Figure 3.2: Map of Nsawam-Adoagyiri Municipal Assembly ........................................ 32
Figure 5.1: Occupation of Respondents ...................................................................... 44
Figure 5.2: Knowledge of Respondents on CRS (%) .................................................. 57
Figure 5.3: Gender and Knowledge of CSR (%) ......................................................... 58
### LIST OF ABBREVIATIONS

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>BBC</td>
<td>British Broadcasting Corporation</td>
</tr>
<tr>
<td>BRASS</td>
<td>Business Relationships, Accountability, Sustainability and Society</td>
</tr>
<tr>
<td>CSR</td>
<td>Corporate Social Responsibility</td>
</tr>
<tr>
<td>DANIDA</td>
<td>Danish International Development Agency</td>
</tr>
<tr>
<td>EUROPE GAP</td>
<td>Europe Good Agricultural Practices</td>
</tr>
<tr>
<td>GETFUND</td>
<td>Ghana Education Trust Fund</td>
</tr>
<tr>
<td>Global GAP</td>
<td>Global Good Agricultural Practices</td>
</tr>
<tr>
<td>GSS</td>
<td>Ghana Statistical Service</td>
</tr>
<tr>
<td>IDA</td>
<td>International Development Association</td>
</tr>
<tr>
<td>IJMSSR</td>
<td>International Journal of Management and Social Sciences</td>
</tr>
<tr>
<td>IGF</td>
<td>Internally Generated Fund</td>
</tr>
<tr>
<td>ISO</td>
<td>International Organization for Standardizations</td>
</tr>
<tr>
<td>JEE</td>
<td>Joint Effort Enterprise</td>
</tr>
<tr>
<td>LEAF</td>
<td>Linking Environment and Farming</td>
</tr>
<tr>
<td>MCA</td>
<td>Millennium Challenge Account</td>
</tr>
<tr>
<td>MTDP</td>
<td>Medium Term Development Plan</td>
</tr>
<tr>
<td>SRAs</td>
<td>Social Responsibility Agreements</td>
</tr>
<tr>
<td>WBCSD</td>
<td>World Business Council for Sustainable Development</td>
</tr>
</tbody>
</table>
ABSTRACT
Consumers are often identified as a driving force for corporate organizations. In return, organizations perform Corporate Social Responsibility (CSR) activities to support its customers by reaching out to communities. However, little is known about the effect of CSR activities on consumers and their communities. One of the primary roles of CSR is to ensure the continuing commitment by corporate organizations to behave ethically and contribute to economic development, while improving the quality of life of the workforce and their families as well as the local community and the society at large (WBCSD, 1999). This research looks at the effect of CSR activities on socio-economic development in Nsawam-Adoagyiri Municipality. Data was gathered from 40 respondents within the four chosen communities in Nsawam-Adoagyiri Municipality, 4 key personnel from Blue Skies and 2 project officers of the Municipal Assembly. The findings revealed that CSR activities are well appreciated by both the Municipal Assembly and members of the community. CSR has a positive effect on the development of the communities in the provision of water and sanitation facilities, educational infrastructure, health facilities as well as employment opportunities. Though Blue Skies is making positive efforts in delivering its corporate social responsibilities, CSR activities will be more effective if the Municipal Assemblies can coordinate with corporate bodies in their municipality to develop and direct such activities towards specific developmental challenges facing the communities, compared with the current situation where the municipal assembly is included only during the implementation of CSR projects or activities.
CHAPTER ONE

GENERAL OVERVIEW

1.1 INTRODUCTION

In the face of prevailing global economic adversity, funding of government projects in developing countries to attain sustainable development has to be envisioned outside the sphere of foreign aid and loans. Often, countries that have attained middle income status of which Ghana is an example no longer qualify for donor funds such as International Development Association (IDA) fund. The most obvious and predictable impact of Ghana’s new middle-income status will therefore be a gradual loss of access to concessional financing particularly from the World Bank’s IDA. IDA is currently Ghana’s single largest donor, with over $250 million dollars in flows per year. Barring a massive shock to its economy or a change in IDA rules, Ghana should expect to graduate out of IDA within the next decade, possibly within the next three to five years. One possible way of filling the vacuum created by lack of donor funds is by exploiting private partnership, through Corporate Social Responsibility (CSR) for domestic projects (Moss and Majerowicz, 2012).

CSR in recent years has become an iconic catchphrase. It is generally referred to business practices by organizations and institutions that involve participating in initiatives or activities that benefit society. These social responsible activities may include philanthropy and volunteering works, community education, employment and homelessness programmes, management of the environment, and the provision of socio-economic facilities. “One of the primary roles of CSR is to ensure the continuing commitment by businesses to behave ethically,
and contribute to economic development while improving the quality of life of the workforce and their families as well as the local community and society at large” (WBCSD, 1999). According to Rockson (2008), CSR can also be identified as corporate behaviour hinged on socially agreed ethical guide posts, in order to meet the varied needs of shareholders, stakeholders and legally imposed requirements. The idea of businesses being responsible, in a way to give back to society, is a globally accepted concept for community development.

A story is told of an 8-year-old, Akash, in Mumbai, India who suffered exotropia. Exotropia did not only affect Akash’s vision and self-esteem, but also his ability to learn. Poverty had put a challenge to restoring his eyesight until Orbis, a non-profit organization dedicated to treating and preventing blindness came to his rescue. Orbis is an organization that FedEx supports as part of their CSR program (FedEx, 2013).

Despite its contribution to socio-economic development, CSR as a concept has not been spared of criticism in the past. Many critics have argued that a company’s sole responsibility was to provide value to its shareholders and those CSR activities undermines practices and objectives of the company and its shareholders. Nonetheless, there has been a growing consensus, especially among U.S. companies, that CSR is necessary and beneficial both to the communities and to the companies (CSIS, 2011). For example, companies tend to benefit from CSR activities by enhancing brand image and reputation as well as increasing their sales and customer loyalty.

1.2 PROBLEM STATEMENT

Nsawam-Adoagyiri Municipal Assembly is located in the Eastern Region of Ghana. This Municipal Assembly was created in June 2012. As a new assembly, it is not spared the enormous challenges often experienced by newly formed assemblies. Among these challenges include the
inability of securing funds for developmental projects that are of pressing need to the community. Corporate Social responsibility activities seem to offer a way out in addressing some of the socio-economic challenges facing the municipality.

Blue Skies Company Limited, as indicated in its 2009 sustainability report, is the first in the world to cut and pack freshly-harvested fruit in the country of origin and fly it directly to the consumer the same day. The company has a well-developed corporate culture which runs through its affiliates in various countries. By supplying a consistent and ready market, its business provides hope to thousands of people in Africa and South America.

The company have been in business since 1998, cutting and packing just-harvested fruit and delivering it to Europe. Blue Skies employs over 1000 people in Ghana, Egypt, South Africa and Brazil and supplies to a variety of customers including some of the biggest supermarket chains in the UK, Europe and South Africa. In 2008, the company was awarded a Queens Award for Enterprise in the Sustainable Development category. About 2000 tonnes of prepared pineapple is exported from Ghana every year contributing £2.6 million to the local economy through wages alone. This helps farmers and their families to have a better livelihood (Blue skies sustainability report 2009).

Blue Skies Company limited has a policy which offers support to local communities with identified pressing needs. These include water, sanitation and electricity. In view of this, the study seeks to investigate the influence of CSR activities on community development. Also explored is whether the municipal assembly can formalize the resultant activities as a source of funding for developing the municipality using Blue Skies Company Limited as a case study in Nsawam-Adoagyiri Municipality. The findings from this study are aimed to enlighten and
educate stakeholders on the concept of CSR as a tool for community development to address socio-economic challenges.

1.3 RESEARCH OBJECTIVES

This research seeks to identify the characteristics of effective and successful CSR in community development at Nsawam-Adoagyiri Municipality using Blue Skies Company Limited as a case study. Specifically, the study seeks to:

1. Identify and assess types of corporate social responsibility Activities undertaken by Blue Skies Company Limited

2. Examine community knowledge and perceptions on CSR undertaken by Blue Skies Company

3. Determine the maintenance culture of CSR projects in ensuring sustainability.

4. Ascertain the challenges Blue Skies Company Limited faces in its CSR endeavour
1.4 RESEARCH QUESTIONS

To achieve the above objectives, the following research questions were formulated:

1. What are the types of CSR programs carried out by Blue Skies Company?

2. How aware is the community regarding CSR carried out by Blue Skies Company?

3. What maintenance culture is adopted to ensure sustainability of CRS projects?

4. What are the challenges faced by Blue Skies in undertaking CSR?

1.5 RATIONALE FOR THE STUDY

CSR cannot be seen as a panacea for socio-economic development in a community; however, its contribution to socio-economic development cannot be under estimated. It is a great resource avenue to make significant contribution to socio-economic development if well considered and structured in line with community developmental needs. The aim of the study is to assess the activities of CSR in community development, its sustainability and how reliable they are, as a resource tool for development. The study again will look into whether the municipal assembly can factor CSR activities into mainstream source of funding for development. The outcome of the study will help enlighten stakeholders on the concept of CSR as a tool for embarking on community development to address socio-economic challenges they face. Policy makers may find the findings of this research useful for community development planning.
1.6 LIMITATION OF THE STUDY

The key limitation to the study was the narrow scope of the study area as Blue Skies Company Limited’s CSR activities extend beyond the Nsawam-Adoagyiri Municipal Assembly. As a result, full assessment of the effect of their CSR activities on socio-economic development may not be obtained. In addition, the time frame which could not allow for a larger sample space for analysis of the entire research work and also obtaining information from the municipal assembly can both contribute to the possible limitation on the study.

1.7 OUTLINE OF THE STUDY

The entire study is segmented into six chapters. Chapter One (1) gives the background of the study, problem statement, research objective, scope and limitations of the study. Chapter Two (2) reviews literature on CSR in relation to community development. Chapter Three (3) presents the profile of Nsawam-Adoagyiri Municipality study, and the company which was used as the case study- Blue Skies Company Limited. Chapter Four (4) focuses on the methodology applicable to the study. Chapter five (5) contains data obtained from the field, analysis of the data, findings from the data and interpretation of the outcome. The final chapter which is six 6 consists conclusion from the analysis with recommendation.
CHAPTER TWO

LITERATURE REVIEW AND CONCEPTUAL FRAMEWORK

2.1 INTRODUCTION

This chapter seeks to review some existing literature on Corporate Social Responsibility (CSR) in relation to community development. An overview of the history of CSR, its types and its perception in developing countries will be considered. Based on this, a CSR framework for developing countries is considered as the basis of this study. Finally considered is CSR activities in Ghana.

2.2 HISTORY AND OVERVIEW OF CORPORATE SOCIAL RESPONSIBILITY

The history of corporate CSR stretches back some couple of centuries. However, it was not until recently that the concept was formally formulated (Raad, 2013), with its role and importance to societies being recognized by businesses. Formal writings were published to that effect and most of these were primarily in the United States of America, although footprints of CSR were evident throughout the world (Carroll, 1979).

Interestingly, there has been no well agreed-upon definition of CSR as pointed out by the World Business Council for Sustainable Development (WBCSD, 2000). In 1961, Walton and Ells defined CSR as the issues that emerge when corporate organization throws its shadow on the social scene, and ethical principles that rule the relationship between the society and the corporation. McWilliams and Siegel (2001) also defined CSR as a consistent pattern, at the very least, of private firms doing more than they are required to do under applicable laws and
regulations governing the environment, worker safety and health, and investments in the communities in which they operate. According to this definition, a company can only be seen as practicing CSR when it consistently reduces for example, its emission of air pollution by more than it is required to do by the environmental authorities. Likewise, it must routinely reduce risks to the safety and health of its employees to levels well below those required by law. It must also be in a position to invest more in those communities in which its facilities are located than it is required to do in order to be granted an operating permit and be considered as practicing CSR.

The International Organization for Standardizations’ (ISO) strategic advisory group on CSR also describes it as a balanced approach for organizations to address economic, social and environmental issues in a way that aims to benefit people, communities and society (ISO, 2009). According to Carroll (1979), the social responsibility of business encompasses the economic, legal, ethical and discretionary expectations that a society requires of organizations at a given point in time. Another definition by Baker (2009) has it that CSR is about how companies manage the business processes to produce an overall positive impact on society. Finally, WBCSD (1999) describes 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 concept of CSR continues to evolve and make headways in businesses and firms across the globe. There are now vast reports on the subject in the literature. Conferences, and letters on CSR continue to bring with it strong statements by environmental and social activists asking companies to adhere to the principle of CSR and also on responses by companies touting
their commitment to CSR. CSR was very much a part of many businesses and firms decades ago, and was based on social and environmental issues of concern to many at that time.

The nature of CSR activities in the early years took the form of company activities unrelated to their core business and was largely reactive. These company activities were pursued as an attempt to stem or prevent criticism rather than promote real development (CSIS, 2011). However, CSR activities over the past twenty (20) years have evolved into a more strategic way, where companies have realized the need to align projects with business model and goals to effectively improve their competitive advantage. This new direction or trend has made CSR more multifaceted than previously conceptualized (Runde, 2011).

According to IJMSSR (2013), the concept of CSR has gained prominence recently across the globe. Starting as early as the 1920s, the social responsibilities of firms have grown into what is recognized as “modern” CSR movement. CSR has found its way into most company’s strategic plans to such an extent that a conclusion on company strategy is never complete without a statement on CSR. CSR has therefore moved from ideology to reality, and many consider it necessary for organizations to define their roles in society and apply ethical standards to their businesses (Lichtenstein and Braig, 2004). Companies, through CSR, espouse their desire to invest in communities and care for the environment.

At a fundamental level, CSR involves going beyond looking solely at how to make the most money, to include a wider commitment to building a better society. This can either be achieved through actual business practices, or through "extracurricular" activities such as charitable donations, or staff volunteering projects. Running a successful business and corporate social responsibility seem inseparable. The world has come to realize the natural relationship
between doing well as a company and doing ‘good’ in the world. When a business grows, its capacity to do good in a community and in the world grows. Well led successful businesses generate profit that translates organically to social responsibility (IJMSSR, 2013).

The socio-economic benefit of CSR can therefore not be underrated. However, CSR is not without its critics. It has been used by some top executives of companies as blindfolds to sway the public from assessing the company's profitability. This has tarnished the image of CSR, raising eyebrows as to the true motives of CSR activities of companies. The case of U.S energy giant Enron buttresses the point of critics. Enron was well-known for its CSR, and published social and environmental reports on all the good work it was doing. However, its profit dealings were undermined by not putting the figures out into the public domain. This led to the company's collapse in 2001 while top executives were jailed for conspiracy and fraud. Enron became a by-word for corporate irresponsibility. All of its community and environmental works were undermined by the fact that it was carried out by the company with dishonest business practices (BBC News, 2012).

Corporations are increasingly adopting socially responsible actions, activities, policies and processes. A policy is beneficial not only for a corporation’s bottom line but also for its employees, stakeholders, consumers and communities, the environment and society at large. It is, therefore, imperative to assess and know the extent to which a corporation is socially responsible.

For example, fifty years ago, commercial loggers were able to institute operations and laws to protect the forest (BRASS Centre, 2007). History has equally recorded the grumblings of ancient Roman senators about the failure of businesses to contribute sufficient taxes to fund their
military campaigns. In traditional African settings, many examples which points to the practice of CSR can be seen. Example, farmers in Eastern Nigeria (Igboland) contributes their first harvest for the famous “New Year Festival” which is in the interest of the community. In a religious perspective, CSR was an active part of some denominations. The Catholic Church for example provides support on sustainable development in many communities - an act which is closely linked to CSR (Asongu, 2007).

CSR is a duty of every corporate body to protect the interest of the society at large. The various definitions of CSR have some similarities. These may include element of environmental protection, social equity, and economic growth. The main objective of businesses usually is to make profit in any capacity. However, corporate bodies must have the awareness to take initiative to create higher standard of living while preserving the profitability of the corporation for people both within and outside these entities, and must perform activities within the framework of environmental norms.

2.3 TYPES AND CHARACTERISTICS OF CSR

CSR as mentioned earlier is a process to achieve sustainable development in societies. These processes mean that companies or businesses will have several responsibilities to maintain. The following are the types of social responsibilities as depicted in the Figure 2.1.
2.3.1 ECONOMIC RESPONSIBILITIES

A company's first responsibility is its economic responsibility. The primary motive is for every company to make a profit. This is necessary as money is seen as the life wire of every firm in order to run successfully. An undesirable fate may somewhat befall a company that does not make profit in return for services provided to customers. The firm may not stand the test of time and employees will lose their jobs. In addition, the company would not be in a position to take care of its social responsibilities. It is imperative, however for every firm to consider its profitability as they embark on being good corporate firms to society in sustainable development.

2.3.2 LEGAL RESPONSIBILITIES

Next, above the economic responsibilities in the pyramid is the legal responsibility. A company's legal responsibilities are the requirements that are established for the company by law
to adhere. Next to ensuring that the company is profitable, its capacity to obey all laws and regulations is the most important responsibility, according to the theory of corporate social responsibility. Legal responsibilities may include securities regulations to labour law, environmental law and even criminal law. Firms exhibiting consistent beyond-compliance behaviour may receive favourable treatment from regulatory bodies such as federal or state regulatory authorities, or from local communities in which they practice their business.

2.3.3 ETHICAL RESPONSIBILITIES

Economic and legal responsibilities are the two big obligations of a company. After a company has met these basic requirements, a company can concern itself with ethical responsibilities. These are responsibilities that a company adopts because its owners believe it's the right thing to do and not so much as an obligation on the part of the firm to do. Ethical responsibilities could include for example being environmentally friendly, paying fair wages or refusing to do business with oppressive countries.

2.3.4 PHILANTHROPIC RESPONSIBILITIES

One other social responsibility is philanthropic responsibilities. Once a company is able to meet all of its other responsibilities, it can pursue philanthropic activities. Philanthropic responsibilities are activities that normally go above and beyond the firm’s norm or what the company deems as right. They may involve making an effort to benefit society which can include, for example, donating services to community organizations, engaging in projects to aid the environment or donating money to charitable causes.
2.4 INTERNATIONAL PERSPECTIVE ON CSR

On the international front, countries differ significantly on the importance they attach to socially responsible behaviours as well as CSR issues. The European Commission has stated that the incorporation of social and environmental concerns into a corporation’s operations is fundamentally about voluntary business behaviour (Keith, 2006).

CSR initiatives have developed along different routes in different jurisdictions, varying from the encouragement of voluntary initiatives by the European Commission, to the adoption of mandatory reporting of CSR by certain countries. The concept of CSR in the United State of America for example, has primarily been approached through the initiatives of its corporations, rather than through the legal developments or government actions seen in other jurisdiction (Hill et al, 2007).

Major American corporations have actively promoted both voluntary and mandatory CSR initiatives. Aside the U.S, other global firms often establish comprehensive environmental policies which typically reveal a proactive concern for the larger ecology while the needs of customers are served. Coca Cola, for example, has demonstrated its general interest in the ecology by its efforts within the context of its own market domain. To show their commitment to the preservation of the environment, more than $2 billion has been spent on recycled content and suppliers. In 2008, the Danish Parliament adopted the “Act amending the Danish Financial Statement Act “(Accounting for CSR in large businesses)”. The act defines CSR to include the manner in which businesses voluntarily include considerations for human rights, societal, environmental and climate conditions, as well as combating corruption in their business strategies and corporate activities (Danish Commerce and Companies Agency, 2009).
In the aftermath of a recent business scandal by Enron and Arthur Andersen, public confidence in corporate America has been given a second looking (Browning, 2002). Research with U.S. corporations and U.K firms show that companies nowadays adopt reporting socially responsible behaviours specific to stakeholder groups (Robertson & Nicholson, 1996), and which serves as a useful framework when evaluating CSR. Where a corporation chooses to undertake such activities, there is a mandatory requirement to report them. 59% of American companies report information relating to their actions regarding the environment and social policies publicly (Hill et al, 2007). The reporting requirements placed on such companies include the need to report information on their CSR policies, how these policies are translated into action, an evaluation of the results achieved by these actions and their expectation to future work (Broomhill, 2007).

2.5 CSR IN DEVELOPING COUNTRIES

Various reasons have been given for the importance of CSR initiatives in developing countries, according to Visser (2008). He also mentioned that developing countries are growing rapidly and therefore can be considered as one of the possible destinations for multinational corporations. The challenges of implementing CSR policies in developing countries usually differ from the ones in developed countries. In developed countries the focus of CSR activities is usually on ethical and environmental themes such as consumer protection, fair trade, green marketing, climate change concerns or socially responsible investment. In developing countries, however, due to many socio-economic issues, the focus is generally on social-economic themes which include poverty alleviation, provision of health-care, infrastructure development and education (Visser, 2008).
Many large corporations now claim to be taking steps to improve their environmental and social performance. They do this through the use of voluntary initiatives such as codes of conduct, environmental certification and reporting, social audits, fair trading schemes and social investment programmes. There is much debate about the potential and limits of voluntary initiatives for improving the social and environmental record of big businesses, as well as their role in developing countries. This is because companies may not be subjected to the same types of pressures and market opportunities in developing countries that encourage responsible business as seen in industrialized countries. In Singapore, for example, some degree of environmental responsibility has been achieved mainly due to the relatively strong capacity of the government to enforce legislation as compared to purely voluntary initiatives (Visser, 2008).

Nevertheless, low levels of community awareness of environmental issues and a weak environmental movement have mitigated the pressures on corporations to adopt voluntary initiatives. However, the existence of legislation on environmental considerations does not necessarily guarantee the success of such laws. Unlike Singapore, the weak enforcement of legislation in Malaysia has resulted in limited corporate environmental responsibilities. These challenges together demonstrate a picture of how different CSR is practiced in developing countries (Hill et al., 2007).

**Figure 2.2** depicts how CSR priorities are perceived in developing countries, especially Africa. CSR responsibilities, as shown by Carroll (1991), are not mutually exclusive, but it is considered to be prioritised from economic, legal, ethical and philanthropic responsibilities in an ascending order. However, CSR in developing countries is considered differently from developed countries in terms of the prioritization of responsibilities.
A departure from Carroll’s 1991 CSR model, Visser’s (2006) model places Philanthropic responsibilities just above the economic responsibilities of an organization. Reason for this placement is attributed to the lack of funding in Africa to tackle its developmental challenges. Thus, some assistance from organizations are expected in the communities where they are located.

With high unemployment rates and widespread poverty in Africa, hope is placed in organizations to provide some assistance to mitigate the effects of poverty while filling some of the developmental gaps created by underfunded government and local authorities. Thus, contributions from organizations to communities are much appreciated by African governments and the beneficiary community (Visser, 2006). Thus, whereas legal responsibilities are the next...
priority after economic in developed countries, developing countries are perceived to prioritize philanthropic responsibilities before legal and ethical responsibilities.

Based on this, scholars have suggested that philanthropy constitutes one of the main expressions of CSR in the developing world mainly due to the difficult and pressing socio-economic needs, and this perhaps put pressure on firms to embrace philanthropic programs and interventions (Frynas, 2005). Other considerations for CSR include prevailing cultural norms and expectations (Jamali and Neville, 2011; Gao, 2009), and religious expectations (Jamali, Sidani, and El-Asmar, 2009a; Jamali, Zanhour, and Keshishian, 2009b). However, institutional gaps that affect the expressions of CSR in developing countries include the contracted and retracted role of governments in developing countries (Frynas, 2005; Amaeshi et al, 2006) which often creates environments that are ripe for (Khavul & Bruton, 2013; Newenham-Kahindi, 2011) and the weakness of drivers pertaining to business associations and non-governmental organizations (Jamali & Neville, 2011). Ite (2005) identifies corruption, poor governance and the lack of accountability to be the main hindrances for CSR in lesser developed countries like Nigeria, resulting in numerous poverty and unemployment issues. CSR activities will have to move beyond philanthropy, rhetoric, legitimization, imagery and public relations in the developing world to a substantive engagement that addresses engrained social problems (e.g. poverty, education, unemployment) and which has developmental impact and implications (Barkemeyer, 2009; Karam & Jamali, 2013).
2.6 CSR IN GHANA

Most western countries, and even some developing countries, to a great extent, rely on individuals and firms for the provision of goods and services and expect these goods and services to be socially and environmentally responsible (Owusu Ansah, 2013).

In Ghana for example, the corporate environment is a very diverse one. This diversity spans from activities embarked by the likes of Limited Liability Companies; Companies Limited by Guarantee; non-Ghanaian companies registered in Ghana as External Companies; and to State-Owned Corporations created by statutes. In addition, there are lots of associations that have corporate personality such as Partnerships and Co-operatives. A clear or readily available CSR policy in Ghana is non-existent. As a result, individuals, public agencies as well as advocacy groups seeking to enter into social responsibilities usually experiences difficulties in doing so. They may not be certain on their social responsibilities and for that matter the exact parameters of CSR.

However, there are a variety of policies, laws, practices and initiatives that together provide the CSR framework in Ghana. These come in the form of many governmental policies and laws regulating particular industries and sectors of the economy such as banking, insurance, and mining which tend to have a direct bearing on CSR in the country.

“Many of the firms in Ghana know that businesses will not succeed in societies that they are failing” (Owusu Ansah, 2013). So the need to factor measures to assist in the societies or environment they operated in is by way of CSR. Even though there is no national CSR Policy in Ghana, there are a number of regulatory bodies in the country, established by different laws, each working towards the protection of consumers, the environment, the country and all stakeholders
in these sectors. The sectors may include the following: mining, energy, water, telecommunications, insurance, finance, forestry, and health.

The forestry sector in Ghana is one of few sectors that have experienced comprehensive legal regime on CSR (Atuguba and Dowuona-Hammond, 2006). The sector insists on Social Responsibility Agreements (SRAs) with corporations who wish to operate in the sector. This allows communities to at least receive a basic sustained level of direct material rewards in addition to control over how the company operates on their land. In return, the company can expect more harmonious relations with local people and hence more predictable and less expensive operations.

Despite the absence of a well-defined CSR policy in Ghana, many of these sectors continue to contribute their quota to Ghana’s development. For example, in the banking sector, various banks have programs geared towards helping communities in Ghana. Barclays bank, for instance, has activities such as Banking on Brighter Futures, and Charity Begins at Work which focuses on educating the general public on basic financial management (Barclays PLC, 2010). These are aimed at making a real and positive impact on the communities in which they operate. In the brewery industries, Guinness Ghana Breweries Limited supported more than 7000 farmers and families mostly in the northern sector to improve their skills (Owusu Ansah, 2013). The company also has the Water for Life program which provided 50 boreholes and water projects to more than 150,000 people across the country. Another example of a firm supporting Ghana in community development through CSR activities is Unilever Ghana Limited. The company’s CSR activities include hygiene, where proper sanitation practices in the various communities are encouraged through education. Similarly, they also provide to the communities boreholes to provide potable drinking water (Owusu Ansah, 2013). Vanguard Assurance Limited also assists
the communities by providing various educational institutes in the country with resources such as books to improve academic performances. These CSR practices by the various companies serve as a tool in creating a positive reputation about themselves to the general public and at the same time solving societal problems (Owusu Ansah, 2013).

The theory of CSR encourages corporations to not only take notice of the economic and financial dealings in a company, but also the social and environmental consequences at business places as well as its shareholders and society at large. It also encourages companies to maximise profits while conforming to laws and regulations that underline the mode of operations. This concept of corporation allows communities to assume a certain position to demand that corporation serve not only the owners or the controlling body, but also society at large (Serafeim, 2014). This idea is seen as today’s stakeholder theory and, with CSR considered a response to stakeholder expectations. According to the theory, the satisfaction of various stakeholder groups has a direct impact on organizational performance (Donaldson and Preston, 1995; Jones, 1995).

According to Freeman and William (1990), by addressing and balancing the claims of multiple stakeholders, managers can increase the efficiency of their organization’s adaptation to external demands. CSR may be an organizational resource that provides internal benefits. A corporation’s ability to indulge in CSR activities may actually help them develop new competencies, resources, and capabilities, which are manifested in a firm’s culture, technology, structure, and human resources (Barney, 1991; Russo & Fouts, 1997). CSR can help management develop better scanning skills, processes, and information systems, which increases the organization’s preparedness for external changes, turbulence, and crises (Russo & Fouts, 1997). These competencies which are acquired internally through the CSR process, will thus lead
to more efficient utilization of resources and organizational efficiency (Majumdar & Marcus, 2001).

2.7 CONCLUSION

CSR has been shown to have existed for a very long time, manifesting in the non-core activities of organizations towards communities. However, in terms of the formulation of its concept, it is considered relatively new, with organizations now consciously incorporating it within its core business. Standard CSR activities include economic, legal, ethical and philanthropic responsibilities being conducted together (Carroll, 1991). However, in terms of prioritization, it is considered to start from legal to philanthropic responsibilities in an ascending order.

For developing countries, CSR is considered to follow a different order as indicated by Visser (2006). Philanthropic responsibilities is considered after economic responsibilities, with the predominant socio-economic challenges of developing countries considered as accounting for the deviation. But in whichever priority order, CSR is an important tool in the socio-economic development of any country, provided challenges which impedes CSR are properly addressed.
CHAPTER THREE

PROFILE OF BLUE SKIES AND NSAWAM-ADOAGYIRI MUNICIPALITY

3.1 INTRODUCTION

According to the Ghana Statistical Service Report (2013), Ghana's population is changing faster than ever before. The population growth rate of the country is reported as 2.7 percent annually. The implication of this population growth on the country is being felt in many ways, especially on socio-economic development. With the country already operating on a deficit budget, alternative or additional means of meeting the socio-economic needs have to be embraced to match the increasing population.

Businesses, through CSR, have been a shadow support towards the development of the country. One of such companies is Blue skies Company Limited, which operates in the Nsawam-Adoagyiri Municipality in the Eastern Region of Ghana. This chapter outlines the profile of Blue Skies Company Limited and its contribution to sustainable development, as well as the profile of Nsawam-Adoagyiri Municipality, a beneficiary of Blue Skies’ CSR activities.

3.2 HISTORY OF BLUE SKIES COMPANY LIMITED

A British entrepreneur, Anthony Pile, founded Blue Skies in 1997 (Blue Skies Foundation, 2013). The company produces ‘fresh-cut fruits’ from factories in Ghana, Egypt, South Africa and Brazil and sell primarily to retailers in Europe. The first factory established by the company was in Ghana and started operating in 1998 with thirty six employees and supplied products to one of the top four supermarkets in the United Kingdom.
The Ghana factory today employs over 1500 people and also supplies to over twelve large European retailers including Sainsbury’s, Waitrose and Albert Heijn. The company’s other factories in Egypt, South Africa and Brazil has been established to enable the business to offer a diversified range of year round fresh-cut fruits. In Ghana, Blue Skies is able to obtain tropical fruits such as pineapple, papaya and coconut (Blue Skies Foundation, 2013). Nonetheless, opening factories in other locations allows the company to expand its range and also offer different products that are not regularly available in Ghana such as deciduous and citrus fruit. For example, opening a factory in Brazil allows the company to strengthen its supply of mango which is only available seasonally in Ghana.

The company’s founder, Anthony Pile, is considered a pioneer of the UK’s fresh-cut fruit industry. He developed the idea to deliver a better product by processing the fruit in the country of origin rather than in the country where the finished product was sold. The rationale was that by locating a factory nearer to where the raw materials were being produced, the business would be able to better influence the quality of the fruits. Again, it will foster a closer relationship with the farmers which enable agronomic practices to be monitored and improved. In addition, it will help to remove the need to extend the life of the raw material using ripening agents such as ethylene, since cutting and packaging of the fruits can be achieved on the same day as it was harvested. The finished product thus can be air-freighted to the market, giving the consumer a fresher product.

Blue Skies Company has since grown to the point where its turnover is about £50 million per year. Approximately 50 percent of this turnover is contributed by the factory in Ghana which is mainly through its export sales (Blue Skies Foundation, 2013). A number of products are also
sold on the local market which is becoming an increasingly important part of the local business in Ghana. Blue Skies is recognised for a number of achievements that relate to working closely with farmers. It was one of the first companies in the world to achieve Global Good Agricultural Practices (Global GAP), and then Europe Good Agricultural Practices (Europe GAP) for a group of farmers in Africa. It was also the first to achieve the environmental standard ‘LEAF’ (i.e. Linking Environment and Farming) for a group of farmers in Africa (Blue Skies, 2009). It makes adherence to various third party standards covering social and environmental issues a priority in their practices and has been awarded for the effort. A few examples of these awards include Fair-trade and Organic certification, the ethical standard ‘Business Social Compliance Initiative’, and the food safety standards ‘BRC’ (British Retail Consortium) and IFS (International Food Safety).

Furthermore, Blue Skies has established a charitable Foundation in partnership with two of its retail customers. This foundation seeks to fund and manage social projects within some of the communities where the company sources its fruits. This has contributed to the company being rewarded with a Queens Award for Enterprise in the category of Sustainable Development in both 2008 and 2011 (Blue Skies foundation, 2010).

3.3 ORGANIZATIONAL MODEL OF THE COMPANY

Blue Skies practices a business model known as ‘Joint Effort Enterprise’ or ‘JEE’. The JEE outlines how the company takes collective responsibility for solving problems and rising to challenges by working together in partnership with all local and international stakeholders. One of the key component of the JEE is a strong management team coupled with motivated and
informed staff at each of the company’s factories. The JEE is principally built upon three strands: a diverse society, a culture of respect and a drive for profit.

'Diversity of society' is one of the defining elements of the model. It represents commitment to breaking down the barriers resulting from societal differences and embraces the qualities that make them different. There are over 2,000 employees in Blue Skies across the globe and with representation from more than ten countries. They employ a diverse mix of people from a variety of backgrounds, cultures and experiences. This makes the company collectively strong and better positioned to take the business forward. A good understanding of the demographics of the market place equips the company to meet the needs of their customers.

The second strand of the JEE is 'a culture of respect'. This is an unwritten code for how the company should behave. It is primarily about ‘respect’. Respect for each other, respect for the environment and respect for the countries within which it operate. The culture of the company is intended to keep employees together and sustain the resources for sustainability. There is no discrimination among staff; factories operate a ‘seamless society’ whereby respect is accorded to each other regardless of gender, age, colour, creed or rank. This helps to bond and get the best out of employees.

### 3.4 CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES OF THE COMPANY

Blue Skies Company Limited carries out its CSR activities through a non-profit foundation known as Blue Skies Foundation, established in 2009. The Foundation is run in partnership with two customers of the company: Waitrose and Albert Heijn. Waitrose is a UK
based supermarket company with about 197 stores and sells mainly high quality food with excellent customer service. Waitrose is also part of the John Lewis Partnership which is a leading UK retail business with 91,000 partners.

Albert Heijn is a Dutch Supermarket Company that has 750 stores in the Netherlands with similar business objective as Waitrose. Waitrose and Albert Heijn understand the importance of improving the impact their businesses have within the supply chain. Hence both institutions have foundations of their own to fund development projects within the communities in Africa where their businesses have an impact. The Foundations of the companies have therefore been established to help improve the lives of the farm workers and smallholders who grow their produce in Africa.

The birth of Blue Skies Foundation offers a platform for Waitrose, Albert Heijn and Blue Skies Ltd to operate together effectively in communities from which they source their prepared fruits. The foundation is well structured in a way to allow the three parties to set principles for identifying, managing and evaluating projects, making the most out of each other’s skills, experience and expertise (Blue Skies Foundation, 2010). The three partners often rely on communities to identify projects for them. Projects are proposed by the communities based on their needs. The proposals are then submitted to the Foundation board for recommendation.

The structure of the Foundation is in two levels: the Foundation Council with its sub committees, and the Board of the Foundation. The Council is made up of representatives nominated from staff of Blue Skies and members from the farming regions. Its main function is to prioritize and shortlist projects and review progress. A farming region is any region where Blue Skies supports farmers in the cultivation of fruits supplied to the company. Those nominated from the farming regions also serve as Chairpersons of the Committee in the farming
region. The regional committees are made up of supplying farmers who belong to a particular geographic grouping. A farmer in each region can also chair a subcommittee for their respective community. By exception, a community member may be elected on to regional sub committees in the case where a farmer is not considered to be effectively fulfilling his/her role as a community representative.

The second level of the foundation structure, the Foundation Board, is a four member committee. They are Albert Heijn, Waitrose, Blue skies and a Ghanaian advisory director, a Foundation Manager, whose main duty is to effect the day to day management of the Foundation and all projects, with the support of a UK based coordinator and a designated Blue Skies Manager is also appointed by the Board and reviewed on an annual basis. The Foundation’s structure is graphically represented in Figure 3.1

**Figure 3.1: Governance Structure Diagram**

Source: *Blue Skies Foundation Annual Report 2009 -2010*
To ensure sustainability of projects, the communities, through a committee, show clearly management and maintenance strategy for the proposed projects. Execution of projects and regular visit is done by the foundation manager at Blue Skies to ensure the success of projects. Projects upon completion are evaluated and monitored for about one to five years depending on the outcome of initial evaluation. Ownership of projects is thereafter given to the communities.

In 2013, the foundation also launched the ‘Get Inspired’ campaign in Ghana with the aim of inspiring the next generation of Ghanaians to be the change they want to see in the world. The aim of the campaign is to work with schools to encourage entrepreneurship in response to diminishing interest among the young in agriculture and industry (Blue Skies Foundation, 2013). In addition, the campaign normally introduces farm competition in schools in the country. The competition encourages new trends by persuading students to think about how a farm for their school can be set-up and maintained and run as a viable business (Blue Skies Foundation, 2013).

The Foundation has been privileged with the support of other institutions aside from its founding members. Organizations including the UK charity, ‘Pens for Kids’, Blue Skies UK and Hurlstone and Brington Primary Schools donate learning resources such as computers, stationary and textbooks to schools in Ghana and South Africa. The organisation continues to work in partnership with a limited number of schools in the UK by supporting class room activities designed to raise awareness of the Foundation and to also provide an insight on the people, culture and history of the countries where Blue Skies sources its fruit. Schools have also supported the Foundation by donating learning materials, including computers and stationery to schools in Ghana. Some of these schools are shown in Table 3.1.
3.5 CSR ACHIEVEMENT(S) OF THE COMPANY

A letter from the board, in the 2013 annual report of the Foundation, tells the success story of twenty four projects brought to completion since the Foundation started in 2009. The 2010 and 2013 annual reports of the foundation recorded about 13 completed projects. Table 3.1 shows reported projects undertaken in the respective communities within the municipality.

**Table 3.1: Blue Skies projects in the Municipality from 2010 – 2013**

<table>
<thead>
<tr>
<th>Community</th>
<th>Completed Project</th>
<th>Details</th>
<th>Year completed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sekyekrom</td>
<td>Renovation of Kindergarten and Construction of a WC</td>
<td>Renovation of a Kindergarten and construction of a WC and Kitchen</td>
<td>2010</td>
</tr>
<tr>
<td>Fotobi</td>
<td>New classroom block</td>
<td>New classroom block construction for Fotobi Junior High School</td>
<td>2010</td>
</tr>
<tr>
<td>Amanfrom</td>
<td>Construction of KVIP</td>
<td>Construction of compost toilet system for Amanfrom village</td>
<td>2010</td>
</tr>
<tr>
<td>Akraman</td>
<td>Renovation of Primary School</td>
<td>Renovation of classroom block for Akraman Primary School</td>
<td>2010</td>
</tr>
<tr>
<td>Canaan Farm</td>
<td>Construction of corn mill</td>
<td>Provision of corn mill and construction of service centre for Canaan Farms</td>
<td>2010</td>
</tr>
<tr>
<td>Abortia</td>
<td>New classroom block</td>
<td>New classroom block construction for Primary School</td>
<td>2011</td>
</tr>
<tr>
<td>Nsawam</td>
<td>Sports Complex</td>
<td>New multi-use games area for Blue Skies and surrounding community</td>
<td>2011</td>
</tr>
<tr>
<td>Ayigbe Town</td>
<td>Renovation of training centre</td>
<td>Renovation of medical training centre for a clinic</td>
<td>2011</td>
</tr>
<tr>
<td>Ekumfi Abor &amp; Ekumfi Nanabin</td>
<td>Mechanized water system</td>
<td>Mechanized water system for Abor and borehole and hand pump for Nanabin</td>
<td>2011</td>
</tr>
<tr>
<td>Akotuakrom</td>
<td>Construction of KVIP</td>
<td>Construction of public toilet block for village in papaya growing area</td>
<td>2012</td>
</tr>
<tr>
<td>Djankrom/Asante Ekura Nsawam</td>
<td>Water Closet (WC)</td>
<td>Construction of public WC for a town in Ghana</td>
<td>2012</td>
</tr>
<tr>
<td>Krabokesse</td>
<td>Borehole project</td>
<td>New boreholes at Krabokesse</td>
<td>2013</td>
</tr>
<tr>
<td>Nsakye</td>
<td>Construction of KVIP</td>
<td>12 seater KVIP for the village of Nsakye</td>
<td>2013</td>
</tr>
</tbody>
</table>

Source: Blue Skies foundation reports, 2010 and 2013.
In addition to these major projects, other projects such as the provision of more solar lighting systems for communities and the donation of learning materials for schools have also been carried out. According to the Foundation Manager of Blue Skies, and also reported in the Foundation's report 2013, the success of the projects had great impact on the various beneficiary communities. Most of the communities and surrounding areas previously depended on local streams and wells for their supply of water. It becomes even more difficult during the dry season, when the wells and streams dry-up. People have to travel miles to other communities to get water for household activities. This usually affects economic and social activities of the areas. For example, children will have to abandon school in search of water.

Lack of dependable water source affects the health of the people with water borne diseases. Recently, with the provision of water by the company, the community can now boast of clean drinking water. These they believe has enhanced productivity and improved academic output, as well as reduce if not eradicate water borne diseases. Further benefit from the foundation projects is the construction of a Kumasi Ventilated Improved Pit (KVIP), which is a pit latrine commonly used in Ghana. The nature of the toilet helps to control odour and the presence of houseflies, while also minimizing the risk of air borne disease. Construction of the school project in various communities has led to an increase in school enrolment. Most of the schools previously were overcrowded. More so, the deplorable state of classrooms brought discomfort to pupils during adverse weather. The entire school project gave a better learning environment and created a safer place for the students to learn. The ‘Get Inspired’ campaign launched in October 2013 with 200 pupils from 10 schools gave activity books for schools to make young students more aware of the challenges facing our planet, and inspired them to play a
part in creating a brighter future for the world. All these have contributed to the success story of Blue skies Company.

3.6 GENERAL OVERVIEW OF STUDY AREA

Blue Skies Company Limited in Ghana is located in the Nsawam-Adoagyiri Municipality. The municipality is one of the twenty six administrative Districts in the Eastern region of Ghana. It lies at the south-eastern part of the Eastern Region and covers a land area of about 205 km$^2$. The Municipality was called Akwapim South Municipality before its separation by the Legislative Instrument (LI 1839) into two (2) in September, 2012. The name Akwapim South was given to the new district created out of the then Akwapim South Municipality and is now called Nsawam Adoagyiri Municipality, with Nsawam as its capital town (Nsawam-Adoagyiri District, 2014).

Figure 3.2: Map of Nsawam-Adoagyiri Municipal Assembly

3.7 GEOGRAPHICAL DEMOGRAPHICAL BACKGROUND OF MUNICIPALITY

Figure 3.2 is a pictorial view of the Nsawam-Adoagyiri Municipality. It is located between latitude 5.45 N and 5.58 N, and longitude 0.07 W and 0.27 W. The provisional population figure of the new municipality is made up of about 42,790 males and of about 44,617 females as per the 2010 population and housing census. In terms of spatial interaction, it is bordered to the south by the Ga-West District in the Greater Accra Region and to the North by Ayiensuano District. It is also bordered to the west by Upper-West Akim District and to the East by Akwapim-South District. The Municipal capital, Nsawam, is a gap town along the main highway linking the coastal lands to the Northern part of the country that is on the Accra-Kumasi Road. This provides opportunities for commercial activities in the town, particularly the marketing of bread, fried yam and pastries.

The Municipality consists of Four (4) Zonal councils namely; Adoagyiri, Djankrom, Nsawam, and Panpanso with about 120 communities (Nsawam-Adoagyiri Municipal Assembly, 2014). The population density of the Municipality is 277 persons per km$^2$. Again, the population growth rate is estimated at 1.6% per annum which is lower than that of the country at 2.7% but slightly higher than the regional population growth rate of 1.4% per annum.

With a labour force of 57.4% of the total population, economic dependency ratio stand at 1.35:1, which means some of the people in the working class are not economically active, accounting for 7.9% unemployment rate in the Municipality. The Urban-Rural split is 1:1.2, indicating that for every ten (10) people in every urban area, there are (12) twelve people living in the rural areas, which in this part of Ghana constitutes deprived communities, devoid of basic social facilities and services (Nsawan-Adoagyiri Municipal Assembly, 2010).
3.8 SOCIO-ECONOMIC BACKGROUND OF MUNICIPALITY

Agriculture is the major economic activity in the municipality. Majority of the people engaged in commercial farming especially in the area of pineapple, pawpaw, mango and other fruits that are exported and sold locally. Hawking along the main Accra- Kumasi road is a well-known economic activity in Nsawam, the municipal capital. The municipality is endowed with fruit processing factories and these employ a significant number of people, especially the youth. There are also small scale and medium scale industries in the municipality. The industries range from agro-processing, stone quarrying, artefacts/craftworks production, pharmaceutical production, batik tie and dye, etc.

Some of the major commercial farms and agro-processing industries are: Koranco Farms, Combined Farms, Greentex, Green Span, Buella and Rose Farms, Blue Skies, Largrey, Africa Cola, Pam Pharmaceuticals, and Sunripe. These industries and farms of various levels are located at Nsawam, Doboro, Aburi and Adoagyiri, and Paebo, which host the quarry industry. Farming is currently the leading occupation of the people in the Municipality, cultivating vegetables, tubers, pineapples and oranges. The Municipality contributes about 60 percent of the total national export of pineapple, bringing in $12.00 million its sale. It again produces about 55 percent of total quality pawpaw exported out of the country. Trading in farm produce and other manufactured goods is also prominent with its attendant flow of trucks carrying foodstuff from the Brong-Ahafo, Ashanti and Northern Regions respectively according to (Nsawam-Adoagyiri Municipal Assembly, 2014).

The major resource of the municipality is the availability of lands, which when fully exploited by the private sector could generate a number of enterprises, employment and incomes in the Municipality. Some of the bottlenecks that hinder development by private sector and its
contribution to the municipality’s economic development as mentioned by Mr. Ofori (deputy coordinating director of assemble) include:

- Lack of capital to expand business
- Inadequate managerial skills
- Lack of entrepreneur skills to start new business and innovate
- Marketing problems
- Poor roads to production centre

3.9 DEVELOPMENT PLANS OF THE MUNICIPALITY

Like most District Assemblies in the country, the Nsawam-Adoagyiri Municipal medium term development plan (MTDP) serves as a guide for development. The document represents comprehensive policies to support growth and poverty reduction over a period, usually four-year period. The thrust of the MTDP in terms of development has identified the municipality’s needs and priorities based on the potential and opportunities available. This enables the municipality to concentrate on efforts and resources on those priorities of projects to maximize the benefits.

Some of the goals of the Nsawam-Adoagyiri municipal are as follows;

1. To improve feeder roads condition in the Municipality.
2. To improve the quality of education in the Municipality.
3. To improve the health delivery system in the Municipality
4. To improve the water services delivery in the Municipality
5. To improve the sanitation delivery system in the Municipality.
6. To improve access to skill training, education and credit
The implementation of projects and programmes under the Medium-Term Plan requires huge financial resources. The financial resources required to undertake planned projects cannot be generated by the municipality solely. Even with its share of the Common Fund, the municipality will still need extra funding from central government and other agencies. This may include: Municipal Assembly’s sources (IGF), Central Government, Ghana Education Trust Fund (GET FUND), Danish International Development Agency (DANIDA), Millennium Challenge Account (MCA).

The Municipal Assembly has two main ways of generating revenue: internal and external generated sources of funds. Some of the sources of internally generated fund are rates/receipts, fees and fines. Externally funds are usually through grants. It is worth noting that the municipality’s internal revenue performance has been encouraging as it continues to record positive growth rates from internal sources like fees and fines and licenses. In 2008, the internal revenue was GH¢ 241,707.00. In 2009, the internal revenue increased to GH¢ 363,279.39 representing an increment of about 50.3% using the 2008 as the base year. Although revenue from fees and fines has not been growing over the years, it contributes significantly to the internal revenue of the municipality.

3.10 CONCLUSION

The medium term development plan of the municipality suggests there are well laid out plans for development. However, they lack the required funding to implement developmental projects. This makes the development ofNsawam-Adoagyiri Municipality a shared responsibility. It is a shared one because the municipal assembly, which has the core mandate to spearhead development, is under resourced in terms of adequate funding. This has resulted in the
difficulty in attaining most of the short term development goals of the municipality. The contribution of organizations through their CSR activities helps fill some of the developmental gaps created by the municipal assemblies. There is therefore the need to solicit and incorporate the assistance that organizations want to provide as its CSR into the development framework of municipal assemblies.
CHAPTER FOUR

RESEARCH METHODOLOGY

4.1 INTRODUCTION

Methodology is a framework that outlines the methods that are followed for research. This chapter, therefore, delves into the sampling as well as sources, type, tools, methods of data collection and analysis.

4.2 STUDY APPROACH

To assess the effect CSR have on socio-economic development, a cross-sectional approach was employed. This is because it was the most suited, considering the length of time available for the study. Even though cross sectional research design is limited in inferring unambiguous causality, it gives results that associations can be inferred from. It involved conducting interviews with management and staff of Blue Skies Ghana Limited and residents of Nsawam-Adoagyiri Municipality over a period of one month.

4.3 DATA SOURCES

Secondary and primary sources of data were used for the research questions. Secondary source of data, on the other hand, was obtained from books, articles, journals, annual reports from Blue Skies Company limited, District Assembly profile, medium term development plan of the assembly and other internet sources. The primary source of data was collected from two groups of respondents. The first group of respondents were the management and some staff of Blue Skies where in-depth interviews were conducted. This enabled the researcher to ask
questions on beneficiary communities of CSR, the challenges, and the sustainable measures adopted by the management with regards to their CSR projects. The second group of respondents were the community members of beneficiary communities. Data was gathered form this group of respondents with the use of questionnaires and interviews.

4.4 METHODS OF DATA COLLECTION

The mixed method approach to data collection was applied in this study, where both qualitative and quantitative approach was used. Qualitative data is normally the descriptive accounts of observations while quantitative data is a data which can be expressed numerically or classified by some numerical value. The qualitative data was gathered through interviews while the quantitative data was obtained by the use of questionnaires. The questionnaires to the individuals in the communities were administered directly. The first was the generally low education of respondents who could not understand and answer the questions without help. The second reason was to increase the response rate and also observe the nonverbal reaction of respondents.

4.5 TOOLS FOR DATA COLLECTION

4.5.1 INTERVIEW

Key informant and in-depth interviews were conducted to obtain information from the municipality. Two project officials of the Nsawam-Adoagyiri Assembly were interviewed as key informants for their views in relation to the CSR activities of the Blue Skies, the developmental impact to the communities and their sustainability. In-depth interviews were also conducted with
four personnel of Blue Skies Company limited. Two were top officials of the company and one was a supervisor. Their identities were withheld from the analysis.

4.5.2 QUESTIONNAIRE

Data from the households was collected using questionnaires. The target was households in the selected communities who were involved in some form of economic activity. The questionnaire used was made up of both open-ended and closed-ended questions. The open-ended questions afforded the respondents the opportunity to put across their views in their own words. It elicited responses on the knowledge of community members on corporate social responsibility programmes of Blue Skies and other companies, relationship of community members and Blue Skies, and the socio-economic impact of Blue Skies on the community.

4.6 PARTICIPANTS SELECTION/SAMPLING TECHNIQUE

The study made use of both purposive and convenient sampling techniques. The selection of management and staff of Blue skies Company was done using the purposive sampling technique. This was due to the fact that the researcher needed key people within the company to have adequate and expert knowledge in CSR projects undertaken by Blue Skies Company. Further, the purposive sampling was also applied to the selection of communities that have benefited from CSR projects. This was done by deliberate selection of communities that have benefited from specific projects which addresses issues of health, education, water, and sanitation. In the municipality, seven communities had benefited from CSR activities from the company. Based on this, the purposive sampling was used to select four communities: Akranman, Doboro, Djankrom, and Ayigbe town.
In selecting respondents from the identified communities which had benefited from Blue Skies, convenient sampling was used. This is a non-probability sampling procedure in which cases are selected on the basis that they are easier to obtain (Saunders et al, 2007). The decision to use this method was based on the absence of a sampling frame from which probability sampling methods could be applied in the selection process. The use of this method however limits this study in terms of the level of generalizations that findings of the study can be made. As indicated by Overton (2009), challenges associated with convenient sampling include making the sample not representative enough, and also limits the value of the findings if the variation in the population is large. Additionally, the control that a researcher can have over the sample content is low. These shortcomings were surmounted by the use of more in-depth interviews of the respondents.

4.7 DATA ANALYSIS

Quantitative data was analysed using the Statistical Package for Social Sciences (SPSS). The quantitative analysis was largely descriptive and was done using graphs, tables and frequencies to present the findings from the study. In analysing the data obtained, information gathered from the field was recorded in an organized manner into a compressed data using SPSS. The compressed data was done in line with the research objectives, after which conclusion was drawn based on findings from the data received.

The qualitative data gathered through interviews was transcribed and content analysis method was used in the presentation of the data. Using content analysis method, the statements of the respondents were quoted directly under relevant themes and sections of the study.
4.8 ETHICAL ISSUES IN THE RESEARCH

To dispel any misgivings that respondents may have concerning the study, the purpose of the study was explained into detail to the respondents. This was done to reduce incidence of false information being given by the respondents. All respondents were made to understand that participation was on voluntary basis. The informed consent of each respondent was required for participation in this research with all respondents of the questionnaires remaining anonymous. The names attached to quotations of qualitative information were not real names of respondents and interviewee. Respondents were assured that information gathered from them will be for academic purpose only.
CHAPTER FIVE

PRESENTATION AND DISCUSSION OF FINDINGS

5.1 INTRODUCTION

This chapter presents analyses and discusses the research findings from the questionnaire and interviews of this study. The results are divided into two sections. The first section deals with socio-economic characteristics of respondents and background information of the respondents by looking at gender, age, educational level and occupation. The second section deals with the analysis and discussion of data from the questionnaire (both closed and open-ended questions) and data from the interviews.

5.2 SOCIO-ECONOMIC CHARACTERISTICS OF RESPONDENTS

Forty (40) respondents were interviewed for the study. Out of this, forty eight percent (48%) were males and fifty two percent (52%) were females. Majority of the respondents were females due to the timing of the research which are times that the researcher mostly met housewives at home. More than half of the respondents (55%) of all the respondents were married while just about one-third (35%) were single. Seven percent and three percent of the respondents were divorced and widowed respectively. In terms of age distribution, thirteen percent of the respondents fell within the ages of 15-25 years, forty percent were between 26-35 years, and thirty-seven percent were between 35-45 years, while ten percent fell between 46-69 years. The average age was 35.3. With this age distribution, it reveals that majority of the respondents were within the active working age and as such CSR such as employment, job creation, school building for children will be of immense benefit to them. Therefore, this group
of people are more likely to appreciate CSR projects if such projects indeed exist in their communities.

In terms of how long the respondents had lived within the municipality, most of the respondents (58%) had lived there below twenty years. This was followed by those who lived for more than thirty one years (22.5%) and finally those who lived there between 21 and 30 years (20%). This implies that most of the respondents would have had adequate knowledge of CSR projects undertaken by blue skies in the communities. In terms of education, 15% did not have formal education and 33% had basic education. Those who had secondary education constituted 40% while 12% had tertiary education.

**Figure 5.1: Occupations of Respondents**

![Bar chart showing occupations of respondents](image)

Source: Field Data, 2014

From Figure 5.1, the study showed that with respect to the employment status of the respondents, 15% were self-employed with employees. An overwhelming majority (65%) were
self-employed without employees. Regular employees constituted 12% while three percent (3%) were casual workers. Only 5% were domestic workers. With a majority being self-employed, an implication can be drawn that most of the people in the operational area of Blue Skies CSR activities are likely to be farmers since it is a farming area. Further, they are likely to be fruit farmers who supply Blue Skies with their raw materials.

5.3 Corporate Social Responsibility of Blue Skies-Community Development Initiative

According to Carroll (1991), the aim of CSR is to achieve sustainable development in societies. To achieve sustainable development, there are four main responsibilities that must be performed by a company: economic, legal, ethical and philanthropic responsibilities. This section describes the responsibilities that Blue Skies Company is performing with regards to the four standard responsibilities.

5.3.1: Economic Responsibilities

As explained earlier, economic responsibilities basically assess the profitability of a company to know whether it can be sustainable with time. Three respondents (one manager and two employees) the researcher interviewed all indicated that the company was not making losses. These were interviewed because their position within Blue Skies made them privy to some information considered important to this study. The profits, as provided by the 3 staff, are indicated in Table 5.1. Table 5.1 shows the profits made by Blue Skies from 2009 to 2013. Though over the years the profits of Blue Skies have fluctuated, the company has not recorded any losses. This confirms the sustainability of the company hence its continuity of CSR programmes.
Table 5.1: Profits of Blue Skies Company Limited from 2009 to 2013

<table>
<thead>
<tr>
<th>Year</th>
<th>Profit (GHS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>3,416,000.00</td>
</tr>
<tr>
<td>2010</td>
<td>1,204,000.00</td>
</tr>
<tr>
<td>2011</td>
<td>6,608,000.00</td>
</tr>
<tr>
<td>2012</td>
<td>4,986,638.20</td>
</tr>
<tr>
<td>2013</td>
<td>6,331,148.20</td>
</tr>
</tbody>
</table>


One of the respondents’ who referred to the sustainability report 2009, noted that the number of employees have increased over the years, while the increase in the volume of infrastructural development the company is gives to the people is an indication of the progress the company is making. He said that:

“Companies running at a loss cannot provide for itself let alone provide for its communities” (Interview with male respondent, 2014).

This therefore indicates that Blue Skies is making progress as a company and continues to expand hence, its increasing human resource base and ability to actively involve itself in CSR.

Another respondent added that:

“The good people of Ghana as well as people all over the world appreciate quality products and Blue Skies is the best in delivering quality products to its customers. Our customer base therefore keeps increasing and this has a positive impact on our productivity and economic progress” (Interview with male respondent, 2014).

It can therefore be deduced from this respondent that the economic progress of the company also relies on the quality of their products which is the main factor for the increase in customers who are the factors of Blue Skies' sustainability. Hence, premium is placed on products in order to promote economic progress which benefits the company and people in
general through an increase in employment and in the company's engagement in CRS. Table 5.2 shows the statistics of the number of employees of Blue Skies as at 2009. The data in the table shows that as at 2009, the company had a total of 1,467 staff and this increased to 1,967 by 2013. However, the number of permanent staff decreased whiles contract staff and casual staff increased. The change in staff composition as observed over the years was to reduce the cost involved in managing permanent staff as compared with casual and contract staff. The progress of Blue Skies can therefore be evident in the employment or number of human resources indicated in Table 5.2.

Table 5.2: Number of employees in Blue Skies

<table>
<thead>
<tr>
<th>Year</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permanent Staff</td>
<td>767</td>
<td>706</td>
<td>474</td>
<td>433</td>
<td>420</td>
</tr>
<tr>
<td>Contract Staff</td>
<td>18</td>
<td>26</td>
<td>42</td>
<td>74</td>
<td>86</td>
</tr>
<tr>
<td>Casual Staff</td>
<td>682</td>
<td>952</td>
<td>1204</td>
<td>1273</td>
<td>1461</td>
</tr>
<tr>
<td>Total No. Of Staff</td>
<td>1467</td>
<td>1684</td>
<td>1720</td>
<td>1780</td>
<td>1967</td>
</tr>
</tbody>
</table>

Source: Blue Skies weekly Personnel Statistics 2013

5.3.2: Legal responsibilities

The results of the interviews with all the three officials of Blue Skies indicated that the company does not compromise on its compliance to the laws governing the country it is located. One of the respondents explained that no company strives and achieves progress when it is only concerned about making money without adhering to the legal framework within which companies are to conduct their business. One further added that
“The fact that this company has existed for this long without being closed down is an indication that we have certify all the requirements needed to operate such business in this country” (Interview with Blue Skies staff, 2014).

Indicating that Blue Skies have satisfied all its legal responsibilities with Government and with the local area with which they operate hence their long standing progress without its closure.

5.3.3: Ethical responsibility

The respondents gave many ethical responsibilities that the company performs. Concerning how conducive the work environment was, one of the respondents echoed that:

“Ensuring that our staffs are able to work in a safe and healthy working environment is essential in enabling Blue Skies to deliver upon its commitment of providing the highest quality fruit” (Interview with Blue Skies staff, 2014).

This suggests that the company places emphases on the well-being of its workers in its aim to achieving the best. They explained that employees are entitled to two days off per week and four weeks paid leave per year. In addition, women are entitled to three months maternity leave per year and, at some factories, two weeks paternity leave for men. One of the officers applauded that:

“Blue Skies was in fact the first company in Ghana to offer paternity leave” (Interview with Blue Skies staff, 2014).

The data gathered further revealed that where appropriate, management assist factory staff with membership to the National Social Security Scheme, medical care and health advice, transport to and from work, soft loans, salary advances, a lunch subsidy and in some cases,
assistance for further education. At the workplace, there is a library, an internet café, a clinic and a crèche.

It was explained that the company invest so much in training their employees and therefore remunerate their workers so that they can also give off their best to increase the company’s productivity (Blue Skies, 2009). These are benefits to the employees that help promote their output which also drive the company to economic progress. This indicates therefore that the ethical responsibility is aimed at promoting economic growth and progress of companies.

With regards to waste management, the respondents noted that it is their responsibility as a company and as individuals to reduce the impact on the environment not only to counter the effects of climate change but also:

“Because it is our inherent duty to look after our planet for the sake of future generations and because the survival of our business depends on it. Our Sustainability Committee regularly monitors our performance against the commitments set out in our environmental policy and identifies areas where we can improve. We have also implemented an environmental management system which satisfies the requirements of the Environmental Standard ISO 14001” (Official reading from the 2008/2009 Blue Skies sustainability report).

The data gathered show that raw material waste is managed by composting, plastic waste is managed by recycling or incineration and sewerage and waste water is managed at their Treatment unit.
5.3.4: Philanthropic Responsibilities

Carroll (1991) explained that philanthropic responsibilities are the donations organizations make to societies they find themselves in. In Ghana, many rural communities lack basic infrastructure such as electricity, access to potable water, clinics and school buildings. Blue Skies Company Limited’s foundation, in partnership with its customers Albert Heijn and Waitrose have helped resolve some of the challenges in the Ghanaian communities. The Foundation's aim is to engage participants within the supply chain of the company to build upon relationships based on fairness and trust; and to provide support where it is needed most to improve the livelihoods of staff, suppliers and the communities where it is located. This can be linked to the work of Visser (2008) who compared CSR in developed countries to that in developing countries. Ghana being a developing country with many socio-economic issues, the CSR undertaken by Blue Skies focuses mainly on socio-economic issues.

Blue Skies has been making many donations to many societies in Ghana, not only the four communities under study. For instance the company has built an agricultural resource centre for Somanya. This project involves the construction of a Resource Centre for the Yilo Krobo Mango Farmers Association at Somanya in Ghana. The centre includes a 250-seater conference hall, an exhibition centre, an internet café, offices and toilet facilities. The company has also built Water Closet (WC) for Asante Ekura at Nsawam. There are many other projects the company has donated to other communities in other communities in many regions in Ghana. However, for the purpose of this study the philanthropic responsibilities of Blue Skies will be restricted to the four communities. As noted by (Carroll, 1991), companies tend to perform more of philanthropic responsibilities than economic, legal and ethical responsibilities. This section details the philanthropic projects Blue Skies has provided for the four communities.
Since the formation of the foundation in 2009, twenty-four projects have been completed. Akraman, Doboro, Djankrom and Ayigbe town are four communities in Nsawam-Adoagyiri Municipality which have benefited from the activities of the foundation. Table 5.3 depicts assistance extended to the four communities.

**Table 5.3: Projects by Blue Skies in the four communities**

<table>
<thead>
<tr>
<th>Community</th>
<th>Project</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Akraman</td>
<td>1. Water Project</td>
<td>1. 2014</td>
</tr>
<tr>
<td></td>
<td>2. Renovation of primary school</td>
<td>2. 2010</td>
</tr>
<tr>
<td>Doboro</td>
<td>1. A 3 classroom block &amp; WC toilet</td>
<td>1. 2013</td>
</tr>
<tr>
<td></td>
<td>2. Employment</td>
<td>2. Since 1998 &amp; On-going</td>
</tr>
<tr>
<td>Djankrom</td>
<td>1. 20 Water Closet toilet</td>
<td>1. 2012</td>
</tr>
<tr>
<td></td>
<td>2. Employment</td>
<td>2. Since 1998 &amp; On-going</td>
</tr>
<tr>
<td>Ayigbe Town</td>
<td>1. Renovation of training centre for old Nsawam hospital</td>
<td>1. 2011</td>
</tr>
<tr>
<td></td>
<td>2. Employment</td>
<td>2. Since 1998 &amp; On-going</td>
</tr>
</tbody>
</table>


The information in Table 5.3 shows that Blue Skies have assisted the four communities in the areas of water and sanitation, health, education and employment creation for the people. On water and sanitation, the company provided Akraman with a borehole in 2014, constructed a 20-seater cistern toilet facility for Djankrom in 2012 and a WC for the public school in Doboro.

In the area of health, the company renovated the health training centre for old Nsawam hospital at Ayigbe Town in 2011. In the area of education, the company renovated Akraman Primary School in 2010 and built a 3-unit classroom block for the Doboro community in 2013. Since their inception in 1998, the four communities have benefited from the employment
avenues created by the company. Speaking to a management member in the company, he noted that:

“We are bent at making sure that our company benefits not only our consumers but the surrounding communities we find ourselves. The communities we operate in must see an improvement in their lives. We therefore consider both the skilled and unskilled from the community as a way of giving majority of them a regular source of livelihood. Whiles the old benefit from employment and the social services we provide to the company, the young also benefits from the educational facilities we provide to them” (Interview with management member, 2014).

From the words of the management member, Blue Skies as part of CSR has over the years been beneficial to community members, both young and old, in the form of employment and education both of which have the potential to reduce poverty. In other words it can be said that the CSR of Blue Skies is aimed at poverty reduction in a long run as Visser (2008) indicated in his write up. Table 5.4 indicates the expenses incurred by Blue Skies Company in undertaking the various projects in the communities selected in this study.

**Table 5.4: Blue Skies Expenditure on selected projects**

<table>
<thead>
<tr>
<th>Year</th>
<th>Community</th>
<th>Project</th>
<th>Expenditure (GHS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>Akraman</td>
<td>Primary School Rehabilitation</td>
<td>20,902.00</td>
</tr>
<tr>
<td>2011</td>
<td>Ayibetown</td>
<td>Rehabilitation of Hospital Conference Room, Eye Clinic, Two store rooms and a Disease Control and Vaccination Centre</td>
<td>30,793.00</td>
</tr>
<tr>
<td>2012</td>
<td>Djankrom</td>
<td>20 Seats Water Closet Toilet Project</td>
<td>51,900.00</td>
</tr>
<tr>
<td>2013</td>
<td>Dobro</td>
<td>Community JHS Block</td>
<td>154,429.00</td>
</tr>
</tbody>
</table>

5.3.4.1 Educational responsibility

The rehabilitation of a six class room block, as shown in Plates 1 and 2, was accomplished by raising existing walls, providing doors and windows, concreting and plastering floors, and painting the structure. The objective of this project was to renovate an existing primary school at the village of Akraman in the Eastern Region of Ghana. This six classroom school was built by the North American Women’s Association (NAWA) in 1998; however the project was completed without concreting the floors and corridors or providing windows and doors for the classrooms. As a result, goats and sheep and other domestic animals often entered the classrooms, leaving excrement which results in foul odours. These animals would even enter the building during school hours which would disrupt the children's attention, further affecting their performance. Blue Skies rehabilitated the primary school block in August 2010 by concreting the floor of the classroom and corridors, fixing windows and doors to the classroom, and painted the school block. The company recently initiated and brought to completion a water project in the year 2014. The water project has now become the main source of portable drinking water in the community.

Plate 1: Picture of Akraman Primary School block before renovation

Source: Blue Skies Foundation, 2010
Another community called Doboro with a population of about 3500 was also provided with a three classroom block, shown in Plate 3. The new school block has increased enrolment from 145 to 250, allowing for a second stream of Junior High School. It has provided a good learning environment and facilitated the provision of education to the people at large.

**Plate 3:** Picture of a school block built at Doboro

Source: Field work, 2014.
5.3.4.2 Health Responsibility

Another significant CSR activity that Blue Skies limited undertook was the renovation of a hospital in Ayigbe town. In 2010 the authorities of the hospital approached Blue Skies Company limited for assistance in the renovation of its training centre. This was supported and accomplished in 2011, shown in Plate 4. The centre is now accessible for training programs, a facility widely hailed by the youth of the town.

Plate 4: Picture of training centre in the hospital at Ayigbe town

Source: Field work, 2014.

5.3.4.3 Sanitation Responsibility

In 2012, Djankrom was provided with a 20 seat cistern (water closet, WC) toilet facility (Plate 5). Previously the community had one toilet facility. The old facility was a KVIP and it was not as hygienic compared with the WC facility. Members of the community thus prefer to use the WC as compared to the old toilet facility. From the study, it was realised that the nature
of CSR activities of the company show a focus on infrastructural improvements in the communities which benefited from the company. The emphasis on infrastructural development highlights the role of CSR in developing countries as indicated by the literature, where the myriad of challenges results in CSR being an attempt to support governments’ efforts in alleviating poverty.

**Plate 5:** Toilet facility built for residents of Djankrom

Source: Field work, 2014.
5.4 KNOWLEDGE OF COMMUNITY ON CSR

Despite the relatively low level of formal education of the respondents, they were well informed of the concept of CSR as represented in Figure 5.6. Apart from Ayigbe town which had 20 percent of respondents’ being aware of the company's CRS, the other three communities had more than 50 percent of the respondent’s aware of the companies performing CSR in their communities. In the three communities that recorded more than 50% of awareness, the projects that were done by Blue Skies Company had direct benefit on the people. The awareness of Ayigbe town on CSR project was low due to the fact that the project had no direct benefit to the people. This was because the project undertaken was a renovation of the hospital conference hall which is mainly used by the hospital for training health personnel.

Figure 5.2: Knowledge of Respondents on CRS (%)

![Graph showing knowledge of respondents on CSR](image)

Source: Field data, 2014.

In terms of gender, more males (74%) than females (62%) had knowledge of social programmes of Blue Skies Company Ltd. However, it must be noted that the difference in
awareness is in contrast to the fact that more females were interviewed during the study. This was because more females were present at the time questionnaires were being administered. Figure 5.7 shows disaggregation of the respondents’ knowledge of CSR by gender.

**Figure 5.3: Gender and Knowledge of CSR (%)**

Source: Field data, 2014.

5.4.1 Ways respondents heard about the company’s CSR

As to how respondents heard about the CSR, about 42 percent of all males heard it from friends while 47 percent heard it from the company itself. On the other hand, majority of females (71%) heard about the CSR activities from the company while 29 percent of the females heard it from friends. Again, it must be mentioned that the higher incidence of female knowledge about CSR activities is due to the higher number of female to male respondents interviewed for the study. About 5 percent of males had the Assembly as their source of knowledge of the CSR
activities of Blue Skies (see Figure 5.8). Generally, a majority of the respondents heard the CSR activities from the company itself.

5.4.2: Respondents view of the CSR undertaken by Blue Skies in their communities

Table 5.5 showed the CSR that the respondents listed as works done by Blue Skies in their various communities. In Ayigbe town, 9 out of the 10 respondents identified employment which was offered for the youth of the community as CRS undertaken by the company. Also 8 out of 10 respondents from Doboro testified to the provision of employment as well as the provision of 3-classroom block for the only government school in the community. Some of the respondents explained that the provision of the 3-classroom block had helped develop the second stream of Junior High School students in the school and has also increased enrolment in the school. In Akraman, education, health and employment were the three things they noted as being done by Blue Skies in their community. Lastly, in Djankrom, 8 out of the 10 respondents identified employment opportunity for the youth, education and health projects as the benefits they have obtained from Blue Skies. The improvement in the health as noted by the respondents included the provision of sanitation facility (toilet) and water (bore whole).

One Mr Original (not real name) said this about the provision of water in Djankrom:

“The water provided for us by Blue Skies has really helped us, now our children, wives and other family members do not complain of any sickness as they did when we were drinking from the river. These days I do not hear people fighting over buckets of water” (Interview with male respondent, 2014).

This reiterates the happenings in the town in the days where water was scarce in the village.
Responses from Djankrom revealed that the respondents were aware of the provision of employment opportunities to the youth in the community as well as the construction of the modern toilet facility as CSR done by Blue Skies which has improved on their health. Most respondents from Djankrom further mentioned the fact that since the collapse of industries in the municipalities, Blue Skies Company limited is the only company they have witnessed giving massive employment to the youth. The provision of the modern toilet facility according to the respondents had eased congestion on the old toilet facility. A female respondent indicated that:

“Before this toilet facility came, most of us were defecating in close by bushes because the only facility we had was always congested and you have to join a long queue especially in the mornings and evenings when you want to ease yourself. To avoid waste of time and may be disgrace, we used the bushes around” (Interview with female respondent, 2014).

This is what one male respondent in Akraman had to say;

“Blue skies provided us with water and this has been helpful to us especially in the dry season when water is hard to come by. I remember years ago during the dry season when friends and even siblings would fight over a bucket of water but all this is over when our community was provided with water” (Interview with male respondent, 2014).

The water project that was provided for Akraman community by Blue Skies Company which the respondent spoke about is indicated in Plate 6.
Plate 6: Water project in Akraman

Another female responded said: "It is really good as they provide employment to people especially the youth" (Interview with female respondent in Doboro, 2014).
These respondents perceive Blue Skies' CSR to have also helped reduced or solved likely health and social issues. The provision of toilet facilities is perceived to have reduced open defecation which helps prevent diseases such as cholera. The provision of water to these respondents has also reduced or prevented water conflicts between friends and siblings and the provision of jobs for the youth has also helped in reducing poverty and crime rates while promoting peaceful existence. The respondents also indicated that the facility being a modern type is more hygienic as compared to the old facility; as such more people patronized the new one than the old facility lately.

Even though data from Blue Skies revealed that the company undertakes all four types of CSR identify by Carroll (1991), data from the community members indicate that the community tend to identify more with the Philanthropic CSR. This is because the other three types have no direct benefit on the community members but the philanthropic CSR directly benefits community members. This finding can be linked to the view of Visser (2008) who he stated that CSR in the developed countries is usually on the ethical CSR and environmental themes while CSR in developing countries focuses more on addressing socio-economic issues such as provision of health care, infrastructure development, poverty, alleviation, etc. which fall under the philanthropic CSR. Jamali and Neville (2011) and Gao (2009) further affirm this assertion, that philanthropic CSR prevails more in the developing world. This therefore implies that Blue Skies probably does more philanthropic CSR than the other types of CSR.
Table 5.5: CRS undertaken by Blue Skies Company in the communities according to Respondents

<table>
<thead>
<tr>
<th>Projects undertaken in the communities</th>
<th>Ayigbe Town</th>
<th>Doboro</th>
<th>Akraman</th>
<th>Djankrom</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>1</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>Education</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>Employment</td>
<td>9</td>
<td>-</td>
<td>1</td>
<td>2</td>
<td>12</td>
</tr>
<tr>
<td>Health</td>
<td>-</td>
<td>-</td>
<td>2</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>Employment and Education</td>
<td>-</td>
<td>8</td>
<td>-</td>
<td>-</td>
<td>8</td>
</tr>
<tr>
<td>Employment, water and toilet</td>
<td>-</td>
<td>-</td>
<td>4</td>
<td>8</td>
<td>12</td>
</tr>
<tr>
<td>Employment, Education and Health</td>
<td>-</td>
<td>-</td>
<td>2</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>Electricity</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td>1</td>
</tr>
</tbody>
</table>

Source: Field data, 2014

Even though most respondents recognized the contribution of companies in their locality, some, especially respondents from Doboro and Djankrom, believe corporate organizations operating in their communities can do better in terms of the assistance they offer to them. Concerning this issue, one responded stated that:

“Blue Skies has been operating in our community for about 16 years and yet it is only a Junior High School block that has been constructed for us. We have other pressing needs such as public toilet” (Interview with respondent, 2014).

The overall assessment of the respondents view on the CSR provided by Blue Skies show that the respondents generally have a poor perception of the activities done by the company. This may be borne out of the inability of respondents to identify direct benefits from the identified projects.
5.4.3: Respondents assessment of the CSR activities by the company

There are some few occasions where NGOs and companies provide some communities with certain services which may or may not be in the interest of the community. Where the services provided by a company or NGO or any charitable organization is not on the scale of the preference of the community, sustainability is short-lived. It was therefore necessary to interrogate members of the community on the importance of the services provided by Blue Skies to them. To do this, a basic measure of how good a facility is to the community was solicited. For the purpose of this study, variations of ‘good’ were recorded based on the perception of benefit that interventions from organizations provide to the community. Table 5.6 shows the responses of respondents. It reveals that approximately 42.5% and 22.5% of the respondents consider the support by Blue skies as at least good and really good respectively. Thus, it can be said that 66% consider the services provided by Blue Skies as at least good towards meeting the challenges they are facing in the community.

Table 5.6: Respondents assessment of Blue Skies CRS

<table>
<thead>
<tr>
<th>Assessment</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>NONE</td>
<td>21.1</td>
<td>38.1</td>
</tr>
<tr>
<td>It is really good</td>
<td>52.6</td>
<td>33.3</td>
</tr>
<tr>
<td>It is good</td>
<td>15.8</td>
<td>28.6</td>
</tr>
<tr>
<td>It is good but they can do more</td>
<td>10.5</td>
<td>0.0</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field Data, 2014
5.4.4 Business-Community Relationship

Blue Skies Company, from the data gathered, was shown to be a well-known corporate organization in the municipality. The field data further showed that the communities had been in good relationship with the organization since its inception. The company was recognized by respondents for the employment opportunities it had offered to the youth and this was well applauded by the people in the municipality, even though employment does not qualify as a CSR. One of the traditional executives in Doboro said that:

“We like their presence in this community. They respect the chief and people in this community and their activities do not endanger the lives of people. Rather, they have become a source of hope to our children who are desirous to work and for that reason, we will continue to live in peace with them and wish them well in all their endeavours” (Interview with traditional executive, 2014).

At Ayigbe town, one of the respondents also emphasized the good bond they have with the company, stating that:

“Once they continue to offer us employment and still contribute to the needs of the community in assisting the community to meet its social needs in the areas of education and water, we will continue to co-exist peacefully for a long time” (Interview with respondent, 2014).

These remarks show the positive bond that exists between the community and the company. Further, the statements from the respondents go to confirm the arguments put forward by proponents of CSR based on four cases, namely moral obligation, sustainability, license to operate, and reputation. The argument on the reputation is that many companies use CSR initiatives to improve their image, strengthen brand, enliven morale and even raise stock value.
Thus, Blue Skies through its CSR has built a good image and relationship with communities within the catchment area.

The company, aside offering employment, offers assistance in diverse forms to surrounding communities as outlined in their CSR policy. This assistance included the provision of potable drinking water, construction of schools, building of toilet facilities, etc. There were other socio-economic benefits that flow from the organization that cannot be classified directly under CSR. For example, provision of accommodation services and petty trading (such as selling food and household items) between the people in the community and staff of the company for economic benefit can be seen as spill-over benefits that members of the community enjoy from activities of the company.

On the side of the company, they also noted that they have not been disturbed in anyway by the community, most especially the youth and as they owe the community an obligation to help them meet some of their development needs. A management member said,

“There are some communities where the youth are so aggressive to the extent, on many occasions, they approach companies located within their boundaries and make demands from them. The surrounding communities are very peaceful people who hardly approach us and when they do, the gesture is very welcoming. For that reason, we are also enthused to embrace the assistance they require of us. In all cases, the assistance goes a long way to help the communities which also benefits us, since our workers also benefits from the projects we give to the communities” (Interview with management member, 2014).

A good community relation between Blue skies and the community is what promotes the peaceful coexistence between these two. This is achieved through the CSR projects of Blue Skies which creates the impression that they are there to help in community development.
5.4.5 Effect of CSR Support/Intervention on the Community

In assessing the impact of CRS in the communities, most of the respondents indicated that they have benefited from projects done by Blue Skies, with the exception of Ayigbe town, where a greater number of the respondents couldn’t give any impact of the CSR projects (see Table 5.5). However, all the respondents from Doboro indicated that they have benefited both from employment opportunities provided by the company as well as the newly constructed school building. In Akraman, all respondents noted that they had benefited from the water project provided by Blue Skies. 8 also indicated that they have benefited from the school, 6 had benefit from employment opportunities and 2 had benefited from trading with the company. With regards to the respondents at Djankrom, they all indicated they have benefited from the toilet facility provided by the company.

In this respect, a woman at Doboro who was interviewed said that:

“I use to be jobless for a long time but when Blue Skies came to this area, I borrowed some money from my friends and started trading some of their products. For over three years now, I have made enough money from the sales of their products that I have been able to school two of my children who use to stay home because there was no money. My husband too has been employed there and life has been far better for the two of us” (Interview with female respondent, 2014).

A farmer, popularly known as Agya Koo at Djankrom also said this:

“I used to farm only coconut, yam and maize. When Blue Skies came here, they encouraged me to farm pineapple in addition to the coconut. I heeded their advice and ever since I stared harvesting my coconut and pineapple, I always have ready market for my produce. I appreciated their support so much” (Interview with male respondent, 2014).
The benefits that the people gave were all mostly socio-economic benefits they enjoy from the presence of the company. Many of the women however were very much enthused about the water and school projects. A woman at Akraman, Sister Ama said that:

“My children have to walk for long distance every morning and evening to get the household water. This affected their studies as they always get tired after fetching twice or thrice. Now, we are close to a standpipe which only takes them some few minutes to fill the containers. They get enough time to do other chores and also study thanks to Blue Skies” (Interview with female respondent, 2014).

Another woman (name withheld) at Doboro added that:

“I used to feel shy of the school my children attended due to its deteriorated nature. But after Blue Skies renovated the facility, I feel proud to tell my friends of the school my children attend. I strongly believe the renovation will have a positive impact on teaching and learning, which will improve their academic performance too” (Interview with female respondent, 2014).

The people perceived Blue Skies Company as being helpful to them with the provision of some social amenities, giving them direct and indirect employment. Therefore the image of Blue Skies is high in the sight of the local people. This is seen in the various good and favourable comments made by the local people with respect to the infrastructural projects that have been carried out by Blue Skies. This is in line with Okuedo (2012) study on Effect of Corporate Social Responsibility on the Society with Shell Petroleum Development Company as a case study. In Okuedos’ study, it was proven that the society stands to benefit from cooperate social responsibility and that the society is satisfied with the level of social responsibility undertaken by
the Shell Petroleum. Adeyanju (2012) also confirms this by stating that CSR has a great impact on the society by adding to the infrastructures and development of the society.

In terms of awareness of specific CSR activities or projects, most of the respondents got to know of the projects done by Blue Skies through the companies own activities. In Ayigbe town, 4 of the respondents got to know of Blue Skies projects through friends and relatives. The Akraman community had a total of 5 respondents out of the 10 being aware of Blue Skies projects through friends and relatives (refer to Appendix 3). The respondents from all four communities acknowledged the relevance of projects that had been done in their communities by Blue Skies, as shown in Table 5.7. They therefore rated these projects as very good since the projects had contributed immensely to the welfare of people and the community as a whole. The study further revealed that even though the company has been operating for 16 years, it was not until in recent time that most of these activities have been realized. The pursuit of CSR by the company is a reflection of the global increased emphasis on CSR as an important organizational activity (Raad, 2013; Lichtenstein and Braig, 2004). As such most of their projects were new and all respondents had not seen any challenges associated with the facilities provided yet.

Table 5.7: Benefits of CSR to communities

<table>
<thead>
<tr>
<th>Effects</th>
<th>Ayigbe Town</th>
<th>Doboro</th>
<th>Akraman</th>
<th>Djankrom</th>
</tr>
</thead>
<tbody>
<tr>
<td>No benefit</td>
<td>6</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Employment opportunities for the people</td>
<td>4</td>
<td>10</td>
<td>6</td>
<td>8</td>
</tr>
<tr>
<td>School for the children</td>
<td>-</td>
<td>10</td>
<td>8</td>
<td>-</td>
</tr>
<tr>
<td>Improved drinking water</td>
<td>-</td>
<td>-</td>
<td>10</td>
<td>-</td>
</tr>
<tr>
<td>Toilet for proper sanitation</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>10</td>
</tr>
<tr>
<td>Trade opportunity with company &amp; employee</td>
<td>1</td>
<td>-</td>
<td>2</td>
<td>-</td>
</tr>
</tbody>
</table>

Source: Field work, 2014.
The study showed that Blue Skies Company Limited is a well-known manufacturing company in the municipality, and it is also well noted for philanthropic activities. The perception that the company is engaged in philanthropic work was also reported by Frynas (2005) as being a major view held by people on the pursuit of CSR by companies.

5.5: SUSTAINABILITY OF CSR PROJECTS

In Ghana, like many other developing countries, one of the challenges facing progressive development concerns the inability of institutions and corporations, as well as individuals within communities to properly manage infrastructural developments. Many projects that have been constructed to last for a specified number of years mostly do not last half way mainly due to poor management. It was therefore the objective of this study to solicit views from all the stakeholders, namely, Blue Skies (provider of the project), the Municipality (beneficiary) and the community members (beneficiary); on the measures they have put in place or intend to put in place to ensure that the projects are sustainable.

On the part of the company, they explained that their way of ensuring that the projects they have done for the communities become sustainable is to periodically monitor the performance of the project over a five year period before they hand them over totally to the municipality and the community to manage. An executive respondent of the company explained that:

“We are not just interested in investing huge sums of monies to providing our surrounding communities with facilities that will be short-lived. We want our projects to benefit this generation and the future generation as well. This is what sustainable development is all about” (Interview with management member, 2014).
Another respondent from the company explained that:

“The reason why we don’t hand our projects to the communities immediately is to enable us monitor how the communities will use the facilities, its durability and to make sure that the project can stand the test of time. Five years is therefore adequate enough for us to monitor the performance of the project and be fully certain that it is durable and can stand the test of time”. Finally another respondent from the company explain that “we also dialogue with the leaders of the community to arrive at an agreeable sustainability approach that will enable the facility to stand the test of time. On some occasions, the assembly also intervenes to help ensure that it becomes sustainable” (Interview with Blue Skies staff, 2014).

On the part of the Assembly, the project officer of the Municipality explained that the Assembly appreciates the efforts by some of the companies in providing their communities with some social services that are keen to the socio-economic development of people’s livelihood. In that light, any project undertaken by any organization becomes the responsibility of the assembly to ensure that the project becomes sustainable. He explained that:

“Poor management of project cost the country so much. The Assembly has therefore decided not to allow people to misuse public goods anyhow. Where there is the need for people to pay for usage, they are made to pay so that the money can be used to maintain the facilities such as toilets and water” (Interview with Municipal Project Officer, 2014).

He further explained that the Assembly usually liaises with local authorities to implement these things. Another official of the Assembly added that the assembly mostly trains people to keep such facilities from breaking down.
Finally on the part of the community, majority of the respondents noted that they are willing to pay for usage of public goods to ensure that it becomes sustainable. Only a few felt there was no need to pay. They explain that much of the monies they pay to access public goods such as toilets and even refuse disposal and water do not mostly reach their destination. One female respondent said that:

“We are grateful that some of our needs are met. However, the painful thing is that when they collect money for the use of the toilet, they don’t use the money to buy detergents and even pay the cleaners to keep the toilet tidy and the water flowing. Sometimes you go there and only come out with disease. I therefore feel pain anytime I have to pay to use such an untidy toilet facility” (Interview with female respondent, 2014).

Many of the respondents from Djankrom, like the female respondent, expressed dissatisfaction with how the old toilet facility was managed and pleaded with the company to speak to the Assembly and local authorities to properly manage this new toilet facility well so that it can stand the test of time. Some of the respondents also called for a proper education of the community on the effective way of using the toilet facility. One man explained that “some people stand on the toilet pot instead of sitting and in no time, they break down. People must be educated to understand that we don’t stand on a WC but rather we sit on it. And smoking on the toilet facility also affects our health so they must desist from that” (Interview with male respondent, 2014).

The data gathered from the Company, Assembly and the community members all point to the fact that much effort is needed by all the stakeholders to ensure that the projects are sustainable.
5.6 Challenges facing Blue Skies in performing their CSR

According to the Foundation manager of Blue Skies, developing principles and structure for the foundation has not been without challenges. One challenge has been to align the principles and timescales with the expectations and procedures of the funding partners. However, with the help of Board members and their partners, various ideas were tested and some adopted in order to rise to these challenges and agree on a set of principles that are acceptable to all parties. Another challenge identified in the study was having the required funding for proposed projects within the specified time frame. There has been continuous charity from a number of schools in the UK who organize classroom activities designed to raise awareness of the Foundation and provide an insight on the people, culture and history of the countries where Blue Skies sources its fruits with the aim of soliciting support for the foundation.

According to the foundation manager, most of the communities do not have a well-drawn out plan for the community which defines and specifies their needs. This makes it difficult for their request to meet the required approval of the foundation. The foundation receives lots of request from communities of which the foundation does not have the logistics to honour their entire request in their proposed time frame. Getting communities to bear with the foundation in situations like this is always a challenge.

The activities of the foundation are mostly misunderstood by most of the staff and farmers, as it does not have direct relation to their individual well-being. CSR activities are seen as projects for the welfare of their communities and little is done to improve theirs. Some farmers think the funds should be given to them to expand their farms instead of provision of amenities for their communities. The provisions of the foundation usually go to their communities and not
to any individual. Some staff also think they are working hard for the company, with the profits spent on communities and not them. In a nutshell, the challenges with regards to CRS undertaken by the Blue skies company can be summarized as: difficulty in aligning the principles and timescales with the expectations and procedures of the funding partners, difficulty in getting the required funding for proposed projects within specified time frame, and the misunderstanding of activities of the foundation by most of the staff and farmers. This finding is in contrast with that of Ite (2005) who identified corruption, poor governance and the lack of accountability as the main hindrances for CSR in countries like Nigeria. Another contrast in findings is drawn from a study that was carried out in the U.S.A and U.K. where it was found out that companies took advantage of the few CSR projects done and over publicized it as an attempt to cover the bad aspects of their operations and also hide their huge profit from the public (Robertson and Nicholson, 1996).
CHAPTER SIX

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

6.1 INTRODUCTION

This study sought to investigate the effect of Corporate Social Responsibility (CSR) of Blue Skies Ghana Limited on the socio-economic development of Nsawam-Adoagyiri Municipality. The study collected data from four communities which have benefited from Blue Skies Ghana Limited CSR namely Akraman, Doboro, Djankrom and Ayigbe Town, all under the Nsawam-Adoagyiri Municipality. Survey methods were used to administer questions to 40 respondents from the four communities (10 from each community) and an interview guide to gather data from Blue Skies and Nsawam-Adoagyiri Municipal Assembly. Descriptive statistical analysis was used to present the survey findings, while content analysis was used in presenting the interview findings. This section presents the summary of the key findings, conclusions drawn from the findings and the recommendations.

6.2 SUMMARY OF FINDINGS

The focus of the study was to address four main objectives. The first objective was to identify and assess types of CSR activities carried out by Blue Skies Company. Inferring from the work of Carroll (1991), four types of CSR activities were identified. These were Economic Responsibilities, which is concerned with a corporation maximising its profit to continue in economic activities of providing goods and service to customers. Secondly, Legal responsibilities ensure corporations obey laws and regulations governing the country in which they operate. The third, Ethical Responsibilities, are responsibilities a company pursues because
of its philosophy. The last is the Philanthropic responsibilities, which has to do with activities, beyond the norms of the company in favour of the society.

The findings from this study show that Blue Skies practises all these four responsibilities. The company obviously is maximizing profit from its production and this has enabled it to widen its scale of operation with increasing workforce. Patronage of its products continues to increase both nationally and internationally. The company also abides by the laws of Ghana and operates within the legal framework the government has given it. This is seen in terms of the VAT it pays, social security for its employees and the corporate social responsibilities it performs, just to mention but a few. Ethically, the company creates an enabling working atmosphere for its workers, gives them working incentives and pays its workers fair wages which are above the minimum wage. It does not also do business with oppressive countries. Philanthropically, the company has provided the four communities under study with certain infrastructural projects such as borehole, cistern toilet facility, schools and health training centres. The results indicate that the performance of the company in its philanthropic responsibilities is higher than the other three responsibilities. This is predominantly because the people can properly identify themselves with the philanthropic projects and not the economic or legal.

The second objective was to determine community knowledge of CSR undertaken by Blue Skies Company. In all the four communities, the people had a good knowledge of CSR undertaken by Blue Skies Company Limited. The communities had a good relationship with Blue Skies and some of them were knowledgeable about the philanthropic responsibilities of the company in their communities. A majority of the respondents in Akraman and Doboro were aware of the renovated primary school and new three unit classroom block respectively.
Djankrom people were aware of the help of the company in building the 20-seater cistern toilet facility but only a few of the respondents in Ayigbe Town were aware of the renovated health training centre at the old Nsawam hospital. Majority of all the responsibilities listed the employment as part of the CSR Blue Skies gives to the communities.

The third objective was determining the maintenance culture of CSR projects in ensuring sustainability. According to the company, the projects are being monitored for about five years before they are handed over to the leaders of the community to continue with the management of the facility. On the part of the Assembly, they will liaise with the community members as well as the company to make the community pay a deserving usage amount to help with maintenance. The people in the community are also willing to pay any usage amount on the condition that there will be no embezzlement in the funds but it will be used for the intended purpose (proper management of the facility).

Lastly, the study also purposed to ascertain the challenges Blue Skies face in undertaking CSR. Analysis of data revealed that the challenges faced by Blue Skies in undertaking CSR includes: difficulty in aligning the principles and timescales with the expectations and procedures of the funding partners, difficulty in getting the required funding for proposed projects within a specified time frame, and misunderstanding activities of the foundation by most of the staff and farmers.

The CRS engaged by Blue Skies in the selected communities will help the Nsawam-Adoagyiri municipality. This is because the reliefs done in the various selected communities reduces the developmental burden on the municipal assembly, with monies which would have been allocated or used by the Assembly for those projects being channelled into other activities.
or projects in the municipality. This outlines the importance of CSR to society; hence if all corporate organisations engage in CSR, it will lead to an increase in overall development of such societies.

6.3 CONCLUSIONS

The study was based on four major objectives: to identify and assess types of Corporate Social Responsibility projects undertaken by Blue Skies Company limited within the municipality; determine community knowledge on CSR undertaken by Blue Skies Company; determine the maintenance culture of CSR projects in ensuring sustainability: and ascertain the challenges Blue Skies faces in undertaking CSR.

The analysis of primary data revealed that Blue Skies Company Limited had undertaken developmental projects in the Nsawam-Adoagyiri Municipality. In the four communities under the study, projects that had been done for them by the company included modern toilet facility for Djankrom, a primary school block for Doboro and Akraman, renovating a health training centre at the hospital in Ayigbe town and a water project in Akraman. Aside these projects data gathered indicated that Blue Skies Company has created employment directly by employing members of the communities to work with them and indirect employment by way of out grower farming, accommodation, transport and other logistics activities created to support the company. Even though per the definition of CSR according to literature, employment opportunity cannot be classified as a CSR endeavour, its contribution to socio-economic development is visible.

Further analysis disclosed that community members were aware of CSR of the company and applauded Blue Skies in its efforts to provide facilities lacking in the communities. These
have, however, ensured a healthy relationship between the communities and the company. Most community members mostly rated the projects done by the company as being really good though few people from the communities were of the opinion that Blue Skies can do more than what they have done as they have operated in the municipality for quite a long time.

Clearly, data indicated that most of the projects undertaken by Blue Skies are quite recent and therefore the communities are reaping the full benefits of it. To ensure the sustainability of the projects, the projects after completion are monitored by the project implementers for a period of about one to five years (depending on the kind of project) before handing over to community leaders for its maintenance. This information was shown in the foundation's annual report 2013 and was also confirmed in an interview with heads of schools built by the foundation.

Finally, due to the fact that most of the projects done by Blue Skies foundation were relatively new, community members were yet to see any challenge associated with the projects. However, a review of secondary materials obtained from Blue Skies foundation, highlighted a number of challenges. For example, raising the required funds and logistics to meet unlimited demands upon request from communities in the municipality was a major challenge. Beside difficulties raising funds, the activities of the foundation are mostly misunderstood by most of the staff and farmers, as the CSR activities does not have direct relationship to their individual well-being. CSR activities are seen as projects for the welfare of their communities, they indicate, while little is done to improve their personal wellbeing (such as receiving money to expand their farms).
6.4 RECOMMENDATIONS

Based on the findings of this study, the following recommendations are made for consideration by both the Company, community authorities and the Municipal assembly:

1. The Company: The communities were well pleased with the CSR activities except in the area of employment. The concern of the respondents about employment was the short-term nature of employment offered to the youth. According to the respondents, most employment contracts had a time span of 5 months which is too short for an individual to save enough to fend for him or herself whiles waiting for another employment offer from Blue Skies or another company. If an employment contract is extended to a year it would serve a better purpose in the lives of the youth. They would be able to save enough within the year of employment as capital to start a business for a more sustainable economic venture or further their education. In addition, the company can form a staff savings scheme for both permanent and temporal staff.

2. Community Authorities: Authorities of the community should liaise with the planning unit of their district assembly to draw clear plans for their communities and rank their developmental needs. They also should consider principles and policies governing foundations such as Blue Skies Foundation in their municipality in order to aid them qualify for social assistance to speed up socio-economic development in their localities.

3. Municipal Assembly: The research findings show CSR has the potential of addressing some of the developmental challenges confronting the assembly. Creating a forum where the corporate organizations within the municipality can formally extend funds towards the development of the municipality should be encouraged.
4. **Government:** Literature reviewed for this study revealed that in most developed countries, there are regulations governing CSR activities from corporate bodies. Therefore some level of accountability is needed from corporate entity in that respect. In the face of a global economic downturn, it is not too late for developing countries to adopt policies and regulation regarding CSR for business entities especially multi-national companies operating in free zone areas towards development.

5. **Enabling corporate environment:** Corporations should be encouraged, rather than being compelled by regulations and laws, to improve their operations to become more environmentally sound, to create programs that benefit their community, and to push for practices that develop the society. Though CSR may have some operational challenges, it should still be advocated and improved to benefit more people globally.
REFERENCES


APPENDICES

APPENDIX 1: Interview Guide for Blue Skies Company Limited's Official

"The Effect of the Corporate Social Responsibility of Blue Skies Ghana Limited on Socio-economic development of Nsawam-Adoagyiri Municipality"

Dear Respondent,

This study is being conducted for academic purpose at the University of Ghana, Legon and as such, all information provided by you would be treated with utmost confidentiality. Your participation in the study by responding to the following questions would be much appreciated.

A. OVERVIEW OF CORPORATE SOCIAL RESPONSIBILITY

1. What would you say is CSR?

2. Does the company have a policy concerning CSR? Yes ☐ No ☐

3. If Yes, how long has it been in existence? If no, why the company does not has one. Did they have one some time ago and what happened.

4. How it was developed?

- Was it by the insistence of the municipality ☐
- Was it initiated by the company itself? ☐
- Other (Please specify)..........................

5. Are there any international/ National standard/guidelines on CSR which guides the company?

6. How are CSR programs developed?

- Is it by consulting the locals to determine their needs
- Is it decided base on the company's assessment of the needs of the municipality
- Other (Please specify)..................................................

7. Which social responsibility program in place and to which stakeholders?
8. Which type of CSR activity is dominant and why?

9. Who are the target beneficiaries of the company's CSR activities and why?

10. Have you ever received any pressure from stakeholders demanding some form of social responsibility? Yes ☐ N ☐

11. If Yes, Which group of stakeholders made demands and what was their request?

B. IMPORTANCE OF THE SOCIAL RESPONSIBILITY SUPPORT

12. Any Social Responsibility to the communities in Nsawam-Adoagyiri Municipality housing your Head Office? Please provide specific communities who has benefited.

13. What criteria were applied in the selection of the communities?

14. In which specific ways does the company carry out its intervention? Any plan/program

C. BLUE SKIES COMPANY LIMITED'S COMMUNITY SOCIAL RESPONSIBILITY PROGRAM?

15. What is the aim of the company's CSR programs?

16. In your opinion, what do the people expect from your company operating in the Municipality?

17. What has been the response so far with the program?

D. CHALLENGES TO SOCIAL RESPONSIBILITY MANAGEMENT

18. Are there any challenges or drawbacks to the effectiveness of CSR activities? Please outline them.

19. How do these challenges affect the progress of CSR activities?

20. What measures do you have to ensure the sustainability of your CSR work?

E. BIO DATA

21. Position of Respondent in company: .................................................................

22. Sex: Male ☐ Female ☐

23. How long (years) have you been working with Blue-skies Company Limited?
24. Can you give me a brief history of this establishment?

25. What are the company’s’ vision, mission and corporate values?

26. What are the various functions performed by the company?

27. What is the staff strength of the organization? Foreign and Local

THANK YOU
APPENDIX 2: Questionnaire for Households

"The Effect of the Corporate Social Responsibility of Blue Skies Ghana Limited on Socio-economic development of Nsawam-Adoagyiri Municipality"

Dear Respondent,

This study is being conducted for academic purpose at the University of Ghana, Legon and as such, all information provided by you would be treated with utmost confidentiality. Your participation in the study by responding to the following questions would be much appreciated.

A. KNOWLEDGE ON CORPORATE SOCIAL RESPONSIBILITY

1. Are you in the Known of any assistance some companies have given to communities?  
   Yes  ☐   No  ☐

9. If Yes, what is your view concerning such assistance?
   ............................................................................................................................................................
   ............................................................................................................................................................
   ............................................................................................................................................................

10. Do you know of any company providing any form of social responsibility?  
    Yes  ☐   No  ☐

11. If Yes, indicate some of the companies and the details per space provided below;
    Company Name               Support/Facility
    .................................................................  .................................................................
    .................................................................  .................................................................

12. Which forms are you aware of?
    Education  ☐               Health  ☐
    Employment  ☐               Sanitation  ☐
    Other (Please specify).................................................................
C. BUSINESS-COMMUNITY RELATIONSHIP

13. Do you know of the company Blue Skies Company Limited? Yes ☐ No ☐

If Yes, how did you get to know about the company?

............................................................................................................................................................
............................................................................................................................................................

14. What is the relationship between the community and Blue Skies Company limited like?

Very Good ☐ Good ☐

Moderately Good ☐ Poor ☐ Very poor ☐

15. Any recent developments in the light of this relationship? Yes ☐ No ☐

If Yes, What was it?

............................................................................................................................................................
............................................................................................................................................................

16. Are you aware of any Social assistance programs by Blue Skies Company Limited in the community? Yes ☐ No ☐

If yes, in which form(s) is or were the program(s)?

Education ☐ Health ☐

Employment ☐ Sanitation ☐ Other, specify: ..........................................................

D. IMPACT OF THE CSR SUPPORT/INTERVENTION

17. Have you benefited directly from the support by Blue Skies Company limited?

Yes ☐ No ☐

If Yes, in which way?

............................................................................................................................................................
............................................................................................................................................................

18. How did you come to know of this facility or support?

Friend ☐ Blue Skies Co. Ltd ☐ The Assembly ☐
19. In your view, what impact has this support/facility made in the community?

Very Good ☐ Good ☐ Moderately Good ☐
Poor ☐ Very poor ☐

20. Is this support relevant for the local community?

Yes ☐ No ☐

Kindly provide reason(s) for your response to Q.24 above:
..................................................................................................................................................
..........................................................................................................................................................

21. Are you aware of any challenges associated with this support/intervention from Blue skies Company Ltd?

..........................................................................................................................................................
..........................................................................................................................................................

22. What do you think can be done to improve on the support provided by Blue Skies Company Limited to improve on their performance?

..........................................................................................................................................................
..........................................................................................................................................................
..........................................................................................................................................................

A. BIO DATA

1. Age of Respondent? ........................................

2. Sex: Male ☐ Female ☐

3. Location of residence in municipality? ...............................................................

4. How long (years) have you been living in the community? ............................

5. Educational level attained?

   No Education ☐ Primary ☐ J.S.S. ☐

   Secondary/Middle ☐ Tertiary ☐
6. Marital Status?
   Single ☐       Married ☐  Divorced ☐  Widowed ☐

7. What kind of work do you do?
   Self-employed with employee(s) ☐  Self-employed without employee(s) ☐
   Unpaid family worker ☐  Casual worker ☐
   Regular employee ☐  Domestic employee ☐
   Student/Apprentice ☐  Other, specify: ……………………………

THANK YOU
## Appendix 3: Tables from Analysis

### Means facility was known to respondent

<table>
<thead>
<tr>
<th>Details</th>
<th>Ayigbe town</th>
<th>Doboro</th>
<th>Akraman</th>
<th>Djankrom</th>
</tr>
</thead>
<tbody>
<tr>
<td>A Friend</td>
<td>4</td>
<td>1</td>
<td>2</td>
<td>-</td>
</tr>
<tr>
<td>A Relative</td>
<td>4</td>
<td>1</td>
<td>3</td>
<td>-</td>
</tr>
<tr>
<td>Blue Sky Company Ltd</td>
<td>2</td>
<td>8</td>
<td>5</td>
<td>1</td>
</tr>
<tr>
<td>The Assembly</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1</td>
</tr>
</tbody>
</table>

### Challenges associated with CSR activity

<table>
<thead>
<tr>
<th>Details</th>
<th>Ayigbe town</th>
<th>Doboro</th>
<th>Akraman</th>
<th>Djankrom</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>6</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Yes</td>
<td>4</td>
<td>7</td>
<td>8</td>
<td>9</td>
</tr>
</tbody>
</table>

### Effects of the CSR activity on the community

<table>
<thead>
<tr>
<th>Details</th>
<th>Ayigbe town</th>
<th>Doboro</th>
<th>Akraman</th>
<th>Djankrom</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very Good</td>
<td>7</td>
<td>8</td>
<td>10</td>
<td>9</td>
</tr>
<tr>
<td>Good</td>
<td>3</td>
<td>2</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>Poor</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Very Poor</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>No.5</td>
<td>Details</td>
<td>Ayigbe town</td>
<td>Doboro</td>
<td>Akraman</td>
</tr>
<tr>
<td>------</td>
<td>---------</td>
<td>-------------</td>
<td>--------</td>
<td>---------</td>
</tr>
<tr>
<td></td>
<td>Frequency</td>
<td>Frequency</td>
<td>Frequency</td>
<td>Frequency</td>
</tr>
<tr>
<td>No</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Yes</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
</tr>
</tbody>
</table>

University of Ghana http://ugspace.ug.edu.gh