

Strategic CSR practices, strategic orientation and business value creation among multinational subsidiaries in Ghana

Multinational subsidiaries in Ghana

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Abstract

Purpose – This study aims to examine the direct influence of strategic corporate social responsibility (CSR) practices on business value creation while accounting for the moderating and mediating roles of strategic orientation.

Design/methodology/approach – It used data from 118 CSR-intensive multinational subsidiaries operating in five major different industries in Ghana and applied hierarchical regression and bootstrapping via Hayes' PROCESS Macro for the analyses.

Findings – The results showed that strategic CSR practices comprising of strategic CSR planning, strategic CSR implementation and strategic CSR positioning contribute positively and significantly to business value creation of multinational subsidiaries. Moreover, it found that strategic orientation has directly predicted business value creation significantly and further mediated the nexus between business value creation and the three strategic CSR practices. However, it did not moderate the influence of strategic CSR practices on business value creation.

Originality/value – The study validates and adds to the knowledge on strategic CSR and business value creation theory by demonstrating that strategic CSR practices of multinational corporation (MNCs) are parallel to their subsidiaries' commitment to shared growth in host countries. Similarly, it provides a better understanding of the dual roles of MNCs' strategic orientation on strategic CSR practices and business value creation, thereby offering valuable information about the underlying economic process and context that can affect the strategic business value of firms' strategic CSR practices.

Keywords CSR strategy, Strategic corporate social responsibility, Business value creation, Multinationals, Ghana, Sub-Saharan Africa, Strategic orientation, Developing countries

Paper type Research paper

Introduction

Multinational corporations (MNCs) operating in developing economies such as Ghana are increasingly expected to engage with governments to solve the various social and developmental challenges facing their host nation through firm-sponsored corporate social responsibility (CSR) initiatives (Abugre and Anlesinya, 2019a; Anlesinya, 2016; Jamali and Karam, 2018; Yin and Jamali, 2016). However, as MNCs are in business to make profit, it is critical that their CSR efforts are able to help resolve social and environmental challenges in society and at the same time be balanced with their business strategies and primary motive of increasing business value for shareholders and investors (Anlesinya, 2019; Porter and Kramer, 2019). Therefore, debates on the amalgamation of the strategic management and the orthodox CSR literature have led to the development of the strategic CSR construct (Bhattacharyya, 2010; Haski-Leventhal, 2018; Izzo, 2014; Porter and Kramer, 2011), with



many firms adopting it as a boardroom level function (Anlesinya, 2019). According to Porter and Kramer (2006), strategic CSR is “a new way to look at the relationship between business and society that does not treat corporate success and social welfare as a zero-sum game” (p. 80).

Although some studies have examined CSR strategy and business value (Abugre and Anlesinya, 2019b; Husted and Allen, 2009; Rameshwar *et al.*, 2020; Yin and Jamali, 2016), there is limited research on how specific strategic CSR practices affect business value creation. Admittedly, a few studies (Husted and Allen, 2007, 2009; Yin and Jamali, 2016) mostly based on the Burke and Logsdon’s (1996) strategic CSR dimensions (centrality, visibility, appropriability or specificity, voluntarism and proactivity) have been conducted. However, the authors of these limited studies were quick to call for more research on the issue as their evidence only partially supported Burke and Logsdon’s (1996) model of strategic dimensions of CSR practices. Thus, the scarcity of research on the topic can limit our knowledge of specific mix of strategic CSR practices that firms can adopt to create better business value.

Most importantly, these limited studies did not assess the role of any mediating and contingency factors that can facilitate and moderate the influence of strategic CSR practices on business value creation. Hence, the mechanisms and the conditions under which strategic CSR practices will have greater or lesser influence on business value creation mechanisms are still in need of empirical knowledge. In Velte’s (2021) view, inclusion of moderators in CSR studies, allows researchers to “better differentiate between symbolic or substantive use of CSR issues” (P.15). Earlier, a systematic literature review on CSR in the context of developing countries by Jamali and Karam (2018) has noted gaps with respect to moderation and mediation studies in the literature and consequently called for the investigation of potential moderators and mediators in future research.

In respond to this gap and call, we proposed strategic orientation as a potential moderator and mediator in the link between strategic CSR practices and business value creation. Strategic orientation is an important resource for enhancing the business value creation process (Ganescu, 2012; Kuipers and Giurge, 2017; Wu and Lin, 2016). It describes the mindset that guides how firms intend to compete in the marketplace (Liu and Fu, 2011; Miles and Snow, 1978; Porter, 1996). Although Bansal *et al.* (2015) have investigated the moderating effect of financial performance on strategic CSR and recession, and a few others assessed the mediating role of corporate reputation (Abugre and Anlesinya, 2019b; Park, 2017), trust (Fatma *et al.*, 2015) and managers’ personal values (Rameshwar *et al.*, 2020) in the link between strategic CSR and firm performance, research on the mediating and moderating roles of strategic orientation is rarely examined.

Hence, this study examined the direct influence of various dimensions of strategic CSR practices on business value creation while accounting for both the moderating and mediating roles of strategic orientation using empirical evidence from multinational subsidiaries in Ghana.

Consequently, the contributions of this study to the strategic management and CSR literature are in three-folds. Firstly, we provide a novel conceptualisation of strategic dimensions of CSR practices by modifying Burke and Logsdon’ CSR strategy framework. Our study operationalised strategic CSR practices as a three-factor construct consisting of strategic CSR planning, strategic CSR implementation and strategic CSR positioning. We then, empirically tested their differential effects on business value creation of multinational subsidiaries. Secondly, we incorporate the dual transmission and contingency roles of strategic orientation in the direct nexus between the strategic CSR practices and business value creation. Our work has thus responded to research calls in this regard and contributed to

extending the limited mediation and moderation strategic CSR research. Finally, by focusing on Ghana, the study contributes to expanding the limited knowledge on how specific strategic CSR practices simultaneously can create business value in developing countries. The next section presents the theory and hypotheses, the research method, results and discussions and then implications and conclusion.

Theory and hypotheses

Theoretical framework

The stakeholder theory (Freeman, 1984) and the resource-based view theory (Barney, 1991) are the study's theoretical frameworks. According to the stakeholder theory (Freeman, 1984), stakeholders are individuals or a group of individuals that have a "stake in the firm and can affect or be affected by the achievement of an organisation's objectives" (Freeman and McVea, 2001, p. 4). They may either be claimants or influencers (Fassin, 2008). This theoretical perspective suggests that if businesses were to assess the opportunities for their CSR by using similar frameworks that direct their main corporate decisions, they (businesses) would realise that CSR is rather a resource, creativity and innovation, as well as competitive advantage instead of perceiving it as costs (Porter and Kramer, 2006). This is because an effective management of organisational stakeholders "constitutes an intangible, socially complex resource that may enhance firms' ability to outperform competitors in terms of value creation" (Hillman and Keim, 2001, p. 127).

Also, the resource-based view theory (Barney, 1991) posits that organisations are collection of resources. Tangible resources of organisations are easier to observe and imitate. However, the intangible resources are more difficult to observe and imitate by competitors. It therefore, argues that organisations can improve on their competitiveness by using their unique resources and capabilities (Barney, 1991). This theoretical perspective of strategic CSR argues that firms can use CSR investments as strategic tools to create business value by managing and balancing complex stakeholder relationships (Freeman, 1984).

It is however significant to note that critics of the resource-based view theory argue that the theory is conceptually vague and tautological. It fails to recognise the role of mechanisms and conditions under which resources of organisations really guarantee sustainable competitive advantage (Eisenhardt and Martin, 2000; Priem and Butler, 2001; Teece *et al.*, 1997). They maintain that in a dynamic environments and constantly shifting competitive forces, firms only create value when they develop dynamic capabilities to "integrate, build, and reconfigure internal and external competencies to address rapidly changing environments" (Teece *et al.*, 1997, p. 516). Thus, resources are necessary but insufficient for sustaining a firm's competitiveness. Sustainable competitive advantage is rather dependent on their ability to regularly analyse, reorganise and transform their resources (Eisenhardt and Martin, 2000).

Despite the above criticisms, the resource-based view is still considered as a very influential theory in management (Beamish and Chakravarty, 2021) as it provides useful insights into how firms create value (Madhok, 2002). Importantly, we believe that by complementing the resource-based view theory with the stakeholder theory in explaining our research questions has further helped to overcome its potential limitations. The stakeholder theory requires firms to make deliberate efforts to capture and integrate key stakeholder concerns into their business planning and corporate actions. This places them in a position to effectively operate in a dynamic business environment because it enhances their ability to obtain nuanced information and effectively deploy organisational resources to improve performance (Harrison *et al.*, 2010).

CSR orientations and practices of multinationals in the developed versus Ghanaian contexts

The CSR decisions of foreign firms in Ghana are mainly guided by economic and legal prescriptions relative to discretionary motives for their CSR practices (Dartey-Baah and Amponsah-Tawiah, 2011; Kuada and Hinson, 2012; Visser, 2006). However, recent evidence suggests that most CSR activities of multinational subsidiaries in Ghana are largely voluntary in nature (Patnaik *et al.*, 2018; Tuokuu and Amponsah-Tawiah, 2016). Although this approach might have been influenced largely by the cultural values of Ghanaians, others (Tuokuu and Amponsah-Tawiah, 2016; Visser, 2006) have criticised multinationals for reducing the concept to mere charity in Ghana and indeed in the larger African context.

Their criticism is based on the fact that Carroll's famous CSR-pyramid which was developed in the western context places the least value on voluntary or discretionary CSR (i.e. philanthropy and charity) relative to economic and legal CSR orientations (Carroll, 1991, 2016; Visser, 2006). CSR programmes are mandatory in several western countries, with most of their multinationals embedding their CSR initiatives in strong legal systems existing in that part of the world. However, this is quite different from what most of them do in Ghana and other parts of Africa (Tuokuu and Amponsah-Tawiah, 2016; Visser, 2006).

Although multinational subsidiaries in Ghana tend to implement CSR programmes to facilitate human development (health and education), economic development, sustainable business and promotion of social justice and human rights (Abugre and Anlesinya, 2019a; Anlesinya, 2016), many of them view their CSR as a philanthropy and favour they do for the Ghanaian societies (Tuokuu and Amponsah-Tawiah, 2016). Accordingly, Tuokuu and Amponsah-Tawiah (2016) and Visser (2006) asserted that the practice whereby many multinational subsidiaries in Ghana and Africa have reduced their CSR practices to philanthropy is unacceptable.

Nonetheless, multinationals have been gradually adopting international CSR standards and codes such as the UN Global Compact principles in the management of their subsidiaries in Africa (Visser, 2006). Relatedly, an exploratory study by Ofori and Hinson (2007) found that internationally connected firms operating in Ghana have better understanding of the strategic application of CSR and tend to deliberately leverage CSR as business strategies to improve their business success.

Strategic CSR and business value creation

Strategic CSR is viewed as an intervention which can positively affect the success of firms while addressing social causes. It is a "sustainable win-win proposition" for both business and society in the long-term (Burke and Logsdon, 1996; Haski-Leventhal, 2018; Porter and Kramer, 2011). Burke and Logsdon (1996) proposed five strategic dimensions of CSR practices: centrality, visibility, appropriability or specificity, voluntarism and proactivity. When these strategic CSR features or dimensions are managed effectively, it results in greater business value creation (Burke and Logsdon, 1996). Burke and Logsdon (1996, p. 496) defined centrality as "a measure of the closeness of fit between a CSR policy or programme and the firm's mission and objectives". Proactivity involves paying attention to the dynamics of stakeholder expectations to capture the changes in socio-environmental, political and technological factors into the implementation of CSR programmes (Burke and Logsdon, 1996).

Specificity or appropriability means the firm should be able to capture the business value of CSR initiatives (Burke and Logsdon, 1996). Visibility is the extent to which CSR projects of a company may be observed by the firm's stakeholders. It means building the company's image and adding up to the goodwill by creating positive media attention. It can also mitigate negative image of the firm. Voluntarism means that CSR initiatives should be

implemented freely, because the company wants to, instead of legal constraints or industry practice (Burke and Logsdon, 1996; Husted and Allen, 2009).

In this study, we modified Burke and Logsdon' CSR strategy framework by operationalising CSR strategy as a three-factor construct consisting of strategic CSR planning (based on the idea of centrality), strategic CSR implementation (based on the idea of specificity and proactivity) and strategic CSR positioning (based on the idea of visibility). The following explores the relationship between each of these dimensions of strategic CSR practices and business value creation.

Strategic CSR planning and business value creation. CSR strategy planning describes the process of aligning CSR initiatives and programmes of organisations with the corporate goals, missions, values and objectives during the design of the CSR plans and programmes of the organisation. According to Porter and Kramer (2011), organisations that design their CSR programmes and strategies with the intention of addressing what they consider to be the expectations of their stakeholders are likely to benefit from stakeholder-induced value. Thus, from the viewpoints of the stakeholder (Freeman, 1984), we contend that CSR strategy planning can create business value because it makes firms to incorporate social issues and expectations of their stakeholders that may have major impact on their business value creation into their business plans and models when designing or planning their CSR programmes.

Empirically, in a study of 111 MNCs in Mexico, Husted and Allen (2009) found that centrality dimension of CSR strategy positively increase business value creation. This could mean that effective CSR strategy planning facilitates the development of plans and choices to improve the value of the firm while improving the welfare of members of the society (Padgett and Galan, 2010; Dupire and M'Zali, 2018). In a recent general review, Camilleri (2017) posits that CSR strategy creates economic and social value for firms that align their CSR and environmental sustainability programmes with corporate objectives. Other researchers such as Izzo (2014) and Abugre and Anlesinya (2019b) also suggested that CSR strategy can create value for companies and stakeholders in general. In the light of the proceeding, we hypothesised that:

H1a. Strategic CSR planning will have a positive effect on business value creation of multinational subsidiaries in Ghana.

Strategic CSR implementation and business value creation. Strategic CSR implementation is operationalised as the execution of the CSR strategic plans and decisions using appropriate methodologies and coordinating the CSR interventions with corporate techniques to extract business value. Past research evidence suggests that proper implementation of CSR strategies facilitates business value creation. For example, using data from 238 managers of 66 firms in India, Rameshwar *et al.* (2020) showed that strategic CRS implementation can improve firm performance (market share, customer CSR satisfaction and attractive corporate reputation). Recently, Chatzoglou *et al.*'s (2017) study of 80 large firms in Greece showed that CSR implementation creates reputational and customer values. Earlier, Husted and Allen's (2007) empirical study based on survey data from 110 Spanish firms indicated that appropriability significantly increases business value creation. However, a qualitative study of MNCs in China by Yin and Jamali (2016) found that while MNCs' strategic CSR implementation:

[...] emphasised instrumental benefits, they were not always successful in capturing or internalising the benefits of CSR programmes rather than simply creating public goods shared by others in the industry, community or society at large (specificity) (p. 553).

Moreover, the link between strategic CSR implementation and business value creation can be explained using the perspectives of the stakeholder (Freeman, 1984) and the resource-based view (Barney, 1991) theories. These theoretical perspectives suggest that managers use CSR attributes as critical resources to differentiate their companies' service and product offerings in competitive markets, as it is a source of attraction for organisational stakeholders (Husted and Allen, 2007; McWilliams and Siegel, 2001). Firms may differentiate their products/services and processes using CSR-consistent processes or by tying CSR attributes to its products or services (McWilliams and Siegel, 2001). Consequently, it enables them to develop new markets for such products or entice consumers to pay a premium price for such products or services (Husted and Allen, 2009). The development of new markets and the opportunity to charge extra price for a firm's products or services through the use of CSR strategies will undoubtedly increase business value creation. However, in a similar study, Husted and Allen (2009), based on data from 111 MNCs in Mexico, found that appropriability dimension of CSR strategy has insignificant positive influence on business value creation. Hence, to throw further light on the topic, we hypothesised that:

H1b. Strategic CSR implementation will have a positive effect on business value creation of multinational subsidiaries in Ghana.

Strategic CSR positioning and business value creation. Strategic CSR positioning is defined as the process of highlighting the CSR initiatives of the organisation by making them more visible to increase stakeholders' knowledge of them and influence public perception favourably towards the organisation and its products and services. In Spain, Husted and Allen's (2007) indicated that visibility significantly increase business value creation. Similarly, in Mexico, Husted and Allen's (2009) found that visibility dimension of CSR strategy positively increase business value creation. Recently, Park (2017) showed that visibility has significantly moderated the influence of CSR and reputational value of firms in Korea. Relatedly, Taghian *et al.*'s (2015) study among large Australian firms revealed that organisational managers can use strategic CSR to build strong reputation to increase the performance of their organisations. This is inconsistent with Yin and Jamali's (2016) findings that visible strategic CSR initiatives do not always result in significant business benefits for MNCs.

That said, through the lenses of the stakeholder theory (Freeman, 1984) and resource-based view (Barney, 1991), it is possible for firms to create business value by effectively positioning their CSR programmes. The integrative theoretical views of the above theories suggest that CSR initiatives that are well-positioned to capture the attention of key stakeholders and the general public can be a major source of unique resources and capabilities for improving and sustaining the ability of firms to create business value. For example, when customers and other organisational stakeholders observe the CSR interventions of the organisations, they are motivated to reward the firms for their involvement in promoting social and developmental cause. In line with this, Husted and Allen (2007) posit that the more CSR initiatives are made more visible in the media; the greater it improves stakeholders' knowledge of its CSR programmes. This in turn, results in favourably reputational image, enhanced customer loyalty, repeat business (purchases) and product innovativeness. Thus, based on the above arguments, we aimed to extend the literature in developing economies such as Ghana by proposing that:

H1c. Strategic CSR positioning will have a positive effect on business value creation of multinational subsidiaries in Ghana.

The dual roles of strategic orientation

Strategic orientation is operationalised based on the Miles and Snow's (1978) prospector, defender and analyser strategic orientation dimensions. Prospectors have a mindset of being dynamic and innovative in exploiting first-mover advantages. Defenders seek to use internal efficiency methods to secure their present market shares, whereas the analysers represent a hybrid of the prospector and defender orientations. This strategic orientation is based on decision-making processes in organisations (Galbreath, 2010; Miles and Snow, 1978). The study used the hybrid form of the above strategic orientations because firms tend to adopt a combination of various strategic orientations in the management of their business in the marketplace.

Insights from the stakeholder and resource-based view theories suggest that strategic orientation is important for multinationals' business value creation. It is a valuable and unique resource that can create competitive advantages for companies (Anlesinya, 2019; Barney, 1991; Lumpkin and Dess, 2001; Miles and Snow, 1978). Empirically, Kuipers and Giurge (2017) found a strong correlation between strategic orientation and business performance. Earlier, Yang *et al.* (2012) showed that strategic orientation enhances product innovation performance among Chinese enterprises. It is also similar to Choy's (2008) results that there is a strong correlation between strategic orientation and business performance. The preceding thus, suggest that both strategic orientation (Choy, 2008; Kuipers and Giurge, 2017) and strategic CSR practices (Camilleri, 2017; Chatzoglou *et al.*, 2017; Husted and Allen, 2009; Rameshwar *et al.*, 2020) may be related to business value creation. This means that strategic orientation can complement or interact with strategic CSR practices to create greater business value. However, there is dearth of prior studies on the moderating role of strategic orientation on strategic CSR practices and business value creation. Thus, we sought to add to the knowledge in this regard by hypothesising that:

- H2.* Strategic orientation will moderate the relationship between business value creation and strategic CSR practices: (*H2a*) strategic CSR planning, (*H2b*) strategic CSR implementation and (*H2c*) strategic CSR positioning.

Moreover, strategic CSR practices may be related to business value creation through strategic orientation (Anlesinya, 2019; Green and Peloza, 2011). This is because CSR-intensive firms tend to adopt strategic orientation that is forward-looking and use their foresight to prioritise environmental analysis, responsiveness to environmental changes and social trends that require attention (Galbreath, 2010; Lumpkin and Dess, 2001; Porter and Kramer, 2011). These firms, through their strategic orientation are able to engage in dynamic and innovative behaviours with the aim of exploiting first-mover advantages (Galbreath, 2010). Earlier, Galbreath (2006) suggested that CSR cannot be separated from corporate strategy. According to Green and Peloza (2011), once CSR is integrated successfully with strategic orientation, the CSR programmes will enable the creation of value both financially and socially. Similarly, Menguc *et al.* (2010) noted that when firms implement proactive strategy towards the environment, they can benefit from differentiation advantage through the development of eco-friendly product offerings for untapped markets.

The above are consistent with the argument of the stakeholder and resource-based view theories that ensuring proper alignment between CSR strategy and the strategic orientation of firms will increase firms' legitimacy and access to important resources to create significant value. Thus, it is possible for strategic CSR practices to lead to higher business value creation via strategic orientation, as strategic CSR can potentially determine the strategic mindset and decisions adopted by firms to create shared values. However, as

indicated, examining the mediating role of strategic orientation (based on organisational decision-making processes) in the relationship between strategic CSR and business value creation are rare to find. Hence, we proposed that:

- H3.* Strategic orientation will mediate the relationship between business value creation and strategic CSR practices: (*H3a*) strategic CSR planning, (*H3b*) strategic CSR implementation and (*H3c*) strategic CSR positioning.

Methodology

Study context

MNCs have become increasingly common in recent years in both developed and developing countries and Ghana is no exception. Indeed, there is strong presence of MNCs operating in Ghana across various sectors of the economy (Abugre and Anlesinya, 2019a; Anlesinya, 2016). It is therefore, believed that MNCs-sponsored CSR initiatives could potentially address some of the numerous developmental challenges facing developing nations (Jamali, 2007; Tobey and Perera, 2012) such as Ghana. The country (Ghana) is confronted with numerous developmental problems in areas of education, health, sanitation, technology and innovation, power and energy, poverty and among others (Anlesinya, 2016, 2019). A complete resolution of these developmental and social challenges would be a daunting task for most developing economies without adequate contributions of corporate organisations. Accordingly, Bhattacharyya (2010) suggested that developing communities would expect corporate organisations to intervene in societal progress and development, as their governments alone cannot solve their economic and social problems.

Sample and data

The study used the quantitative method to collect survey data from subsidiaries of MNCs in Ghana. CSR in Ghana is being spearheaded by MNCs, thus, making them the obvious choice. The study used 354 usable questionnaires from 118 purposively selected MNCs based on public perception of CSR-intensive MNCs' subsidiaries and popularity in CSR engagement in Ghana. We selected managers because they are in better position to provide information about their companies' strategic orientation, strategic CSR and business value creation (Abugre and Anlesinya, 2019a; Anlesinya, 2016). Moreover, the study used more than one respondent per firm, specifically; an average of three managers per firm to increase the validity of the scores within each firm as it provided a way to triangulate the information, checking for the consistency across managers (Anlesinya, 2019).

To recruit the firms and the respondents, introductory letters together with a copy of the research questionnaire were initially submitted to the responsible officers of all the selected companies for assessment and approval. The questionnaires were delivered by hand to most of the companies, except in few instances where some companies requested that we submit soft copy by email after an approval has been given. In addition, we reached out to members of our networks who were working with some of the selected CSR-intensive MNCs to assist with access and the questionnaire administration. Besides, we obtained various contacts from the Executive Master of Business Administration (EMBA) Secretariat of the University of Ghana Business School. These contacts were mainly current and past EMBA students who were managers or workers in the selected MNCs. We further obtained support from lecturers who were lecturing on programmes which had some workers from the target MNCs as participants. The use of these personal and professional networks significantly assisted us to overcome the challenge of access by facilitating our data collection processes

which took place between 2019 and 2020. To ensure high response rate, various forms of follow-up methods were used such as phone calls and personal visits.

Questionnaires received from respondents were uniquely labelled instantly using their company's name. They were then sorted and the responses from the respondents of each firm were averaged to obtain a single firm-level sample. This process converted the responses of the 354 managers into 118 firm-level data. The use of 118 firms was generally consistent with prior firm-level studies that used a sample of 66 (Rameshwar *et al.*, 2020), 80 (Chatzoglou *et al.*, 2017), 58 (Han *et al.*, 2013) and 111 firms (Husted and Allen, 2009). The average age of the sampled firms was 29.93 years. Also, 67.50% of the respondents were males, and 81.40% were between 18– 43 years. Besides, 53.40% were middle-level managers, 29.40% were lower-level managers, and 17.20% were top-level managers. Moreover, 87.50% had degrees (bachelor or masters) and a few (12.40%) had diploma or higher national diploma. The following was the sectoral distribution of the respondents: financial (22.60%), extractive (13.80%), telecommunication (26.30%), manufacturing (28.0%) and logistics and transport (9.30%).

Measures

All the main variables were measured using a five-point Likert scale where; “1 = strongly disagree to 5 = strongly agree”. Their reliability and validity are shown in Table 1. The following are the details: *Strategic CSR* – was assessed by adopting 15 items from Anlesinya (2016, 2019) to measure strategic CSR planning, implementation and positioning.

Strategic orientation – A 6-item scale was adapted from Anlesinya (2016) to measure strategic orientation. This scale is appropriate for this study because it was developed and validated in similar research settings in terms of the characteristics of the firms (i.e. MNCs) and geographical context. The 6 items used to measure strategic orientation in this study is largely consistent with previous studies that used a three-item (Cohen, 2008) and four-item scales (Nejati *et al.*, 2017) to measure strategic orientation.

Business value creation - The study adopted measures from prior studies (Samiee and Roth, 1992; Abugre and Anlesinya, 2019a) to construct a business value creation index, comprising of financial business value indicators (return on equity and asset), reputational business value, firm-human capital value (talent attraction, innovation) and firm-customer outcomes (repeat business from customers). It measures the firms' business value creation relative to last year.

Control variables – Following previous studies, we controlled for firm size (Crisóstomo *et al.*, 2011; Marais, 2012), sector (Crisóstomo *et al.*, 2011) and firm age (Belu and Manescu, 2011; Crisóstomo *et al.*, 2011). Firm age was measured in years (Belu and Manescu, 2011), and sector was measured as a dummy variable. Firm size was measured by the number of employees via a dummy variable: 1 = large firms and 0 other wise (Abugre and Anlesinya, 2019a).

Data analysis

The study used multiple regression to examine the direct effect of strategic CSR practices on business value creation and used the Hayes' PROCESS moderation estimator (model 1) and mediation via bootstrapping techniques (model 4) to test whether strategic orientation moderate and mediate the relationship between strategic CSR practices and business value creation. Prior to this, a confirmatory factor analysis (CFA) in structural equation modelling (SEM) with the aid of IBM AMOS version 26.0 was performed to assess the validity and reliability of the construct items. Because CFA in SEM is robust against measurement errors (Bryne, 2010), complementing the regression analysis with the CFA in SEM helped to

Table 1.
Confirmatory factor
analyses, validity
and reliability results

Latent constructs	Observed variables/measurement indicators	SFL	t-value	AVE	C.R.	Cronbach's α
Strategic CSR practices						
<i>Strategic CSR positioning</i>	Our stakeholders often see the company's CSR projects	0.97	Fixed	0.83	0.96	0.90
<i>Strategic CSR planning</i>	Our stakeholders have adequate knowledge of the companies' CSR actions	0.85***	10.59			
	There is closeness of fit between this company's CSR policy or programme and the firm's core business objectives	0.92	Fixed	0.83	0.98	0.91
<i>Strategic CSR implementation</i>	We have plans to ensure greater oversight and monitoring of our company's CSR initiatives	0.89***	10.00			
	Our CSR projects are exceedingly central to the missions of our company	0.92***	12.15			
	Our company is able to capture the business benefits of its CSR initiatives	0.82***	7.82	0.54	0.88	0.86
	Our company's products/services is differentiated by tying CSR attributes to them	0.70	Fixed			
Business value creation index	Our company uses CSR-consistent processes in its production or service delivery	0.68***	8.83			
Strategic orientation	Our company is able to attract talents and highly qualified employees	0.83	Fixed	0.600	0.96	0.89
	Our return on assets has been substantially better	0.72***	7.35			
	Our return on equity has been substantially better	0.71***	7.34			
	Our corporate brand is the best	0.79***	8.00			
Strategic orientation	Our company enjoys repeat businesses from customers	0.82***	7.35			
	This company is innovative and always seeks to exploit first-mover advantages	0.76***	9.72	0.730	0.98	0.93
	Our company seeks to maintain its market share in stable product-markets	0.90***	12.83			
	Our company seeks to compete on the basis of internal efficiency	0.88***	9.98			
	Our company tend to exert considerable effort in protecting its positions	0.85	Fixed			
	Our company tend to offer higher quality products and superior customer service	0.88***	12.38			

Notes: NB. *** Standardised factor loading (SFL) is significant at 1% (0.01); AVE = Average variance extracted; C.R = Composite reliability

increase confidence in the results. Moreover, the Mardia’s multivariate kurtosis value for strategic CSR (2.13), strategic orientation (5.56) and business value creation (7.99) were largely acceptable (Bentler, 2005). Thus, the data generally exhibited multivariate normality. Besides, the Harman one-factor test’s assessment of common method bias indicated that no single factor accounted for more than 50% of the variance. The highest variance explained by a factor was 22.58%. Thus, there is no evidence of common method bias in the data (Podsakoff et al., 2003).

Results and findings

Validity and reliability assessments

Table 1 showed the CFA, validity and reliability assessment of the scales. Large sample size is a major requirement for the use of CFA in SEM (Bryne, 2010) but our sample is relatively small (118 –firm level data) with respect to the requirements of SEM. Also, a five-factor model (i.e. the three dimensions of strategic CSR, business value creation and strategic orientation) was poorly fitted. Hence, we did separate CFA analysis for the main constructs. This was necessary to enhance the adequacy of the item-sample and parameter ratios. The model fit indices for a three-dimensional strategic CSR practices (CMIN = 7.46; DF = 5; CMIN/DF = 1.49; GFI = 0.99; CFI =1.00; RMSEA =0.07); strategic orientation (CMIN = 3.41; DF = 3; CMIN/DF = 1.14; GFI = 0.99; CFI = 1.00; RMSEA = 0.03) and business value creation (CMIN = 2.23; DF = 2; CMIN/DF = 1.11; GFI = 0.99; CFI = 1.00; RMSEA = 0.03) are within their thresholds, thereby attesting the overall quality of the CFA models (Etezadi-Amoli and Farhoomand, 1996; Hu and Bentler, 1999). Furthermore, all the standardised factor loadings (*SFL*) are consistent with the requirement of more than 0.5 or ideally above 0.7 (Hair et al., 2010). Also, the average variance extracted (AVE) exceeded the minimum threshold of 0.50 (Fornell and Larcker, 1981). Hence, convergent validity is achieved. Relatedly, in Table 2, all the squared root values of AVE are greater than squared correlations of the variables (Fornell and Larcker, 1981). Thus, discriminant or divergent validity is achieved. Besides, results of both the Cronbach’s Alpha and composite reliability (C.R.) in Table 1 demonstrated that the reliability of the constructs is sufficiently established as they have scores above 0.70 (Fornell and Larcker, 1981; Nunnally, 1978).

Descriptive statistics and correlations. Table 3 shows the descriptive statistics, variance inflation factor (VIF) of and correlations among the study variables. The results show existence of significant correlation among the study’s variables. Also, the VIF values showed no multicollinearity issues.

Test of hypotheses

The results of the regression analysis in Table 4 are used to assess hypothesis one (*H1a – c*). The results in the Model 1 of the stated table showed that strategic CSR planning ($\beta = 0.45$,

Variables	1	2	3	4	5
Business value creation	<i>0.77</i>				
SCSR planning	0.50	<i>0.91</i>			
SCSR implementation	0.35	0.42	<i>0.73</i>		
SCSR positioning	0.35	0.42	0.26	<i>0.91</i>	
Strategic orientation	0.74	0.42	0.38	0.34	<i>0.85</i>

Table 2. Fornell–Lacker procedure for discriminant validity analysis

Note: Italic elements are the squared roots of AVE and other elements represent the squared correlation

Table 3.
Descriptive statistics
and correlation

Variables	VIF	Mean	SD	1	2	3	4	5	6	7	8	9	10	11
1. BVCI	-	4.15	0.47	1.00										
2. SCSR planning	2.85	3.30	4.15	0.53	0.71***	1.00								
3. SCSR implementation	2.30	3.75	0.60	0.59***	0.65***	1.00								
4. SCSR positioning	2.37	4.06	0.61	0.59***	0.65***	0.51***	1.00							
5. Strategic orientation	1.34	29.93	27.45	0.51	0.86***	0.62***	0.58***	1.00						
6. Firm age	1.58	0.93	0.28	0.12	-0.12	-0.01	0.01	0.05	1.00					
7. Firm size (large)	3.32	0.23	0.42	0.26***	-0.03	0.24***	-0.22	-0.02	0.05	1.00				
8. Financial sector	2.62	0.14	0.35	0.001	-0.05	-0.12	0.04	0.16	0.24***	-0.01***	1.00			
9. Extractive sector	3.37	0.27	0.45	-0.14	0.03	-0.17*	-0.07	-0.08*	-0.16*	-0.24***	-0.22**	1.00		
10. Telecom sector	3.64	0.27	0.45	-0.14	0.03	0.14	0.06	-0.06	-0.10	0.15	-0.33***	-0.25***	1.00	
11. Manufacturing				0.004	-0.03	0.25***	0.004	0.11	0.12	0.15	-0.33***	-0.25***	-0.37***	1.00

Notes: *** Correlation is significant at 1% (0.01), ** Significant at 5% (0.05), * Significant at 10% (0.10); VIF = variance inflation factor

Table 4. Regression analysis of strategic CSR practices on business value creation

Predictors	Direct OLS Models		Hayes' PROCESS moderation models		
	Model 1	Model 2	Model 3	Model 4	Model 5
Strategic CSR planning	0.45*** (4.81)	0.46*** (4.81)	0.26*** (5.10)	–	–
Strategic CSR implementation	0.19** (2.29)	0.28*** (3.07)	–	0.19*** (3.90)	–
Strategic CSR positioning	0.20** (2.46)	0.15* (1.80)	–	–	0.15*** (3.44)
Strategic orientation	–	–	0.60*** (11.06)	0.64*** (11.31)	0.68*** (12.15)
STRAT X SCSR planning	–	–	–0.02 (–0.25)	–	–
STRAT X SCSRs implementation	–	–	–	–0.13 (–1.65)	–
STRAT X SCSR positioning	–	–	–	–	–0.06 (–0.76)
Firm age	–	0.12* (1.83)	0.002* (1.88)	0.001 (1.08)	0.01 (0.84)
Firm size (large)	–	–0.03 (–0.39)	0.05 (0.63)	0.03 (0.38)	0.16* (1.90)
Financial sector	–	0.24** (2.45)	0.08 (0.95)	0.06 (0.72)	0.09 (0.99)
Extractive sector	–	0.003 (0.03)	–0.03 (–0.35)	0.07 (0.79)	0.08 (0.95)
Telecommunication sector	–	–0.11 (–1.12)	–0.13* (–1.72)	–0.17** (–2.13)	–0.12 (–1.42)
Manufacturing sector	–	–0.02 (–0.21)	–0.11 (–1.32)	–0.15* (–1.83)	–0.09 (–1.07)
<i>R-squared</i>	0.555	0.669	0.826	0.810	0.803
<i>F-test</i>	47.36***	24.280***	56.92***	51.00***	48.89***

Notes: *** Correlation is significant at 1% (0.01), ** Significant at 5% (0.05), * Significant at 10% (0.10); *t*-values are in the parenthesis; SCSR = strategic CSR; STRAT X SCSR planning, STRAT X SCSR implementation and STRAT X SCSR positioning represent the interactive terms for strategic orientation and the three dimensions of strategic CSR practices; OLS = ordinary least-square multiple regression

$p < 0.01$), strategic CSR implementation ($\beta = 0.19, p < 0.01$) and strategic CSR positioning ($\beta = 0.20, p < 0.01$), have significant positive effects on business value creation. These results remained statistically strong in the predicted direction in Model 2 after control variables are assessed for strategic CSR planning ($\beta = 0.46, p < 0.01$), strategic CSR implementation ($\beta = 0.28, p < 0.01$) and strategic CSR positioning ($\beta = 0.15, p < 0.10$). Thus, they provide empirical support for hypothesis one (H1) that strategic CSR planning (H1a), strategic CSR implementation (H1b), and strategic CSR positioning (H1c) will positively influence business value creation.

Furthermore, the results in model 3–5 of Table 4 are used to assess hypothesis two (H2) which argues that strategic orientation will moderate the link between strategic CSR practices and business value creation. The interpretation for the moderation hypothesis is based on the interactive terms between strategic orientation and each of the three strategic CSR practices, which were constructed after each of the main variables were mean-centered. As shown in the table, strategic orientation has a strong direct influence on business value creation in Model 3 ($\beta = 0.60, p < 0.01$), Model 4 ($\beta = 0.64, p < 0.01$) and in Model 5 ($\beta = 0.68, p < 0.01$). However, the results of the interactive term for strategic orientation and each of the three dimensions of strategic CSR practices in Model 3 ($\beta = -0.02, p > 0.05$), in Model 4 ($\beta = -0.13, p > 0.05$), as well as in Model 5 ($\beta = -0.06, p > 0.05$) were insignificant. This means that strategic orientation did not moderate the influence of strategic CSR practices on business value creation. Hence, hypotheses two (H2a- c) could not be confirmed by the empirical evidence.

Finally, the study investigated the mediation role of strategic orientation on strategic CSR practices and business value creation using bootstrapping methods of mediation analysis, and Table 5 showed the results. From the table, the results are statistically different from zero, as zero is not within the lower and upper confidence intervals. This

means that strategic orientation significantly mediated the relationship between business value creation and the each of the three strategic CSR practices

Discussions

The first hypothesis of this study examined the influence of strategic CSR practices on business value creation. The empirical results indicate that strategic CSR planning, strategic CSR implementation and strategic CSR positioning have significant positive effects on business value creation. These findings suggest that strategic CSR would do the most good to societal growth and development while providing businesses with significant gains (Porter and Kramer, 2011; Ganescu, 2012; Izzo, 2014). In particular, the positive contribution of strategic CSR planning to business value creation suggests that multinationals in Ghana tend to largely design their CSR projects to be exceedingly central to the visions, missions and objectives of their company. This in turn, ensures proper monitoring and judicious use of their limited resources, leading to significant business value creation while advancing social and developmental causes in their host country. This result is similar to the findings of previous studies (Abugre and Anlesinya, 2019b; Camilleri, 2017; Husted and Allen, 2009; Izzo, 2014) and Burke and Logsdon’s (1996) theoretical assertion that CSR programmes that are central (i.e. effectively linked to corporate missions and objectives) can create business value. Moreover, this result may be explained from the stakeholder theory perspective (Freeman, 1984). It suggests that CSR strategy planning makes multinational subsidiaries more effective in identifying and incorporating stakeholder’s issues that can potentially affect their business value creation into their business plans and CSR programmes.

Furthermore, the significant positive influence of strategic CSR implementation on business value creation suggests that multinationals in Ghana implement strategic CSR in ways that it responds to changes in social needs and improve business intelligences, which are, essential for innovation and improved success in the marketplace. This, consequently, creates business value through an efficient adaptation of the external demands and environmental changes. It further implies that MNCs’ subsidiaries in Ghana are able to identify, integrate and manage their relationship with their diverse stakeholders for mutual benefits through their strategic CSR implementations. This is consistent with the arguments of both the resource-based view theory of Barney (1991) and the stakeholder theory of Freeman (1984) that strategic implementation of CSR can generate valuable and unique resource to ensure greater business value creation. Our empirical evidence validates the

Table 5.
Bootstrapping test of mediation at 95% confidence intervals (C.I) constructed by percentile bootstrapping method

Path/Relationship	Effect	Estimate	Percentile confidence interval
SCSR planning.....> BVC	Direct	0.27***	0.17 – 0.37
SCSR planning.....>SO.....>BVC	Indirect	0.39**	0.28 – 0.54
	Total	0.66***	0.56 – 0.77
SCSR implementation.....>BVC	Direct	0.17***	0.08 – 0.27
SCSR implementation...>SO...>BVC	Indirect	0.39**	0.29 – 0.51
	Total	0.56***	0.45 – 0.67
SCSR positioning.....>BVC	Direct	0.14***	0.06 – 0.23
SCSR positioning.....>SO.....>BVC	Indirect	0.34**	0.23 – 0.46
	Total	0.48***	0.37 – 0.59

Notes: (i) ***, ** Bootstrap estimate is significant at 0.01% (0.01) or 5% (0.05). (ii) **Bolded starred estimate** = Indirect effect (Mediation) is significant. (iii) BVC = business value creation; SO = Strategic orientation; (iv) Control variables were included in all estimations

theoretical propositions of Porter and Kramer (2011) and Burke and Logsdon (1996) in this regard. It similarly extended the limited prior evidence in developed economies (Husted and Allen, 2007; Chatzoglou *et al.*, 2017; Rameshwar *et al.*, 2020) to the developing countries' context. However, it is inconsistent with the insignificant results obtained by Yin and Jamali (2016) and Husted and Allen (2007). This could have been influenced by contextual differences (Porter and Kramer, 2011; George *et al.*, 2016).

Moreover, our results showed that strategic CSR positioning contributes positively to business value creation. The result is similar to findings obtained by Husted and Allen (2009), Park (2017) and Taghian *et al.* (2015) that visible CSR strategy should build the image of the company and also add up to its goodwill. However, it contradicted Yin and Jamali's (2016) findings that MNCs are unable to create major value through the positioning of their CSR projects. From the perspectives of the stakeholder theory (Freeman, 1984) and resource-based view (Barney, 1991), our positive result implies that when multinationals increase their stakeholders' knowledge of their commitment to the resolution of social and other developmental challenges in the host country by communicating and making their CSR initiatives more visible to the public, it encourages stakeholders to reciprocate by rewarding the firm with repeat business, talent and skills to facilitate positive business value creation.

The second hypothesis examined the predictive prospects of strategic orientation of MNCs as moderator in the relationship between strategic CSR practices and business value creation. The study found that strategic orientation has strongly and directly predicted business value creation. However, its moderating role in the influence of strategic CSR implementation and strategic CSR practices on business value creation could not be established. This result implies that while strategic orientation can create greater business value directly it does not play complementary or moderating role in enhancing the influence of strategic CSR practices on business value creation. The direct result is in line with previous studies (Kuipers and Giurge, 2017; Yang *et al.*, 2012). However, the insignificant moderation could mean that MNC subsidiaries have not effectively ensured fitness and closeness of purpose between their strategic CSR programmes and strategic decision-making process for their strategic orientation to complement strategic CSR practices for the generation of greater business value.

The third hypothesis assessed the mediating role of strategic orientation on strategic CSR practices and business value creation. The empirical evidence suggests that strategic CSR planning, strategic CSR implementation and strategic CSR positioning have significant indirect effects on business value creation of MNCs via strategic orientation. These results have provided additional evidence to extend a few past studies (Anlesinya, 2019; Green and Pelozo, 2011) suggesting that strategic CSR practices may be related to business value creation through strategic orientation. It has also provided empirical evidence to reinforce the call by Galbreath (2006) and Porter and Kramer (2011) that CSR strategy should not be separated from strategic corporate decisions with respect to business value creation. These findings indicate that companies may create business value by strategically managing their CSR initiatives. Moreover, they imply that because strategic CSR creates social and business values simultaneously, it can determine the adoption of strategic orientation that makes them become more responsive to social trends. This in turn, will encourage the use innovative methods to develop profitable products and services to create significant business value that also contributes to societal progress. Thus, firms seeking to derive business value from strategic CSR may want to adopt a strategic approach that is innovative, more proactive in nature.

Implications and conclusion

This work makes enormous contributions in both theoretical and practical relevance in the strategic management, CSR literature and multinational operations respectively as follows:

Theoretical implications

Theoretically, our findings validate the knowledge in strategic CSR's value creation as espoused by [Porter and Kramer \(2011\)](#) and extend the application of the resource-based view ([Barney, 1991](#)) and the stakeholder theory ([Freeman, 1984](#)). It unravels the complex relationships between strategic CSR practices (i.e. strategic CSR planning, implementation and positioning), strategic orientation and business value creation of multinational subsidiaries in their host economies. Insights derived from this work suggest that strategic CSR creates multinational business value in their operations in distant subsidiaries when MNCs invest in specific social issues that could ultimately strengthen and enhance their competitiveness. This result may be because of the recognition of strategic and business value of CSR initiatives by multinational subsidiaries in Ghana. A study by [Kuada and Hinson \(2012\)](#) showed that CSR practices of international firms in Ghana are driven mainly by maximisation of profit and shareholders' wealth. And, as indicated, internationally connected firms operating in Ghana have better understanding of the strategic application of CSR and tend to deliberately leverage CSR as business strategies to improve their reputational value ([Ofori and Hinson, 2007](#)). Thus, our empirical findings add to the stakeholder theory ([Freeman, 1984](#)) and resource-based view theory ([Barney, 1991](#)) by validating the view that addressing stakeholders' needs strategically can be a source of resource for creating business value. In particular, it implies that strategic CSR practices of MNCs' subsidiaries in Ghana result in significant business value creation because these firms tend to emphasise more instrumental benefits of their strategic CSR initiatives. They seem to be more proactive in recognising and acting on social and other developmental issues via strategic CSR initiatives as well as publicising such programmes to benefit from differentiation advantage and greater stakeholder-induced business value creation.

In addition, this work demonstrates that positive strategic orientation of MNCs is parallel to their subsidiaries' commitment to shared growth in host countries and crafting new strategic image on the global scale by protecting their CSR and sustainability principles and practices as integral part of their expansion strategy. Thus, our findings that strategic orientation positively influence business value creation and sturdily mediates MNCs CSR and their business value in host countries validate the principles of why CSR and sustainability ought to be strategically aligned with the needs and interests of corporate businesses, going beyond mere philanthropy to yield the greatest impact on society. However, our evidence could not establish the conditional roles of strategic orientation in the nexus between strategic CSR practices and business value creation. This may suggest an existence of misfits between the overall corporate strategies determined by the headquarters and the strategic CSR imperatives of subsidiaries. This may be possible; because a study by [Ofori and Hinson \(2007\)](#) revealed that while majority of international companies in Ghana have their overall corporate strategies formulated for them abroad at the headquarters of their parent companies, 66.67% of them formulate their CSR strategies locally. This situation may compromise the ability of subsidiaries to properly incorporate important cultural and societal issues of their host country (Ghana in this case) that may have the potential to bring about major stakeholder-induced business value of their strategic CSR practices and strategic orientation.

Together, our study provides a better understanding of the dual roles of MNCs' strategic orientation on strategic CSR practices and business value creation, thereby offering valuable

information about the underlying economic process and context of CSR strategy and business value creation. Accordingly, this work extends the strategic CSR and sustainability literature by introducing the effect of strategic orientation as a mediator and contextual factor, and researchers can further explore its implications.

Moreover, our study proposed and tested a novel three-factor conceptualisation of strategic CSR (strategic CSR planning, implementation and positioning) based on Burke and Logsdon' CSR strategy framework. Besides, the incorporation of the mediating and moderating roles of strategic orientation in business value – strategic CSR link is original and can influence assessment of other mediators and moderators in future research on strategic CSR practices and business value creation.

Finally, strategic CSR is a context-focused management technique anchored in the principle of shared value of multiple stakeholders and producing simultaneous social and economic gains (Porter and Kramer, 2011). Relatedly, George *et al.* (2016) has strongly argued that the time has come to bring African countries' context in for the advancement of management theories and research because of their unique contexts and characteristics. Thus, this study makes a contextual contribution by bringing in Ghana and by extension the sub-Saharan African into the development of CSR and strategic management theories in multinational context. It provides new empirical insights on the topic from subsidiaries of multinationals in Ghana, a developing country with a lot of development issues, and high multinational presence.

Practical implications

Practically, the findings suggest that when multinationals' strategic CSR implementation emphasises the use of CSR-consistent processes in their production or service delivery, as well as differentiating their products and service offerings by tying CSR attributes to them, it will help in fulfilling the needs of their stakeholders and subsequently capture the business value of their CSR initiatives. Secondly, managers of multinationals in Ghana seeking to create significant business value while solving the developmental challenges facing their host country, should be more concerned with changes in their environment to act on social and environmental concerns to create shared values for both the society and their business. This is important because a study by Dartey-Baah *et al.* (2015) revealed that while CSR activities of firms in Ghana are targeted at addressing social problems, there is a misalignment between their CSR programmes and current national development priorities. Thus, to create greater business value from strategic CSR, we urge multinational subsidiaries in Ghana to be guided by the National CSR Policy which was developed with support from the University of Ghana Business School, Legon, and GTZ and launched in 2017 by the Ministry of Trade in collaboration with Employment for Sustainable Development in Africa (E4D). Doing so will ensure that multinational subsidiaries in Ghana align their strategic CSR practices with the key development priorities set out therein to enhance their chances of creating shared value.

Third, multinationals need to consider strategic CSR positioning activities as a critical resource that can translate their CSR initiatives into significant business value by highlighting how their CSR interventions have addressed or are resolving the key concerns of their stakeholders. Strategic CSR positioning ensures that the firm creates business value by building customers and other stakeholders' knowledge of the social actions of the company. According to Abugre and Nyuur (2015), firms in Ghana communicate their CSR practices mostly through the mass media and the internet. They however noted that apart from a few MNCs, there "appears to be little serious efforts by organisations to develop separate CSR communication strategies for their CSR activities" (p. 174). Thus, our study

suggests that communicating CSR projects via the traditional media channels and developing standalone CSR report regularly can be an important vehicle for achieving visibility and positioning advantage of a firm's CSR actions. While developing CSR reports and publishing them on the company websites is very necessary, it may not be sufficient. Hence, various communications strategies should be used such as organising regular press conference to launch such CSR reports or projects to ensure that the firm's commitment to CSR is seen and recognised by majority of its stakeholders. This will not just build a unique brand identity or image for the firm but may be used as a catalyst for business value creation through the attraction of talented workers and repeat purchases from customers.

Furthermore, our evidence suggests that multinational subsidiaries in Ghana need to emphasise more proper fit between strategic CSR practices and strategic orientation to develop unique resources and capabilities to create enhanced business value. One way by which firms can do this is to review their business operations, visions and core objectives and develop social programmes that are consistent with their business objectives. Another way is to ensure that CSR programmes of the company are consistent with the firms' values and its principles. By so doing, the firm's business competencies can easily be deployed to ensure effective design and implementations of CSR strategies and create the right strategic orientation for the firm to thrive. It further implies that strategic CSR should be designed and implemented in a way that can develop multinationals' capabilities in environmental scanning and information processing to quickly turn social problems into innovative and profitable products and services.

Limitations and future research implications

The findings of this study may be limited by the following. Firstly, as the study is a survey-based and cross-sectional in nature and not an experiment, it can limit the inference of causal effect. Hence, the use of longitudinal data in future studies is recommended. Moreover, the potential existence of endogeneity among the variables could limit the findings of the study. Based on this, it is recommended that future studies use analytical methods that can facilitate the use of instrumental variables to assess the potential influence of endogeneity in the relationships. Also, the findings are limited to multinational subsidiaries in Ghana. Future studies are therefore expected to expand on its scope to include other developing countries. Again, the use of purposive sampling may serve as a potential limitation to the findings, as it can hinder the generalisation of its findings.

Conclusion

In conclusion, we show that strategic CSR practices comprising of strategic CSR planning, implementation and positioning contribute positively and significantly to business value creation of multinational subsidiaries. Moreover, it reveals that strategic orientation has a significant positive effect on business value creation and further mediated the nexus between business value creation and the three strategic CSR practices (planning, implementation and positioning). However, it did not moderate the influence of strategic CSR practices on business value creation. The overall implication of these findings is that CSR issues and their strategies should be placed equally to other strategic issues in boardrooms because it creates shared value from the resolution of social and development challenges. In this way, strategic CSR practices will play a rightful role in creating a healthy and sustainable business and a just society, maximising nature's resources while minimising harms to the natural environment, promoting greater transparency and accountability. It can further serve as the engine for sustainable economic growth and

development globally and particularly in most developing countries such as Ghana, where most of these issues remained serious development challenges.

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