

UNIVERSITY OF GHANA

INVESTIGATING STAKEHOLDER PERCEPTION AND RESPONSE TO CORPORATE SOCIAL RESPONSIBILITY OF FIRMS IN GHANA



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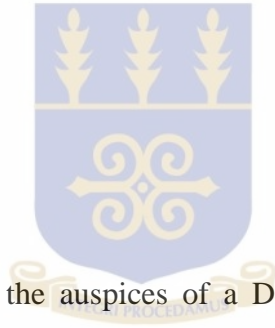
DECLARATION

I do hereby declare that this work is the result of my own research and has not been presented by anyone for any academic award in this or any other university. All references used in the work have been duly acknowledged.

I bear sole responsibility for any shortcomings

.....
SELORM AGBLEZE

.....
DATE



This research was conducted under the auspices of a DANIDA funded Research Project on Corporate Social Responsibility and Stakeholder Attractiveness co-led by my Principal Supervisor, Professor Robert E. Hinson I have subsequently received funding to present portions of this work at conferences for which I received DANIDA funding, and for which I am very grateful.

CERTIFICATION

I hereby certify that this thesis was supervised in accordance with procedures laid down by the University.

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DEDICATION

To the Glory of God

And

To My Loving Parents, Exciting Brothers and Wonderful Friends



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I will like to acknowledge with profound gratitude;

God Almighty, for His unfailing love and overwhelming grace; with Him all things are possible.

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ABSTRACT

The business case for corporate social responsibility (CSR) is hinged on the assertion that “doing good” is not only “the right thing to do” but also leads to “doing better” as a business. However, inconsistent results in support of this assertion has increased the need to clarify the mechanism by which CSR leads to positive returns to the firm from their stakeholders. Although studies have investigated this response mechanism, such studies are yet to be extended to the African context. Additionally, there has also been little focus on the role of individual factors in influencing response to CSR. The main objective of this study was therefore to examine a mechanism through which stakeholders’ CSR perception translates into a response to CSR initiatives while accounting for the influence of other individual factors; the gender, work experience and the academic degree respondents were pursuing at the time of the study.

The study employed a survey research design using semi-structured questionnaires and the structural equation modelling (SEM) technique of data analysis to investigate the role of stakeholders’ CSR predispositions and other individual factors in a proposed CSR response mechanism within the Ghanaian context.

The results of the study indicate that CSR predisposition had either negative or no significant direct effect on CSR-based employer attractiveness but rather had a significantly positive effect on CSR-based employer attractiveness through CSR-induced identification. Thus, CSR practices of firms’ in Ghana only have positive effects of stakeholders if stakeholders first identify with the firms based on firms’ practice of CSR. Gender and work experience were also found not to

significantly affect the identified mechanism, however, level of education was found to significantly affect the identified mechanism of response.

Findings of the research suggest that potential employees in Ghana will react with scepticism to CSR initiatives of firms unless they first identify with a firm based on the firm's performance of CSR. Additionally, this reaction mechanism is not significantly affected by their gender or work experience but is however affected by the academic degree that potential employees are pursuing. The implications of the study and its findings as is related to theory and practice are discussed.

TABLE OF CONTENTS

DECLARATION	i
CERTIFICATION.....	ii
DEDICATION	iii
ACKNOWLEDGEMENT.....	iv
ABSTRACT.....	vi
LIST OF TABLES	xiii
LIST OF FIGURES	xiv
LIST OF ABBREVIATIONS	xv
CHAPTER ONE: INTRODUCTION.....	1
1.0 Background.....	1
1.1 Problem statement	4
1.2 Objectives of the Study.....	6
1.2.1 Specific objectives:	7
1.3 Relevance of the Study	7
1.4 Disposition of the study chapters.....	8
CHAPTER TWO: LITERATURE REVIEW.....	9
2.0 Introduction	9
2.1 Definition of CSR.....	9
2.2 CSR Theories.....	13

2.3	CSR conceptualizations	15
2.3.1	Carroll 1979/1991 Conceptualization	17
2.3.1.1	Economic responsibility.....	18
2.3.1.2	Legal responsibility.....	20
2.3.1.3	Ethical responsibility	21
2.3.1.4	Discretionary/philanthropic responsibility.....	22
2.3	CSR and marketing.....	25
2.4	CSR, marketing and the stakeholder approach.....	27
2.5	The stakeholder theory	29
2.6	Organizational stakeholders	30
2.7	Organizational stakeholders and CSR	31
2.8	Stakeholders' perception of CSR	33
2.9	CSR and stakeholder response	35
2.10	CSR and employer attractiveness	37
2.11	CSR- induced identification	40
2.12	Conceptual framework and hypotheses development	42
2.12.1	CSR predisposition	44
2.12.2	CSR-induced identification	46
2.12.3	CSR-based Employer attractiveness	47
2.12.4	Other Individual factors	48

CHAPTER THREE: CONTEXT OF THE STUDY	52
3.0 Introduction	52
3.1 Brief historical background of Ghana	52
3.2 Overview current state of affairs	55
3.2.1 Economic and development context	56
3.2.2 Political context	57
3.2.3 Business and employment context.....	59
3.3 Corporate social responsibility (CSR) in the Ghanaian context.....	62
3.3.1 Stakeholder perceptions of CSR in the Ghanaian context.....	63
3.3.2 The legal and institutional context for CSR in Ghana	65
3.3.3 CSR in the Ghanaian employment context.....	67
CHAPTER FOUR: METHODOLOGY	70
4.0 Introduction	70
4.1 Research approach.....	70
4.2 Research design	71
4.3 Data sources.....	72
4.4 Data collection method.....	72
4.4 Questionnaire development	73
4.5 Reliability	75
4.6 Validity	76
4.7 Content validity	77

4.8	Convergent validity and discriminant validity	77
4.9	Population for the study.....	78
4.10	Sample and sampling technique	78
4.12	Data analysis.....	79
4.12.1	Data Examination.....	79
4.12.2	Variables in the analysis	80
4.12.3	Method of analysis.....	81
4.12.3.1	The measurement model (confirmatory factor analysis)	83
4.12.3.2	The structural model	84
CHAPTER FIVE: RESULTS AND DISCUSSIONS.....		86
5.0	Introduction	86
5.1	Demography of respondents.....	86
5.2	Descriptive statistics of measurement items.....	88
5.2.1	Examination of data	90
5.2.2	Reliability of measuring scales	91
5.2.3	Construct Validity	93
5.3	Assessment of the overall measurement model.....	94
5.4	Assessing the baseline structural model	96
5.4	Examining hypothesised relationships	98
5.4.1	Results from baseline structural model.....	98

5.4.2	Results from mediation analysis	100
5.4.3	Results of the moderated mediation (conditional indirect effects) analysis	104
5.4.3.1	Gender.....	104
5.4.3.2	Work experience	106
5.4.3.3	Education	107
5.5	Discussion of findings	109
CHAPTER SIX: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS		115
6.0	Introduction	115
6.1	Summary.....	115
6.2	Major findings	116
6.3	Conclusion.....	119
6.4	Theoretical implications	119
6.5	Managerial implications	120
6.6	Limitations and recommendation for future research.....	121
REFERENCES.....		123
APPENDIX 1: SAMPLE QUESTIONNAIRE		140
APPENDIX 2: RESULTS FOR TEST OF MULTIVARIATE NORMALITY		144

LIST OF TABLES

Table 5.1 Demographic profile of respondents.....	87
Table 5.2 Age distribution of respondents	88
Table 5.3 Descriptive statistics of measurement items.....	88
Table 5.4 Reliability of summated scales	92
Table 5.5 Reliability of final constructs.....	92
Table 5.6 AVE and shared variance	93
Table 5.7 Goodness-of-fit indices for measurement model.....	95
Table 5.8 Goodness-of-fit indices for structural model	97
Table 5.9 Summary of hypothesis and related results from the structural model.....	100
Table 5.10 Results of mediation analysis using Baron and Kenny and bootstrapping approaches	103
Table 5.11 Results of moderated mediation analysis in relation to gender	105
Table 5.12 Results of heterogeneity test of the difference between standardized indirect effects for males and females	105
Table 5.13 Moderated mediation results for work experience	107
Table 5.14 Results for heterogeneity test for difference between standardized indirect regression weights for respondents based on existence of work experience.	107
Table 5.15 Results for moderated mediation analysis for education based on type of degree ...	108
Table 5.16 Summary of results in relation to hypotheses for the study.....	114

LIST OF FIGURES

Figure 2.1 Social responsibility categories (Carroll, 1979)	24
Figure 2.2 The pyramid of corporate social responsibility (Carroll, 1991)	25
Figure 2.3 Framework for stakeholder response to CSR	43
Figure 2.4 Summary of hypothesis	51
Figure 5.1 Overall measurement model	94
Figure 5.2 The baseline structural model	97

LIST OF ABBREVIATIONS

ADB	African Development Bank
ADF	African Development Fund
DANIDA	Danish International Development Agency
GTZ	Deutsche Gesellschaft für Technische Zusammenarbeit
ILO	International Labour Organization
WBCSD	World Business Council for Sustainable Development

CHAPTER ONE

INTRODUCTION

1.0 Background

Corporate Social Responsibility (CSR) and related concepts have gained increased importance in both academia and among practitioners (Lee, Park, Rapert, & Newman, 2011; Hinson, Boateng, & Madichie, 2010; Turban & Greening, 1997) being assailed by critics as well as advocates (Maas & Boons, 2010). CSR has been defined as designating the duty of organizations to meet or exceed stakeholder norms dictating desirable organizational behaviour (Maignan & Ferrell, 2004) and has therefore been said to define and describe the complex interrelationships between businesses and the larger society, including environmental protection and sustainability, employee well-being and human rights, and the community in general (Carroll, 1999). CSR in scholarly literature has its roots in the business and society literature (Andriof & Waddock, 2002) and has been increasingly investigated in other fields including strategy and society, management and marketing (Hinson et al., 2010; Porter & Kramer, 2006; Maignan & Ferrell, 2004). CSR in the various fields of research has been investigated using different but related concepts such as corporate responsibility (Hillenbrand & Money, 2007), corporate social performance (Carroll, 1979; Wood, 1991) and Corporate Social Responsiveness (Strand, 1983).

According to Chen (2011), the concept of CSR is rising to the top of the corporate agenda around the world. CSR debates have therefore become prevalent in corporate boardrooms (Porter & Kramer, 2006), raging on continuously about the practice, motives and benefits of CSR in the business world. Critics of CSR have argued that the business of business is business (Friedman,

1970) and therefore management engagement in CSR only exist as a cost element that is inimical to the profit motives of business and as such contrary to the interest of shareholders. Other critics have argued that CSR is about enlightened self-interest, public relation (PR) and green-washing of the activities undertaken by the business community and as such holds no value for society (Maas & Boons, 2010 citing Keim, 1987; Frankental, 2001; Margolis & Walsh, 2003; Matten, Crane, & Chapple, 2003). However, advocates of CSR have argued that what they call the “3Ps” of CSR (people, planet and profit) are important for the sustainability of corporate entities of all sizes. Additional arguments center on the fact that CSR is a moral obligation, a license to operate and a source of good reputation (Chen 2011; Idowu, Louche, & Filho, 2010; Porter & Kramer, 2006).

In spite of the mixed reactions to CSR in the business world, increasing pressure on corporations from governments, activists, the media, in relation to the growing focus on sustainable environments and socially responsible actions; as well as the large numbers of highly publicized corporate social performance rankings; have caused CSR to emerge as an inescapable priority for business leaders in every country (Navare, 2010; Porter & Kramer, 2006). CSR programmes have thus become an increasingly important and common element of strategy across a multitude of industries (Guzman & Becker-Olsen, 2010). However, although firms seem to be practicing CSR, it has become evident that most business entities only react to CSR issues as a result of external factors rather than truly understanding stakeholder’s expectations of CSR (Maignan & Ferrell, 2004) and how these can translate into competitive advantage (Chen 2011; Porter & Kramer, 2006).

In spite of this, there is a growing consensus among scholars and practitioners about the advantages that accrue to organizations as a result of engaging in CSR. This development has been informed by the growing body of research that seeks to investigate the relationship between CSR; usually measured as corporate social performance (CSP) (Albinger & Freeman, 2000) and key indicators of organizations' competitiveness such as financial performance, intention to purchase among consumers, firms attractiveness as an employer and the effect of CSR on the corporate reputation of a firm (Sen & Bhattacharya, 2001; Turban & Greening; 1997; Fombrun & Shanley, 1990). Various studies have reinforced the notion that CSR is positively linked to the competitiveness of the firm. Meeting social responsibilities has therefore been proven to provide various types of competitive advantages including superior financial performance, enhanced reputation, favourable consumer evaluations, increased purchases, more motivated workforce, and the ability to attract desired employees (Fombrun & Shanley, 1990; Sen & Bhattacharya, 2001; Albinger & Freeman, 2000).

The proven competitive advantages that accrue from a company's CSR initiatives has increased calls that CSR should not be only included in management decisions as a 'bolt-on' exercise that is totally disconnected from core activities (Maas & Boons, 2010) or as a mere promotional or a crises management tool. Rather, CSR has to be employed as a strategic tool for attracting increased reward from stakeholders (Maas & Boons, 2010; Galbreath, 2009; Bhattacharya & Sen, 2004, Porter & Kramer, 2006).

1.1 Problem statement

An appreciable number of studies have provided evidence that CSR initiatives are positively linked to favourable responses from stakeholders (Sen, Bhattacharya, & Korschun, 2006; Bhattacharya & Sen, 2004; Sen & Bhattacharya, 2001; Turban & Greening, 1997; Fombrun & Shanley, 1990). Turban and Greening (1997) for example, examined the ability of CSR (measured as CSP) to attract quality employees. Their findings supported the hypothesis that organizations that are rated higher in CSP were perceived to have better reputation and considered as more attractive employers. Similar positive responses of stakeholders to CSR initiatives of firms have also been found among consumers and investors (Sen et al., 2006; Sen & Bhattacharya, 2001; Bhattacharya & Sen, 2004). In spite of these findings, there persist a need to establish the mechanism by which CSR practices of firms translate into positive stakeholder responses (Haspeslagh, 2010); especially given the fact that other studies have indicated that CSR, under certain conditions, may lead to negative stakeholder responses (Sen & Bhattacharya, 2001; Brammer & Pavelin, 2006; Guzman & Becker-Olsen, 2010).

In relation to understanding the mechanism by which CSR elicits these stakeholder responses, research by Brown and Dacin (1997) suggests that CSR associations only have an indirect relationship on consumers' evaluation of products and hence purchase intentions. Additionally, Bhattacharya and Sen (2004) found that when consumers feel congruence between the CSR initiatives and their self-concept; then they are likely to identify with the company. This company-consumer identification, they argued, in turn prompts positive consumer reactions including loyalty and word of mouth. Other studies have reported similar results among other stakeholders.

Kim, Lee, Lee, and Kim (2010) for example, found that CSR initiatives engender employee-company identification which in turn influences employees' commitment to firms while Bhattacharya, Sen, and Korschun (2008) concluded that "CSR-based identification by employees can cause them to feel satisfaction in their job, a sense of pride and a feeling of well-being" (pp. 41). Additional studies have suggested that suppliers, shareholders as well as potential investors can also identify with firms based on their CSR activities (Maignan & Ferrell, 2004; Sen et al., 2006) and as such respond favorably to CSR firms within their various capacities as stakeholders. Thus confirming the indirect relation between CSR initiatives of firms and stakeholder response to such initiatives. Research by Sen and Bhattacharya (2001) has however demonstrated that, in certain cases, CSR has a direct effect on the attractiveness of companies' products. They found that in certain CSR domains (e.g. working conditions) for consumers with certain CSR beliefs, CSR associations can have direct influence on the attractiveness of firms' products.

Although studies, as discussed above, have investigated stakeholders' response to CSR in general and the role of stakeholder identification in soliciting positive responses from stakeholders, such a study is yet to be extended into the African context where CSR idiosyncrasies have been found to differ from that of other contexts (Visser, 2005; Ofori & Hinson, 2007; Kuada & Hinson, 2012) and where CSR policy and research have received little attention (Guzman & Becker-Olsen, 2010; Nkamnebe 2011); compared to developed countries' contexts, where much of previously discussed studies are situated. Additionally, among studies focused on stakeholders' response to CSR initiatives, the investigation of individual-level factors that might affect stakeholders' response to firms; based on firms' CSR initiatives has only

received “scant attention” (Evans & Davis 2008 citing Aguilera, Rupp, Williams & Ganapathi, 2007, p. 839; Peterson, 2004). This study therefore proposes to investigate stakeholders’ response to CSR practices of firms within the African context, while accounting for the influence of individuals’ characteristics. Additionally, given the possibility of both direct and indirect effects of CSR on organizational stakeholders; this study proposes to investigate stakeholders’ attraction to CSR practicing firms taking into consideration the possible indirect effect through identification.

To the extent that corporate success is depending more and more on a quality workforce (Gotsi & Wilson, 2001; Greening & Turban, 2000), and the fact that the study is situated in the Ghanaian context where it has been argued that the quality of human resource currently supplied by tertiary institutions is still proving inadequate (African Development Bank [ADB] & African Development Fund [ADF], 2012); this study proposes to focus on employer attractiveness as a key stakeholder response to CSR so as to explore the possibility of CSR serving as a tool for attracting quality workforce.

1.2 Objectives of the Study

The main objective of this study is to examine a mechanism through which stakeholders’ CSR perception translates into a response to CSR initiatives while accounting for the influence of stakeholders’ gender, work experience and current academic degree being offered.

1.2.1 Specific objectives:

1. To examine the effect of stakeholders' CSR predisposition on their attraction to the employment of CSR practicing firms.
2. To examine the effect of stakeholders' CSR predisposition on their identification with firms based on firm's practice of CSR
3. To examine the interrelationship among CSR predisposition, identification and employer attractiveness.
4. To examine the influence of respondents' gender, work experience and current academic degree being offered on the relationship among CSR predisposition, identification and employer attractiveness.

1.3 Relevance of the Study

With the increase in the demand from governments, individual consumers, activists and the media for more ethical, environmental friendly and socially beneficial actions by firms (Navare, 2010), CSR has become an important requisite for corporate sustainability of the firms (Guzman & Becker-Olsen, 2010) and hence the continual production of goods and services as well as creation of jobs. Considering the fact that CSR has emerged as a priority focus of firms across the world (Porter & Kramer, 2006), it has become important that firms' are able to strategically implement CSR so as to leverage its potentials for competitive advantage since they must continue their primary purpose of profit generation while contributing to the society in other ways. In this respect, the findings of this study will be an important contribution to the growing body of CSR knowledge firstly by increasing the depth of knowledge on the mechanism by which firms can solicit positive response to their CSR initiatives.

Additionally, giving the fact that the study is situated in the African context, this study will contribute to the budding knowledge of CSR from the African perspective especially since this study focuses on estimating stakeholder response to CSR rather than investigating the nature, motives or reportage of CSR; which has been the focus of most studies from the African context (e.g Kuada & Hinson, 2012; Hinson & Ndhlovu, 2011; Hinson et al., 2010; Dashwood & Puplampu, 2010; Deutsche Gesellschaft für Technische Zusammenarbeit [GTZ], 2009; Ayine, 2008; Atuguba & Dowuna-Hammond, 2006; Visser, 2005). An investigation of this nature therefore has the potential to inform multinational enterprises of the varying CSR perspectives across continents (Ofori & Hinson, 2007, Maignan & Ferrell, 2004) and the differences that may exist between Africa and the other continents in relation to the effectiveness of CSR initiatives in attracting desired stakeholder responses.

1.4 Disposition of the study chapters

The study will be organized into six main chapters. The first chapter, the introduction, provided the background to the study, the problem statement, research objectives, research and the significance of the study. Chapter two (2) reviews existing literature on the subject area and develops a conceptual framework for the study. Chapter three (3) examines into some details Ghana as the context of the study. Chapter four (4) examines the methodology to be used for the study, sample, data collection and data analysis techniques used. Chapter five (5) discusses the data analysis and presentation of findings whilst the final chapter six (6) presents summary of the findings, conclusions and recommendations of the study.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

The foregoing chapter provided the background to the study, the problem statement, research objectives, and the significance of the study. This chapter focuses on a review of relevant literature in relation to the underlying concepts and theory for the study as well as the development of conceptual framework for the study. The chapter consist of discussions related to definition, theories and conceptualization of CSR, the connection among CSR, marketing and the stakeholder approach, the stakeholder theory, CSR and organizational stakeholders as well as CSR and stakeholder response. The study will also review literature in relation to CSR-induced stakeholder identification and CSR-based employer attractiveness. Based on the preceding review, the chapter then moves on to discuss the conceptual framework employed in the study.

2.1 Definition of CSR

CSR has attracted interest and research in many fields of business studies including Management (Carroll, 1979; Porter & Kramer, 2006) Marketing (e.g. Sen & Bhattacharya, 2001; Maignan & Ferrell, 2004; Hinson et al., 2010), corporate governance (e.g. Ofori & Hinson, 2007), Human resource (e.g. Turban & Greening, 1997; Albinger & Freeman, 2000, Kim & Park, 2011) and finance (Hinson & Ndhlovu, 2011). The diversities of the views brought by the various expertise into the CSR discussions (Coombs & Holladay, 2012) has lead to the CSR concept being studied using divers but related terms (Carroll & Shabana, 2010), a range of theoretical

perspectives (McWilliams, Siegel, & Wright, 2006) and a host of conceptualizations (Maignan & Ferrell, 2004).

The origin of modern CSR as is currently discussed has been credited to Howard R. Bowen who in 1953 published his seminal book “Social Responsibilities of the Businessman” (Carroll 1979; Garriga & Mele, 2004). The terminology has however since then shifted from social responsibility to corporate social responsibility (Garriga & Mele, 2004). In fact, the term ‘corporate social responsibility’ is still in popular use, even though it has over the years competed with complementary and overlapping concepts such as corporate citizenship, business ethics, stakeholder management and sustainability since each of these terminologies are vying to become the most accepted descriptor of the field (Carroll & Shabana, 2010). However, since 1953, there has been a proliferation of numerous definitions of CSR and yet there exist no clear or outstanding definition (McWilliams et al., 2006).

Carroll in 1979 defined CSR as “the economic, legal, ethical, and discretionary expectations that society has of organizations at a given point in time” (pp. 500). This definition, apart from providing four broad categorizations under which all CSR initiatives of businesses or companies can be classified, also seems to keenly stress the fact that CSR is defined by the perspectives society holds of it and that these perspectives can evolve with time. This definition therefore not only illuminates the importance of including society’s perspective in any CSR discussion but also reveals businesses’ dependence on society in deciding what to undertake as CSR initiatives. Other definitions of CSR have sought to depict CSR as going beyond the core business or

responsibilities of the firm (i.e. economic and legal responsibilities) to include only voluntary actions beyond the interest of a firm.

McWilliams et al. (2006) for example, defined CSR as involving situations where a firm goes beyond compliance and engages in “actions that appear to further some social good, beyond the interests of the firm and that which is required by law”. A similar stance is taken by Coombs and Holladay (2012) who posit that “CSR is the voluntary actions that a corporation implements as it pursues its mission and fulfils its perceived obligations to stakeholders, including employees, communities, the environment, and society as a whole”. These definitions seem to implicitly argue that CSR does not include firms’ economic responsibility of for example making returns for stockholders, providing employment and paying taxes. They also seem to argue that a firm cannot be said to engage in corporate social responsibility “if it merely complies with the minimum requirements of the law, because this is what any good citizen should do” (Freeman, Harrison, Wicks, Parmar, & Colle, 2010 citing Davis, 1973, pp 313). These views of CSR are however inconsistent with the view of Carroll (1979) who argues that the first and foremost social responsibility of business is economic since a business institution is the basic economic unit in society. Carroll (1979) further argues that it is a responsibility for firms to meet their economic obligations within the legal framework instituted by society.

According to Guzman and Becker-Olsen (2010), more contemporary and progressive views of CSR have focused on the interdependence between business and society thus, recognizing CSR as a business model that is capable of providing mutual solutions for both companies and communities. They therefore define CSR as “the way a company interacts with people and

communities to create greater shared wealth, efficiencies and well-being for various stakeholder groups”. Variants of such contemporary definitions, geared towards the shared benefits of CSR for both companies and society have been definitions focused on the strategic role of CSR. The strategic view of CSR intrinsically holds that CSR must become integrated with firm strategy and thus includes efforts to integrate economic, ecological and social values into business processes (Maas & Boons, 2010). Strategic CSR has therefore been defined as the extent to which a company integrates social responsibility into its core value proposition in a way that is relevant to the company’s business operations and competitive context (Porter & Kramer, 2006; Maas & Boons, 2010). CSR must therefore not only be based on the perspectives of society or stakeholders but must be aligned to the norms and values of the practicing firm (Maignan, Ferrell, & Ferrell, 2005).

As evident from the foregoing discussions of CSR definitions, stakeholders and society, seem to be alternating as the focus of CSR initiatives of companies. Although prominent CSR definitions have viewed society in totality as the targets of firms’ CSR initiatives, the abstract nature of society as a concept has led to arguments that though businesses in general are accountable toward society, an individual business can be deemed responsible only toward the definable agents with whom it interacts (Maignan & Ferrell 2004; Donaldson & Preston, 1995). These agents are described as stakeholders. In line with this assertion, recent definitions of CSR have revealed a skew towards the stakeholder terminology. Maignan and Ferrell (2004) for example defined CSR as designating the duty of organizations to meet or exceed stakeholder norms dictating desirable organizational behaviour. Additionally, Coombs and Holladay (2012) as cited earlier, have also defined CSR as “the voluntary actions that a corporation implements

as it pursues its mission and fulfils its perceived obligations to stakeholders, including employees, communities, the environment, and society as a whole”.

In summary, discussion of evidence from the various definitions point to the fact that an appropriate definition of CSR must encapsulate not only the voluntary and ethical aspects of businesses’ responsibility to society but also the economic and legal responsibilities which according to Carroll (1979) serve as the foundation for businesses’ assumption of the voluntary and ethical responsibilities. Additionally, the appropriate definition of CSR must also recognize stakeholders as the target of CSR initiatives as well as recognize the role of firms’ norms and values in shaping CSR. Finally, an appropriate definition of CSR must reveal the importance of stakeholder’s perspectives of CSR and communicate the fact that these perspectives change over time. In line with the above discussions and for the purpose of this study, it is proposed that CSR will be defined as the duty of an organization to meet or exceed its stakeholders’ economic, legal, ethical, and discretionary expectations at a given point in time, while fulfilling its missions and objectives.

2.2 CSR Theories

A review of literature reveals a wide range of theories that have been brought to bear on the subject of CSR (McWilliams et al., 2006). These include theory of the firm (McWilliams & Siegel, 2001) and stakeholder theory (Spiller, 2000; Maignan & Ferrell, 2004; Maignan et al., 2005). Other theoretical views identified by McWilliams et al. (2006) include agency theory (Friedman, 1970), resource based view of the firm (Hart, 1995) and stewardship theory (Donaldson & Davis, 1991).

Garriga and Mele (2004) classified the main CSR theories into four main groups; instrumental theories, political theories, integrative theories and ethical theories. According to Garriga and Mele (2004) the instrumental theories which represent the first group in their classification consist of theories that “understand CSR as a mere means to an end of profits”. This understanding stems from the fact that these theories assume that corporations have only one social responsibility and that is to serve as an instrument for wealth creation. This group of theories includes Friedman’s (1970) view articulated through the agency theory, as well as other strategic CSR views like the natural resource based view by Hart (1995) supported by scholars including Porter and Kramer (2006).

The second group CSR theories discussed by Garriga and Mele (2004) are the political theories. These theories emphasize the interactions and connections between business and society and on the power and position of business as well as its inherent responsibility. Theories related to corporate constitutionalism and corporate citizenship belong to his group theories. A key theory under this group is the integrative social contract theory (Donaldson & Dunfee 1994, 1999).

Integrative theories which according to Garriga and Mele (2004) are the third group to CSR theories consist of theories that posit that business must integrate social demands into their operations, ensuring that business operates in accordance with social values. This group of theories recognize that business depends on society for sustainability and growth and also that the content of business responsibility is limited to the space and time of each situation. Thus the content of business responsibility depends on the values of society at that moment. Belonging to this group of theories include theories of corporate social performance (CSP) (Carroll, 1979;

Wood, 1991) and stakeholder management or stakeholder theory as discussed by Mitchell, Agle, and Wood (1997).

The fourth group of CSR theories as proposed by Garriga and Mele (2004) are the ethical theories. These theories assert that the relationship between business and society is embedded with ethical values and that firms ought to accept social responsibilities as an ethical obligation. In this group of theories is the normative stakeholder theory (Freeman, 1984; Donaldson & Preston, 1995).

As is evident from the proposed definition of CSR adopted for this study, the study will be situated in the domain of integrative theories and will be informed by concepts rooted in corporate social performance and stakeholder theory. Additionally, this study is of the view that stakeholder dealings of the firm must lead to mutual benefit for both the stakeholders and the firm. This study will thus be guided by the strategic view of CSR as is existent in the context of the instrumental theories and as is propounded by authors such as Porter and Kramer (2006).

2.3 CSR conceptualizations

Diverse conceptualizations of the CSR have existed in literature over the past three decades and these conceptualizations of CSR have generally existed on a continuum from a core business perspective of CSR to a broader goals perspective of CSR (Jamali, 2008). The core business perspective has included the views of Friedman (1970) who limited the concept of CSR to economic responsibility within existing legal framework. Broader perspectives of CSR has included views of Carroll (1979) who has considered CSR as encompassing the economic, legal,

ethical and philanthropic responsibilities of the firm towards society. According to Guzman and Becker-Olsen (2010) the core business approach suggests that companies need to act responsibly with regard to their core business, but do not need to engage in corporate social investment beyond the core business. However, contrary to the core business perspective, scholars like Hillenbrand and Money (2007) and Coombs and Holladay (2012) have argued that CSR as a concept should rather be seen as relating only to the specific social, philanthropic and community focused responsibilities of businesses thus not including the economic and legal responsibilities of firm. However, the broader goals perspective of CSR suggests that companies should embrace goals beyond profit and core business operations, and include goals of sustainability, poverty reduction, education and other philanthropic-based endeavours (Guzman & Becker-Olsen, 2010). As such the broader goals perspective seems to advocate for the integration of the prior views of CSR.

Maignan and Ferrell (2004) on the other hand, in a brief overview of conceptualizations of CSR existing in literature, identified and grouped CSR conceptualization into four groups. These conceptual viewpoints include CSR as social obligation, CSR as stakeholder obligation, CSR as ethics driven and CSR as managerial process. Maignan and Ferrell (2004) cited Wood (1991), in stating that these various conceptualizations have been developed using different units of analysis including business in general, the individual firm and the decision maker. Additionally, they stated that viewpoints adopted in examining the various units within the stated conceptualizations of CSR include normative standpoints concerned with the duties of businesses in general toward society, managerial approaches concerned with how individual

firms successfully manage CSR and instrumental perspective focused how CSR can generate organizational benefits.

In spite of the contributions of the various conceptual view points to the development of the CSR concept, this study sides with the broader goals perspective of CSR which sees CSR as embracing not only core business goals but also include goals beyond the core business operations of the firm. This study therefore proposes to adopt the Carroll (1979/1991) conceptualization of CSR which views CSR as consisting of the economic, legal, ethical and philanthropic responsibilities of CSR.

2.3.1 Carroll 1979/1991 Conceptualization

Although an assortment of CSR conceptualizations are on offer, the Carroll (1979/1991) four-part conceptualization is one of the most robust and widely cited conceptualization (Jamali, 2008; Crane & Matten, 2004). Citing various scholars, Visser (2005) suggested that the reasons for the success of Carroll's conceptualizations could include the fact that;

1. The model is simple, easy to understand and has an intuitively appealing logic;
2. Over the 25 years since Carroll first proposed the model, it has been frequently reproduced in top management and CSR journals, mostly by Carroll himself
3. Carroll has sought to assimilate various competing themes into his model, e.g. corporate citizenship and stakeholders;
4. The model has been empirically tested and largely supported by the findings; and
5. The model incorporates and gives top priority to the economic dimension as an aspect of CSR, which may endear business scholars and practitioners.

In fact, Carroll (1991) goes so far as to point out how little his definition of CSR differs from Friedman's (1970) view of the responsibilities of the firm. With the support of these reasons the study will now move on into a discussion of the Carroll's four part conceptualization of CSR.

Carroll (1979) in his paper "A Three-Dimensional Conceptual Model of Corporate Performance" conceptualizes CSR as having four parts, economic, legal, ethical and discretionary. In a supporting article in 1991, Carroll summarized his conceptualization of CSR by stating that "the total corporate social responsibility of business entails the simultaneous fulfillment of the firm's economic, legal, ethical, and philanthropic responsibilities. Stated in more pragmatic and managerial terms, the CSR firm should strive to make a profit, obey the law, be ethical, and be a good corporate citizen." According to Carroll (1979), the economic and legal responsibilities of business to society are 'required'. The ethical responsibilities are 'expected' while the philanthropic responsibilities are 'desired'.

2.3.1.1 Economic responsibility

According to Carroll (1979) the economic responsibility of business is to produce goods and services that society desires and sell them at a profit. This category of responsibility also delineates responsibilities including creation of jobs and fair pay for workers as well as new product developments, discovering of new resources and pursuing any legitimate form of business growth (Jamali, 2008; Pinkston & Carroll, 1994). According to Carroll (1979), before it became anything else, the business organization was the basic economic unit of society. As such, by satisfying economic responsibilities, businesses fulfill their primary responsibility to society (Carroll, 1991).

Results of some studies (Pinkston & Carroll, 1996; Visser, 2005; Ramasamy & Yeung, 2009) have indicated that the economic responsibility of firms may be the most important business responsibility from the view of stakeholders as postulated by Carroll (1979). Some studies on the other hand have found the opposite. Maignan (2001) for example found that, in the exception of U.S consumers who considered economic responsibilities as most important, both French and German consumers rated economic responsibilities as the least important corporate responsibility. The view of how important economic responsibilities are relative to the other types of CSR may thus vary among countries.

In Africa however, Visser (2005) argues that, economic CSR is the most important type of CSR and is “highly prized” by communities and governments alike as it contributes to the both institutional and infrastructural development of the continent. Citing Nelson, (2003), Visser (2005) says that, economic CSR in Africa takes the form of what the International Business Leaders Forum calls the “economic multipliers”, of which they identify eight:

1. Generate investment and income
2. Produce safe products and services
3. Create jobs
4. Invest in human capital
5. Establish local business linkages
6. Spread international business standards
7. Support technology transfer
8. Build physical and institutional infrastructure.

All of the above listed practices seem to have the potential to contribute to the socio-economic wellbeing of the continent and hence the importance of firms' economic responsibility to stakeholders on the African continent.

2.3.1.2 Legal responsibility

“Society has not only sanctioned business to operate according to the profit motive; at the same time business is expected to comply with the laws and regulations” (Carroll 1991). The legal responsibility of business thus refers to the positive and negative obligations put on businesses by the law and regulations of the society where it operates (Carroll & Shabana, 2010). According to Jamali (2008) the legal responsibility of business entails expectations of legal compliance and playing by “rules of the game”. It therefore dictates the responsibility of firms obey “codified ethics” promulgated by federal, state, and local governments as the ground rules under which business must operate.

Legal responsibility does exist and is found in developed, developing, and less developed countries alike; there however exist significant differences in legal systems and responsibility among countries and regions of the world (Carroll, 2004). For example according to Visser (2005) , although there have been recent developments in the legal systems of some countries in Africa such as South Africa and Kenya, legal responsibility in countries on the African continent have a lower priority compared to those in developed countries. This does not necessarily mean that companies flaunt the law; however, owing to poorly developed legal infrastructure which often lacks independence, resources and administrative efficiency, there is far less pressure for good conduct in Africa countries compared to developed countries (ibid, 2005). That said, legal

responsibilities in various countries may generally include compliance with various legal requirements including workers safety, environmental standards and tax laws (Ramasamy & Yeung, 2009).

2.3.1.3 Ethical responsibility

Although the first two categories of social responsibility embody ethical norms about fairness and justice, ethical responsibility brings into the fold those activities and practices that are expected or prohibited by societal members even though they are not codified into law (Carroll, 1991). Ethical responsibility according to Carroll (2004) “encompass the full scope of norms, standards, and expectations that reflect a belief in what employees, consumers, shareholders, and the global community regard as fair, just, and consistent with the respect for and protection of stakeholders’ moral rights” (pp. 117). Ethical responsibility of firms to stakeholders thus incorporate activities such as respecting people, avoiding social harm, and prevention social injury (Jamali, 2008). Ethical responsibilities are among the most difficult for business to deal with because they are ill defined or continuously under debate as to their legitimacy and also vary across cultures (Carroll, 1979, 1991 & 2004). The advantage of ethical responsibility however lies in the fact that it overcomes the limitation of law by creating an ethics ethos that firms can abide by (Jamali, 2008 citing Solomon, 1994).

According to Carroll (1991), although ethical responsibility is depicted as the next layer of the CSR pyramid after legal responsibility, it must be constantly recognized that ethical responsibility is in dynamic interplay with the legal responsibility category of CSR. He further argues that ethical responsibility is constantly pushing the legal responsibility category to

broaden or expand while at the same time placing ever higher expectations on business to operate at levels above that required by law. In other words, as the ethical views of stakeholders evolve into law, new standards of ethics emerge above the requirements of ethical standards that had been translated into law.

However, although Carroll (1979/1991) postulate that ethical responsibility is the third most important CSR category, Visser (2005) argues that among the four types of CSR (economic, legal, ethical and philanthropic), ethical responsibility assumes the least importance within the African context. This he says is not to suggest that Africa is not affected by global trends in good governance and accountability; since African countries like South Africa have made significant strides in that regard; rather, that in Africa, on the broader scale, such practices of corporate governance are an exception not the norm.

2.2.1.4 Discretionary/philanthropic responsibility

According to Jamali (2008), this type of responsibility is the most controversial of the categories of CSR proposed by Carroll (1979/1991) four-part framework. Carroll (1979) asserts that, discretionary responsibility refers to roles that are purely voluntary, and the decision to assume them is guided only by a business's desire to engage in social roles not mandated or required by law. He added that discretionary responsibilities are not generally expected of business in the ethical sense and as such a business will not be considered unethical if it does not participate in them. This may however not be applicable in developing countries in Africa for example, where Kuada and Hinson (2012) have argued that the boundaries between responsibilities that may be defined as ethical and discretionary are frequently blurred. They set the example that, in some

collectivist countries, as may be present in Ghana, poorer members of societies expect economically advantaged members of their societies to provide economic support to individuals and the communities beyond what is considered ethically appropriate in developed countries. This culturally prescribed responsibility may be generally accepted by owners of small businesses as a normal part of doing business and as such, what may seem to be a voluntary CSR practice in these countries may actually be guided by enshrined cultural obligations making them ethical responsibilities. This assertion by Kuada and Hinson (2012) is supported by Visser (2005) who argues that, in Africa, “philanthropy is an expected norm – it is considered the right thing to do by business” (pp. 40).

Discretionary responsibility in general however, includes actively engaging in acts or programs to promote human welfare or goodwill and therefore encompass those corporate actions that are in response to society’s expectation that businesses be good corporate citizens (Carroll, 1991). In Africa, although Carroll (1979/1991) classified philanthropic or discretionary responsibility as the least important type of CSR, Visser (2005) argues that philanthropic CSR in Africa is second only to economic responsibility and that in Africa, philanthropy is sometimes equated to CSR. Additionally, he adds that philanthropy in Africa, however goes beyond simple charitable giving and extends even to non-occupational diseases such as HIV/AIDS.

Carroll (1979) first presented his four- part conceptualization of CSR as rectangular diagram that according to him “shows how social responsibility can be categorized into four groups”. Carroll (1979, pp 500) then added in parenthesis to the preceding quotation that “the proportions (shown

in fig. 2.1) simply suggest the relative magnitude of each responsibility”. In 1991, Carroll presented his four-part CSR model in a pyramid form. In the 1991 version of the model, Carroll (1991) established his argument that economic responsibility was the foundation of businesses responsibility to society

Figure 2.1 Social responsibility categories (Carroll, 1979)

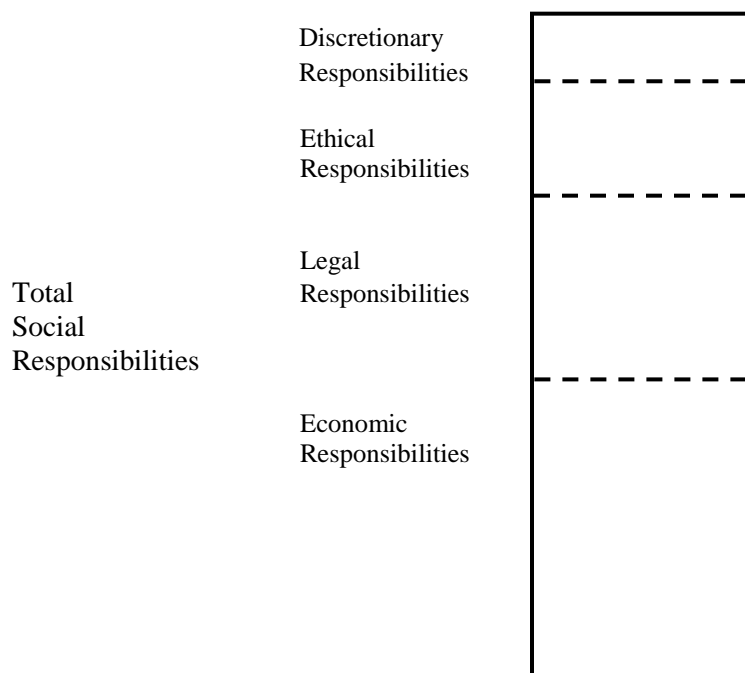


Figure 2.2 The pyramid of corporate social responsibility (Carroll, 1991)



The foregoing discussions have centered on defining, theorizing and conceptualizing CSR for the study drawing on literature from various business fields of study. Marketing is one of such business fields that have contributed to the understanding of CSR and is also the field in which this study is situated. The study will therefore move on to discuss the CSR in the marketing research context, with a focus on the significant role played by marketing theory and practice in the development of CSR.

2.3 CSR and marketing

Marketing scholars started expressing interest in corporate social responsibilities in the 1960s and 1970s with a major focus on the social duties attached to marketing as function in firms and

not on the overall social role of the firm (Maignan & Ferrell, 2004). However, in the subsequent decades, marketing scholars have made important contributions to the understanding of CSR. According to Pelozo and Shang (2011) the major role marketing scholars have played in the appreciation of CSR has been in the field of understanding the link between CSR and financial performance of firms. Pelozo and Shang (2011) argue that marketing researchers have investigated outcomes such as increased loyalty, willingness to pay premium prices and decreased attributions of blame in the face of crises; these marketing outcomes, they argue, in turn supports enhanced firm financial performance.

Additionally, beyond providing understanding into the link between CSR and financial performance, Murray and Montanari (1986) argue that the research capabilities of the marketing department of firms makes it important that marketing serves as the 'permanent locus' where strategic CSR decisions of firms should be made. This is supported by Pelozo and Papania (2008) who assert that both the CSR expectations and evaluations of stakeholder groups can be properly assessed by employing that same research approach used by marketing function of firms to segment customer audiences for products and services. It can therefore be asserted from the ensuing arguments that marketing is an important field to both the study and practice CSR.

However, although marketing scholars have contributed to the understanding of the link between CSR and firm financial performance and have therefore laid an important foundation for arguing the business case for CSR by somewhat neutralizing Milton Friedman's argument against CSR (Carroll & Shabbana, 2010); CSR research in marketing literature has been characterized by the investigation of limited dimensions of the CSR construct and the use of diversified units of

analysis (Maignan & Ferrell, 2004). These limited views employed in CSR investigations by marketing scholars have led to inconsistent results for the support of the business case for CSR (Hartmann 2011; Pelozo & Shang, 2011). In spite of prevailing inconsistencies in the CSR-firm performance literature, researchers seem convinced about the potential of CSR to generate improved financial performance through the generation of positive marketing outcomes. The focus of CSR research according to Hartmann (2011) is therefore moving from “whether” to “when” firms do well by engaging in CSR.

Additionally, it is acknowledged that the link between CSR and firms’ financial performance is affected by the impact of firms’ CSR activities on firms’ relationship with important stakeholders (Hartmann, 2011). As such, the formulation and implementation of stakeholder oriented CSR strategy and impact of firms’ CSR activities on firms’ relationship with their stakeholders have become an important research agenda among CSR researchers within the marketing field (e.g. Maignan & Ferrell, 2004; Maignan et al., 2005; Sen et al., 2006; Currás-Pérez, Bigne-Alcaniz, & Alvarado-Herrera, 2009). The stakeholder approach to CSR has thus become increasingly visible in marketing literature.

2.4 CSR, marketing and the stakeholder approach

According to Carroll (1991) “there is a natural fit between the idea of corporate social responsibility and an organization’s stakeholders” (pp. 43). This assertion is supported by Jamali (2008) who also argues that both the CSR and stakeholder concepts “are closely inter-related” (pp 228). Indeed as Kakabadse, Rozuel, & Lee-Davies (2005) explain, while CSR aims at defining responsibilities that firms ought to fulfill, the stakeholder concept addresses the issues

of whom business is or should be responsible to. In addition to the similarity of both concepts, Jamali (2008) asserts that, the stakeholder approach is an important breakthrough in CSR research. According to Jamali (2008), the stakeholder approach has provided an important solution to the abstract nature of the CSR concept by providing an easy and practical method for assessing the concept and in effect serving as a prolific theoretical lens for examining CSR. Indeed Freeman et al. (2010) emphatically support a new stakeholder approach to CSR which they termed “company stakeholder responsibility”.

The field of marketing is also experiencing increasing contributions from the stakeholder approach. According to Maignan et al. (2005), the American Marketing Association’s (2004) definition of marketing which states that: “Marketing is an organizational function and a set of processes for creating, communicating, and delivering value to customers and managing customer relationships in ways that benefit the organization and its stakeholders” is an indication of marketing’s emerging concern for relevant stakeholders. Scholars have therefore argued that there is a need for marketing to develop more of a stakeholder orientation rather than a narrow customer orientation hence the evolving field of stakeholder marketing (Maignan et al., 2005; Bhattacharya & Korschun, 2008).

The foregoing discussions of developments in both CSR and marketing research seem to reveal the stakeholder approach not only as a lens through which both concepts can be independently examined but also as a potentially unifying concept for both streams of research. However the concept of stakeholder approach is embedded in the stakeholder theory by Freeman (1984). This review will therefore like to move on by briefly discussing the stakeholder theory.

2.5 The stakeholder theory

The stakeholder theory as it is now known is accredited to Freeman (1984) and has its roots in his landmark book “Strategic management: A stakeholder approach”. According to the stakeholder theory, the firm can be viewed as a web of actors who are motivated to participate in organizational activities by various and sometimes incongruent interests (Donaldson & Preston, 1995). The stakeholder theory according to Maignan and Ferrell (2004) describes the firm as an open and flexible system consisting of various actors or agents that is also in a network of relationships with other stakeholders. Contrary to classical economic view of maximizing shareholder value or profits (Friedman, 1970), the central theme of the stakeholder theory is that businesses have obligation to a broader group of stakeholders than just shareholders (Hillenbrand & Money, 2007). The theory also holds that managers are agents who owe a fiduciary responsibility to stakeholders, the latter of whom are legal-principals (Mitchell et al. 1997). Hence, stakeholder theory offers a new way to organize thinking about businesses’ responsibility by suggesting that the needs of shareholders cannot be met without satisfying to some degree the needs of other stakeholders (Jamali, 2008).

According to Hillenbrand and Money (2007), stakeholder theory has made tremendous stride forward with the contribution of Donaldson and Preston (1995). Donaldson and Preston (1995) in their work, “The Stakeholder Theory of the Corporation: Concepts, Evidence, and Implications” asserted that work conducted within the context of stakeholder theory could be viewed as descriptive, instrumental and normative. In summary, Hillenbrand and Money (2007) said that descriptive approaches seek to investigate and describe ‘how’ organizations and stakeholders relate to each other. Instrumental approaches are concerned with ‘what happens if’

organizations relate to stakeholders in certain ways. Normative approaches suggest how a firm 'should' relate to its stakeholders. They however concluded that most researches in the business and society literature focus on instrumental and normative issues.

2.6 Organizational stakeholders

Freeman's (1984) defined a stakeholder as any group or individual who can affect or is affected by the achievement of the organization's objectives. According to Carroll (1991), the word "social" in CSR has always been vague and lacking in specific direction as to whom organizations are responsible. He asserts that the concept of stakeholder however delineates the specific groups or persons business should consider in its CSR orientation and thus provides "names and faces" of those most urgent to business and to whom it must be responsive. Individuals, neighborhoods, organizations, and even the natural environment are considered to qualify as actual or potential stakeholders (Mitchell et al., 1997).

Diverse classifications exist in literature for businesses' stakeholders and these seem to be a result of the varying central concepts employed in the classification. Maignan et al. (2005) for example explains that a view of stakeholders classifies them as either primary or secondary stakeholders. According to this view, primary stakeholders refer to those whose continued participation is absolutely important to the survival of the business; this group includes employees, customers, investors, suppliers and shareholders. On the other hand, secondary stakeholders refer to stakeholders who are not usually engaged in transactions with the focal organization and include the media, trade associations, non-governmental organizations, along with other interest groups (Maignan et al., 2005). According to Coombs and Holladay (2012) a

stake, that is, “how the group or individual affects or is affected by an organization” (pp. 5), can be employed in classifying stakeholders. According to them typical categories of stakeholders include employees (for whom employment is the stake), members of the community (for whom living near the organization is the stake), customers (for whom the product or service is the stake) and investors (for whom financial interest is the stake).

In marketing however, stakeholders have been classified into internal and external stakeholders. Internal stakeholders include functional departments, employees and interested internal parties. External stakeholders include competitors, advertising agencies, and regulators (Miller & Lewis, 1991). On the whole, though there exist conceptual variations in the classification of stakeholders, evidence from the foregoing discussion present common constituents of stakeholder groupings. These constituents include employees, customers, investors, interest groups, the community and environment.

2.7 Organizational stakeholders and CSR

Stakeholder groups in recent times have been a continuous source of pressure on firms globally in relation to CSR issues (Navare, 2010; Porter & Kramer, 2006). Additionally, stakeholders’ ability to withhold their individual resources or to join forces with other stakeholder communities to withhold resources from firms makes it a top priority for firms to respond to stakeholder demands (Maignan et al., 2005; Porter & Kramer, 2006). It has therefore become important that firms respond to the CSR demands of their various stakeholders.

However, though firms may attempt to satisfy stakeholder demands, Wood (1991, p.712) suggests that stakeholders are likely to develop a different understanding of what CSR means and what they expect from the organization in relation to CSR. This assertion is supported by evidence from the results of research that has failed to present consistent positive returns to CSR activities. CSR research has revealed alternating positive (Bhattacharya & Sen, 2004; Sen & Bhattacharya, 2001; Turban & Greening, 1997; Fombrun & Shanley, 1990) and negative (Sen & Bhattacharya, 2001; Brammer & Pavelin, 2006; Guzman & Becker-Olsen, 2010) stakeholder responses to CSR initiatives. The alternating results have been observed to vary in relation to industry and stakeholder groups as well as company and individual characteristics (Hillenbrand & Money, 2007; Bhattacharya & Sen, 2004; Sen & Bhattacharya, 2001).

Additionally, Jamali (2008) asserts that in practice, organizations are constrained by resources and bounded rationality and thus tend to prioritize stakeholders' CSR issues according to instrumental or normative considerations. As such, if organizations are going to reap instrumental benefits (e.g. favorable company evaluations, increased purchase intentions and increased employee commitment) from CSR activities, it is important that managers of firms understand and address stakeholder perspectives of CSR (Hillenbrand & Money, 2007) so as to understand stakeholders view of the nature of CSR, stakeholder preference of CSR activities and the role of other factors including individual factors in affecting stakeholder view, preference and response to CSR. In the upcoming section, the study will discuss stakeholder perspectives on the nature and response to CSR as well as factors that may affect or moderate stakeholder perspectives and response.

2.8 Stakeholders' perception of CSR

Research into the stakeholder's perception of CSR abounds in literature however scholars have varied in relation to their focus. Studies have focused on stakeholders perspective of the nature or dimensions of the CSR construct (Maignan, 2001; Podnar & Golob, 2007; Thomaidou-Bellou, 2012), the role of CSR and importance of various CSR practices (Smith, Wokutch, Harrington, & Dennis, 2004; Pelosa & Shang, 2011). However most of these researches into CSR perceptions have focused on consumers as the unit of analysis. Others studies have also looked at the perception of managers or the firms as a whole (Ofori & Hinson 2007; Kuada & Hinson 2012).

Maignan (2001) employed consumer survey to conduct a cross-cultural survey of consumers in France, Germany, and the U.S.A. The study investigated the willingness of consumers in the three focal countries to support socially responsible organizations and consumers' evaluation of the various dimensions of CSR based on the Carroll (1979, 1991) typology. The research found that French and German consumers appeared to be more predisposed to supporting responsible firms than their U.S.A. counterparts. On other hand, while the U.S.A. consumers placed high value on corporate economic responsibilities, French and German consumers were most concerned about businesses conforming to legal and ethical standards. The study also concluded that, indeed, consumers from the three countries distinguish between the four types of CSR namely, economic, legal, ethical, and philanthropic.

Singh, Garcia de los Salmenes and Rodriguez del Bosque (2008), in a cross-cultural study involving consumers from Spain and UK found that overall interest or predisposition to CSR was

relatively low. However they found that these consumers placed more emphasis on commercial types of CSR e.g. product related CSR than on the environmental, social and ethical CSR activities in that order. They however found that in relation to specific dimensions of CSR, consumers in UK are more interested than their Spanish counterparts on environmental and social issues, with significant differences in the level of interest.

Ramasamy and Yeung (2009) investigated consumer perceptions of CSR in the Chinese context. Contrary to the findings of Singh et al. (2008), this study found that Chinese consumers unlike consumers in Spain and UK, expressed relatively high predisposition towards CSR. They also found that Carroll's pyramid of responsibilities could be applied within the Chinese context. In relation to the importance of the various dimensions of – economic, legal, ethical and philanthropic – Ramasamy and Yeung (2009) found that economic responsibilities were most important while to Chinese customers while philanthropic responsibilities were of least importance.

Although studies from developed countries seem to point to the fact that stakeholders in developed countries have adopted the broader definition of CSR which incorporates ethical, social and environmentally friendly activities in all operations of firms, evidence from developing countries have restricted the definition and understanding of CSR to philanthropic and development oriented initiatives (Ofori & Hinson, 2007; Eweje, 2007; Frynas, 2005). Ghanaians for example in their definition of CSR have been said to have stressed local community issues such as 'building local capacity' and 'filling in when government falls short' (WBCSD, 2000).

Ofori and Hinson (2007) in their study “Corporate social responsibility (CSR) perspectives of leading firms in Ghana” investigated the extent of recognition, nature and content of socially responsible actions by local and foreign firms located in Ghana. They found that local companies subscribe less to the contemporary notion of CSR and focus less on the ethical dimension of CSR, than did the foreign firms.

Eweje (2007) in an investigation of the expectation of community stakeholders in the Niger Delta region of Nigeria found that these stakeholders view as most important CSR initiatives that are social development projects that have the ability to provide hope of a stable and prosperous future. Visser (2005) employed a descriptive approach to analyze the applicability of the Carroll (1979, 1991) in the African context. He argued that in Africa, philanthropy was the most prioritized form of CSR. This he said was due firstly to the socio-economic needs of the African societies. Secondly to the dependence of African countries on foreign aid and thirdly the fact that CSR was in early stages in Africa and as such was easily equated to philanthropy.

2.9 CSR and stakeholder response

The business case for CSR is hinged on the assertion that “doing good” is not only “the right thing to do” but also leads to “doing better” through its positive effects on key stakeholder groups (Bhattacharya & Sen, 2004). This assertion has been supported by the increasingly positive results reported by research focused on stakeholder response to firms’ CSR initiatives (Turban & Greening, 1997; Albinger & Freeman, 2000; Sen & Bhattacharya, 2001; Sen et al., 2006).

These studies have investigated stakeholders' CSR-based responses in relation to intention to purchase among consumers, attitude towards brands, CSR effects on corporate reputation of firms, firm attractiveness as an employer, and firm attractiveness as an investment destination.

Brown and Dacin (1997) for example in their research concluded that CSR associations of firms affect consumers' evaluation the product of the firm through the influence of CSR associations on the overall corporate evaluation of the firm. That is, positive CSR associations of firms in the mind of consumers lead to the consumers' favourable evaluation of the companies and in effect favourable evaluation of the companies' products.

Although research by Brown and Dacin (1997) suggests that CSR associations only had indirect relationship on consumers' evaluation of products and hence purchase intentions, research by Sen and Bhattacharya (2001) has demonstrated that in certain cases CSR has direct effect on the attractiveness of companies' products. Sen and Bhattacharya (2001) found that in certain CSR domains (e.g. working conditions) and for consumers with certain CSR beliefs, CSR associations can have direct influence on the attractiveness of firms' products. As such they concluded that the findings of their study implicate that both company-specific factors, such as the CSR issues a company chooses to focus on and individual-specific factor such as consumers CSR predisposition and general beliefs about CSR serve as key moderators of consumers' responses to CSR.

Fombrun and Shanley (1990) established an important link between CSR and the reputation of the firm in the eyes of stakeholders. They found that there existed a direct link between a firm's contribution to social welfare and the reputation of the firm. The findings of Fombrun and Shanley (1990) are supported by Turban and Greening (1997) who found that organizations that are rated higher in corporate social performance were perceived to have better reputations and considered as more attractive employers.

Sen et al. (2006) investigated the role of CSR in strengthening stakeholder relationships by soliciting positive stakeholder response. Their findings indicate that based on the awareness of stakeholders in relation to the CSR initiatives of firms, stakeholders reacted positively to the focal company not only in the consumption domain but also in the employment and investment domain. These findings indicated that beyond the dominant perception of positive stakeholder reaction towards companies based on single dimensions such as consumption, stakeholders are willing to enact multiple relationships with firms based on their CSR initiatives.

Although the various studies discussed above have revealed that CSR has the potential of influencing various stakeholder outcomes such as consumption, company evaluation, reputation and job application, this study focuses on CSR ability to attract potential employees.

2.10 CSR and employer attractiveness

According to the stakeholder theory, stakeholders provide resources that are more or less critical to a firm's long-term success and this gives them power over the organizations (Freeman 1984; Maignan et al., 2005). Although each of the stakeholders of firms applies distinct criteria in

evaluating firms (Freeman 1984) they routinely rely on and are influenced by reputations or corporate associations of firms in making investment decisions, product choice decisions and career decisions (Dowling, 1986). According to Brown and Dacin, (1997), corporate associations can be of two basic kinds, corporate ability (CA) and Corporate social responsibility (CSR). CA refers to the ability of the firm to undertake its core business activities while CSR refers the firm's commitment to perceived societal obligations. A firms CSR association has also been found to effectively influence stakeholders' evaluation of firms and consequently their decision to react favourably towards by rewarding them with resources (Sen & Bhattacharya, 2001). Therefore stakeholders' perception about firms CSR can be said to be a determinant of their willingness to give their resources to firms.

Employees that are skilled, creative and customer driven are asserted to be important resources that can be leveraged for competitive advantage since they can serve as a source of differentiation (Bhattacharya et al., 2008; Albinger & Freeman, 2000). This is even more important since corporate success is depending more and more on a quality workforce and as such firms are becoming increasingly aware of the need to attract quality human resource to their companies (Greening & Turban, 2000). Prospective employees are therefore stakeholders that serve as an important source of firm resource and have therefore attracted increased research (e.g. Turban & Greening, 1997; Thomas & Wise, 1999; Albinger & Freeman; 2000; Greening & Turban, 2000; Berthon, Ewing, & Hah, 2005; Newburry, Gardberg, & Belkin, 2006; Martins & Parsons, 2007).

According to Turban and Greening (1997) a firm's CSR activities provides a signal about working conditions on the organization by denoting certain organizational values and norms.

Some studies (e.g. Turban & Greening, 1997; Albinger & Freeman, 2000; Greening & Turban 2000) have therefore investigated the role of CSR in fostering employer attractiveness which has been defined by Berthon et al. (2005) as the envisioned benefits that a potential employee sees in working for a specific organisation. According to Berthon et al. (2005) an organization being humanitarian or that gives “back to society” is a factor that is considered in the employer attractiveness of a firm to a prospective employee. This assertion has been supported by studies that have proved that the CSR activities of firms have the potential of increasing the attractiveness of a firm as an employer (Turban & Greening, 1997; Albinger & Freeman, 2000; Greening & Turban, 2000; Sen et al., 2006; Evans & Davis, 2008; Kim & Park, 2011).

More specifically, Greening and Turban, (2000) in their research found that job applicants will not only be attracted to firms that have positive CSP reputations but that they will also pursue jobs with such firms, will attempt to interview with such firms, and will have a higher probability of accepting a job offer from these firms. Albinger and Freeman (2000) however found that CSP was positively related to employer attractiveness for job seekers with high levels of job choice but not related for populations with low levels. Evans and Davis (2008) in their study investigated how individuals’ perceptions of corporate citizenship of a firm can influence job applicant attraction and work role definitions. They found that the personal values and education concerning CSR influenced individuals’ perception corporate citizenship. Their Results indicate that perceived corporate citizenship had a greater impact on job applicant attraction for those individuals who received prior education in relation to CSR and also for individuals who had higher other-regarding value orientation. CSR and CSR perception of stakeholders can be said to affect employer attractiveness and thus can be leveraged to attract quality labour.

2.11 CSR- induced identification

In spite of the fact that previous preceding discussions reveal that various studies have investigated stakeholder specific outcomes of firms CSR initiatives, Bhattacharya and Sen (2004) have argued against the focus on external outcomes such as purchase and loyalty; but have supported the need to also consider other internal outcomes such as awareness and identification. According to Bhattacharya and Sen (2004), “an important internal consumer response to CSR initiatives is the sense of attachment or connection consumers feel with companies engaging in CSR activities they care about”(pp. 15) which they called “consumer-company identification”. They further argue that, consumer identification with CSR practicing firms in turn leads to a variety of favourable consumer behaviours including external outcomes such as loyalty, word-of-mouth and purchase. It is therefore important that in investigating CSR perceptions and response of stakeholders, the role of stakeholder identification is also examined.

Organizational identification is a psychological concept that reflects the extent to which a stakeholder feels that their sense of self overlaps with their sense of the company (Bhattacharya et al., 2008). It has been defined as a cognitive connection between a person and an organization (Dutton, Dukerich, & Harquail, 1994). According to Bhattacharya and Sen (2004), identification is an important internal response of stakeholders to organizational actions such as CSR, and serves as a pivotal driver of CSR’s positive effect on consumers’ company patronage behaviours. According to Bhattacharya et al. (2008) “the importance of CSR-induced identification stems from the slew of pro-company outcomes it engenders” (pp 41) including outcomes in both the internal and external categories of stakeholder response. Therefore, in addition to studies in the

preceding discussion, there has been increased research especially in the domain of marketing into the relationship between CSR and stakeholder identification with firms (e.g. Sen et al., 2006; Curras-Perez et al., 2009, Kim et al., 2010, Lee et al., 2011).

Curras-Perez et al. (2009) for example analyzed the influence of the perception of Corporate Social Responsibility (CSR image) on consumer–company identification (C–C identification). Their results offer empirical evidence that CSR generates C–C identification because it improves brand prestige and distinctiveness. They also found that CSR-based C–C identification is able to generate better attitude towards the brand and greater purchase intention. In a similar study, Lee et al. (2011) found that identification plays a mediating role between CSR perspectives and customer loyalty. Other studies have also revealed the critical role of identification in soliciting positive reaction for other stakeholders other than customers. Results of these studies indicate that CSR related employee identification with the firm leads to increased job satisfaction and employee commitment (Bhattacharya et al., 2008; Kim et al., 2010). Other studies have suggested that suppliers and shareholders can also identify with firms based on their CSR activities (Maignan & Ferrell, 2004).

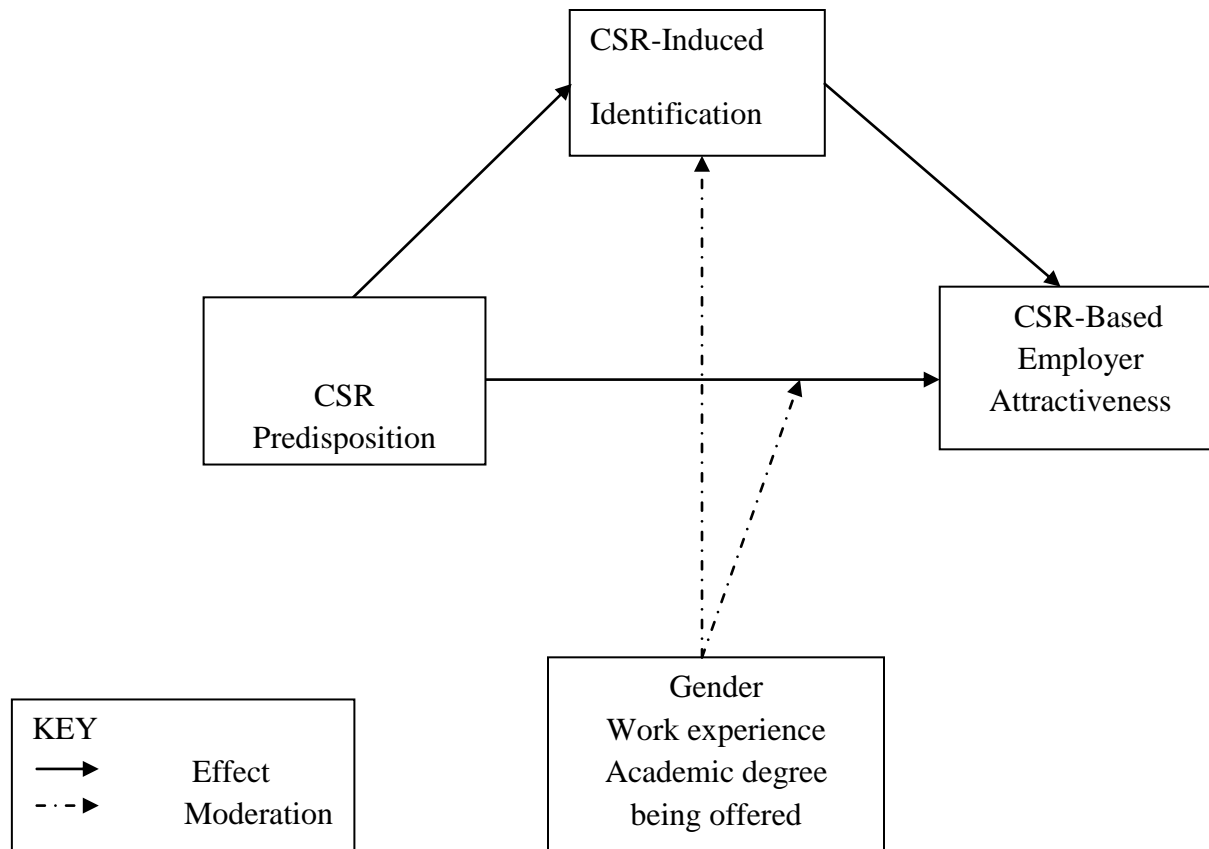
However, as discussed in the problem statement of this thesis, this study proposes to investigate the role of CSR-induced identification on a firms attractiveness to potential employees; since evidence from the studies discussed indicate a focus on exiting stakeholders of firms and not potential stakeholders. Additionally, given the possibility of both direct and indirect effects of CSR on organizational stakeholders and the role of stakeholders' individual factors in determining stakeholders' response to CSR, this study proposes to investigate the potential

employees attraction to CSR practicing firms taking into consideration the indirect effect through identification and the moderation effect of individual stakeholder characteristics.

2.12 Conceptual framework and hypotheses development

Foregoing discussions have revealed extant literature investigating stakeholder perceptions of CSR and stakeholder response to CSR. This section draws on the forgoing discussions to present a conceptual framework for the study. The proposed conceptual framework is presented in Figure 2.3 below. As discussed in chapter one, the main objective of this study is to examine the mechanism through which individual CSR perceptions of stakeholders translates into a response to CSR initiatives while accounting for the influence of other individual factors. To achieve this objective, the study proposes a conceptual framework that illustrates hypothesised relations among stakeholder's perception of CSR measured as CSR predisposition, an internal response variable, CSR-induced identification and an external response variable, CSR-based employer attractiveness. The following sections discussed the components of the proposed framework, Figure 2.3 into more details.

Figure 2.3 Framework for stakeholder response to CSR



Source: Researchers own conceptualization

2.12.1 CSR predisposition

There have been many studies on stakeholders' perception of CSR and these include investigations of stakeholders' general perception towards CSR and perception based on Carroll's pyramid of CSR (Atan & Abdul Halim, 2011). The different approaches to measuring CSR perceptions have led to proliferation of many measurement scales for measuring the construct (Turker, 2009). Curras-Perez et al. (2009) for example, in an attempt to measure CSR perceptions of consumers, employed a measure of the CSR image of the firm while Kim et al. (2010) on the other hand employed the term CSR associations in describing employee's perceptions of CSR activities of firms. Other Carroll (1979) based measures of CSR perception have included the notion of corporate social orientation (CSO) (e.g Aupperle, Carroll, & Hatfield, 1985; Smith et al., 2004) and corporate citizenship (Maignan, Ferrell, & Hult, 1999).

In light of the increased demand of CSR by stakeholders as discussed in earlier sections, the study sort to understand the role of stakeholder's general inclination towards CSR in generating favourable response for firms that engage in CSR. The aim of this was to enable the study investigate the possible link between stakeholders' perception of CSR and their reaction to CSR activities specified based on the Carroll typology of CSR. The study therefore employed the concept of CSR predisposition also termed CSR orientation (Chomvilailuk & Butcher, 2010; 2013) as measure of the stakeholders' perception of CSR. Chomvilailuk and Butcher (2013) conceptualize CSR predisposition as an individual's beliefs about the importance of CSR. This study therefore employed the concept of CSR predispositions' in investigating the role of stakeholder's perception of CSR in engendering positive stakeholder response.

Various studies (e.g Sen & Bhattacharya, 2001; Mohr & Webb, 2005; Chomvilailuk & Butcher, 2010, 2013) have investigated the role of an individual's CSR beliefs in influencing their response to CSR initiatives. Sen and Bhattacharya (2001) as discussed earlier, found that consumers' general CSR beliefs served as key moderators of the effect of CSR association on consumer's CSR-induced identification as well as evaluation of firms. Mohr and Webb (2005) found that for both the environmental and philanthropic domain of CSR, the CSR had higher effect on purchase intention for consumers who had high predisposition towards CSR than those who had low CSR predisposition. However, the higher positive effect was only significant in the environmental domain of CSR. Additionally, Chomvilailuk and Butcher (2013) found that among Thai bank customers, high CSR predisposition had a significant positive effect on the liking of a bank.

Although CSR predisposition studies do not appear to have been extended into the African context, existing evidence indicates that CSR is considered as very important within the African context. Indeed, Visser (2005) argues that communities and governments alike, place a high value on economic CSR which is seen as an important contributor to the development of the African continent. Additionally, Kuada and Hinson argue that within the collectivist culture, as may be present in the broader African and hence the Ghanaian context, philanthropic forms of CSR may be considered as cultural obligations. Such assertions seem to suggest that Africans may be strongly predisposed towards CSR initiatives of firms. Additionally, social identity theory (Ashforth & Mael, 1989) posits that, people classify themselves into social categories, which in turn influence their self-concepts. As such, when firms engage in activities that are in line with the self-concepts of individuals, the individuals become willing to associate themselves

with such firms (Sen & Bhattacharya, 2001; Sen et al., 2006). In the light of existing evidence put forward by the preceding discussions, this study believes that Africans and that matter Ghanaians will be strongly predisposed towards firms' engagement in CSR and may, following the proposition of social identity theory be willing to associate themselves to firms that engage in such activities and as such identify with or be attracted to the employments of firms that engage in CSR. In the context of the forgoing discussion therefore, this study proposes the following hypotheses;

H1: CSR predisposition will have a significant positive effect on CSR-based employer attractiveness

H2: CSR predisposition will have a significant positive effect on CSR-induced identification

2.12.2 CSR-induced identification

As discussed in previous sections, identification plays a pivotal role in driving CSR's positive effect on stakeholders. This is because identification causes stakeholders to become psychologically attached to and care about an organization, which motivates them to commit to the achievement of organizational goals, expend more voluntary effort on behalf of the organization, and interact positively and cooperatively with organizational members (Bhattacharya & Sen, 2003). Additionally, stakeholders who have a favourable perception of CSR will be likely to identify with CSR practicing firms and may take up membership of an organization to manifest this identification (Bhattacharya & Elsbach, 2002). Furthermore various studies (Curras-Perez et al., 2009; Kim et al., 2010; Lee et al., 2011) have found that identification plays a mediation role between various measures of CSR perception and favourable stakeholder responses. These therefore suggest the potential of CSR-induced

identification to lead to firms attracting potential stakeholders such as employees. This study is therefore of the view that CSR-induced identification will not only lead to attraction of potential employees but also mediate the relationship between a potential employee's CSR predisposition and his or her attraction to a firm based on the firm's CSR activities.

In line with the above assertion, the study believes that respondents in Ghana who identify with firms based on firms' practice of CSR will also be attracted to working with such firms. Additionally, the study believes that apart from the direct relationship between individuals CSR predisposition and their CSR-based employer attractiveness as hypothesised in *H1*, there CSR-induced identification will also mediate the relationship between CSR predisposition and employer attractiveness. As such the study proposes the following hypotheses;

H3: CSR-induced identification will have a significant positive effect on CSR-based employer attractiveness

H4: CSR-induced identification will mediate the relationship between CSR predisposition and CSR-based employer attractiveness

2.12.3 CSR-based Employer attractiveness

Berthon et al. (2005) have defined employer attractiveness as the envisioned benefits that a potential employee sees in working for a specific organisation. According to the social identity theory, people classify themselves into social categories, which in turn influence their self-concepts (Ashforth & Mael, 1989). As such, when firms engage in activities that are in line with the self-concepts of individuals the individuals become willing to associate themselves with firms (Sen & Bhattacharya, 2001; Sen et al., 2006) will be attracted to organizations they view

as having values and norms they perceive as. It can therefore be deduced from the above argument that stakeholders that have favourable CSR predispositions will be more attracted CSR practicing companies and in effect exhibiting their support through increased attraction to working with such firms.

However, although studies discussed above have investigated employer attractiveness as a result of corporate social performance or CSR perceptions, these studies (e.g Turban & Greening, 1997; Albinger & Freeman, 2000; Greening & Turban, 2000; Sen et al., 2006) have usually employed general measures employer attractiveness or applicant attraction with descriptions of CSR scenarios. Following Evans and Davis (2008) who employed deductive thinking to reveal job description based on CSR as dimensional; this study also employs the Carroll (1979/1991) typology of CSR to develop a measure for CSR-based employer attractiveness. The study therefore conceptualizes CSR-based employer attractiveness as consisting of economic, legal, ethical and philanthropic dimensions. The logic behind this step was to enable the study focus on measuring the ability of the general CSR predisposition of individuals to generate employer attractiveness based on specific CSR activities. The details of measurement of the CSR-based employer attractiveness construct are discussed in the chapter four.

2.12.4 Other Individual factors

Apart from the hypothesized indirect influence of CSR predisposition on employer attractiveness through the phenomenon of identification, studies have identified the importance of moderating factors on the effect of CSR on stakeholder response. Studies (Auger, Burke, Devinnes, & Louviere, 2003; Maignan, 2001) have for example found that the demographics and

cultural differences of consumers' influences consumers' perception or purchase intention in relation to CSR. More specifically, Arlow (1991) found that individual-level characteristics such as age and gender have diverse influence on an individual and hence a stakeholders perception of social responsibility. He found that females are ethical and socially responsible than males while older individuals were more prone to thinking negatively of firms' engagement in corporate social responsibility. Newburry et al. (2006) also found that individual factors such as gender, race, age and educational level significantly interacted with firm based variables in predicting employer attractiveness. In line with preceding evidence of the influence of various individual factors on stakeholder's response to CSR, this study proposes to investigate the influence of educational qualification, work experience and gender on the relationship between CSR predisposition, CSR-induced identification and CSR-based employer attractiveness.

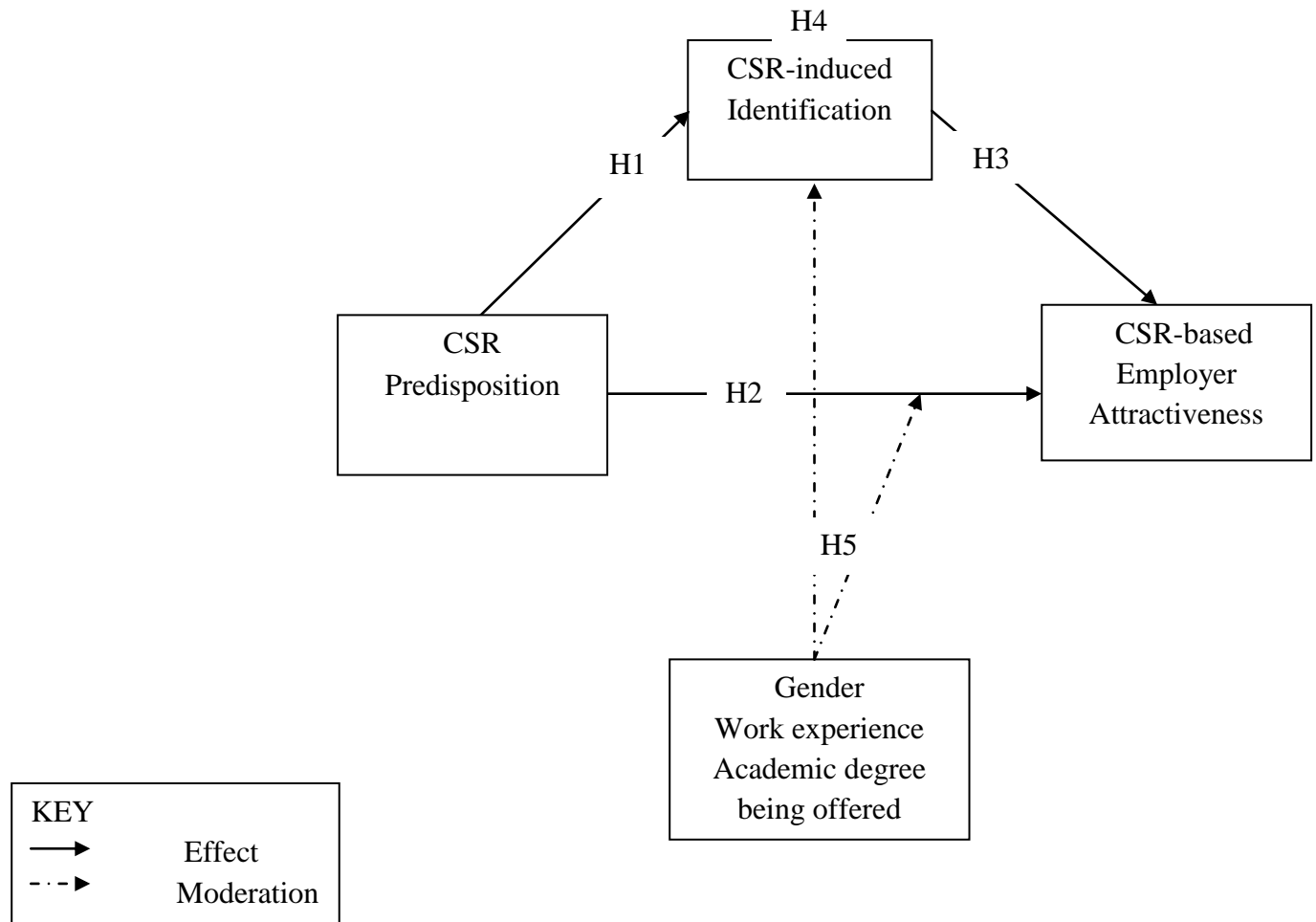
In a study by Albinger and Freeman (2000), they found that CSP was positively related to employer attractiveness for job seekers with high levels of job choice but not related for populations with low levels. They defined individuals with high level of job choice as individuals with a postgraduate degree and employed, while individuals with medium or low job choice levels had undergraduate degrees or less respectively in addition to being unemployed. The findings of this study were in support of an earlier finding that some MBA students indicated their willingness to accept lower salaries to work for a socially responsible company (Dolan, 1997 as cited Albinger & Freeman, 2000). Additionally in a related study, Evans and Davis (2008) found that perceived corporate citizenship had a greater impact on job applicant attraction for individuals who received prior education in CSR. In relation to work experience although Arlow (1991) found that longer work experience reduced an individual's concern for

selfish interests; he also found interestingly that work experience had an insignificant relationship with views on corporate social responsibility. Citing Aldag and Jackson (1977), Arlow (1991) admitted that his findings were contrary to earlier findings. Additionally, as discussed earlier, the findings by Arlow (1991) also seem to contradict more recent finding by Albinger and Freeman, (2000). The above discussions indicate that individual factors such as work experience, educational level and gender of respondents may moderate individuals' response to various CSR actions of firms among respondents in Ghana. This study based on evidence from the preceding discussions therefore hypothesis that;

H5: Work experience, educational level and gender will moderate both direct effect of CSR predisposition on CSR-based employer attractiveness and mediated effect of CSR predisposition on CSR-based employer attractiveness through CSR-induced identification.

Following from the foregoing discussions Figure 2.4 presents the summary of the hypothesis developed in this section.

Figure 2.4 Summary of hypothesis



CHAPTER THREE

CONTEXT OF THE STUDY

3.0 Introduction

The preceding chapter of this study discussed the concepts, theory and conceptual framework employed for the study. This chapter of the study however presents a discussion of Ghana as the context of the study. The first section presents a brief historical background of Ghana while the following sections present an overview of the current state affairs with a focus on the economic and development context, the political context as well as the business and employment context existing in Ghana. The chapter then proceeds to discuss insights into the CSR in Ghanaian context with emphasis on stakeholders' perception of CSR, legal and institutional environment for CSR in Ghana and CSR in the employment sector of Ghana.

3.1 Brief historical background of Ghana

Ghana with an estimated population of about 24,791,073 is the first Sub-Saharan African country to gain political independence and at independence in 1957 the country had the highest per capita income of about £500 in the sub-region (Gockel & Vormawor 2004). However for much of the period following independence the Ghanaian economy took a downturn, performing rather poorly, especially considering the country's relative wealth in mineral and other natural resources and the fact that Ghana at the time of independence in 1957 surpassed countries like Malaysia and Hong Kong on key performance indicators (ILO, 2012; Gockel & Vormawor

2004). According to Gockel and Vormawor (2004) Ghana's economy by the late 1960's "could aptly be described as bankrupt with per capita income at about a third of what was obtained at independence, with an inflation of over 100%" (pp. 4). Gockel and Vormawor (2004) further note that the causes of the poor economic performance were due to both internal and external shocks, followed by political instability through military adventurism.

The internal shocks they argue were mainly well-intentioned but allowed inappropriate domestic policies and bureaucratic mismanagement, both at the micro and macro levels. These policies included expansionary fiscal deficits financed by borrowing from the banking system, the fixing of the exchange rate for a considerable number of years which in the long-run negatively affected cost of exports. Other inappropriate policies according to Gockel and Vormawor (2004) were reflected in directed credit programmes referred to as financial repressive policies, commodity price and distribution controls that changed relative prices. Furthermore, the public bureaucracy became huge, and Government had to take on board a large public sector with inefficient state enterprises. As such, the country's fiscal performances were poor with huge budget deficits that had to be financed through deficit financing. The external shocks on the other hand were largely as a result of severe droughts in 1975-77 and 1981-83; oil shocks of the 1970s; high and increasing rates of interest on external debts following adjustments in the developed market economies to curb inflation; adverse shifts in the country's terms of trade and falling volume of exports.

In addition to the falling economic standard, Ghana developed a strong reliance on international financial and technical assistance during the post-independence period (ILO, 2012). Thus

depending on the fiscal and policy support from various bodies including the IMF and World Bank in a bid to establish economic stability and development. The country adopted stabilization and structural adjustment policies in line with International Monetary Fund (IMF) requirements. These involved economic liberalization, privatization and state reform. In spite of the negative outcomes generated by this approach to national economic development, the economy of Ghana since 1990 has exhibited a strong performance, with annual GDP growth averaging 5 percent (ILO, 2012).

Ghana's political governance between 1966 and 1979 was in a continuous motion between civilian and military rule. Following widespread discontent with the failing economy by early 1966 the Ghana army and police ousted the first president Dr. Kwame Nkrumah and the socialist Convention Peoples Party (CPP) out of power. The leaders of the coup d'état cited Nkrumah's flagrant abuse of individual rights and liberties, his regime's corrupt, oppressive, and dictatorial practices, and the rapidly deteriorating economy as the principal reasons for their action (www.accraexpat.com, n.d,). Although the country returned to civilian rule in 1969 under the market oriented government of Dr. K.A Busia, which undertook a drastic, privatization policies and the devaluation of the currency in December 1971, the government's inability to control the subsequent inflationary pressures stimulated further discontent, and military officers seized power in a bloodless coup on January 13, 1972 (www.accraexpat.com, n.d). The Acheampong government which took over the reins of government in the 1972 coup was however ousted on June 4th, 1979, by the Armed Forces Revolutionary Council (AFRC) led by Flight Lieutenant Jerry John Rawlings. The AFRC after four months in power handed over power to a pro-Nkrumah civilian government of Dr. Hilla Limann's Peoples National Party (PNP), in September

1979, just after four months in power. However, barely two years after handing over power to Limann's PNP Government, Rawlings overthrew the very civilian government it had installed, and established the Provisional National Defence Council Government, in the last coup d'état on 31st December 1981. The country was however returned to democratic rule on January 7, 1993 under the new elected President, J.J Rawlings who stood on the ticket of the newly formed National Democratic Congress (NDC). This marked the beginning of the fourth republic.

Ghana has since enjoyed relatively smooth transition from one democratic government to another. With President J.J. Rawlings handing over to J.A. Kufour of the New Patriotic Party (NPP) in the year 2000, who in turn handed over to Prof. J.E.A Mills of the NDC in the year 2008. The country's democratic credentials have been recently strengthened by the swearing in of the then Vice President John Mahama as president after the death of the ruling President Prof. John Fifi Evans Atta Mills and the recent law suit by the New Patriotic Party challenging the results of the 2012 general elections (African Economic Outlook, 2013). President John Mahama has since been declared the legally elected president of the nation by the supreme court of Ghana.

3.2 Overview current state of affairs

In the past few years, Ghana has emerged as a country with one of the highest GDP per capita in Africa and is one of the top-ten fastest growing economies in the world (Wikipedia, 2013). In 2011 for example, Ghana was adjudged the fastest growing economy in the world (Economy Watch, 2013). This development was largely due to the discovery of oil in commercial quantities

in 2007 and the subsequent production which started in 2010 (World Bank, 2013). Presently, Ghana is estimated to have about 5 billion barrels (bb) of proven reserves with speculations of total reaching 25-30bb as further exploration continues (Kirkbride & Kenlay, 2012). It is therefore estimated that the already resource rich nation of Ghana may soon become the third highest producer of oil in West Africa (www.accraexpat.com, n.d).

In addition to the discovery of oil, other notable occurrences within the Ghanaian economy context in recent times have included the nation opting for the HIPC (Heavily Indebted Poor Country) initiative in 2001 which has led to significant debt relief and imposed a measure of fiscal prudence and discipline (Dashwood & Puplampu, 2010) and the signing of a 5-year, \$547 million anti-poverty compact with the United States' Millennium Challenge Corporation (www.accraexpat.com, n.d). Ghana also floated a sovereign bond in 2007 on the London exchange that was heavily oversubscribed and yielded US\$750M this made Ghana the first sub-Saharan African country outside South Africa to access international finances in this way (Dashwood & Puplampu, 2010).

3.2.1 Economic and development context

Ghana in recent years has experienced appreciable growth in its economy. Between the year 2000 and 2008 GDP growth rates have continuously increased from 3.7 to 7.3 percent (World Bank, 2013). After a fall in growth in GDP in the year 2009, the economy picked up in 2010 and grew in real terms by 7.7% and, in 2011, real GDP is estimated to have increased sharply reaching a peak of about 14.2% growth in GDP (World Bank, 2013) aided by oil revenues and strong export performance of cocoa and gold in volume and prices and a more robust service sector (ADB and

ADF, 2012; World Bank 2013). The economy is however estimated to have grown at 7.1 % in 2012 by to the stabilization in growth of the oil sector and is projected to grow at a GDP growth rate of 8% in 2013 (African Economic Outlook, 2013).

This promising growth trend has been accompanied by a marked reduction in poverty. Ghana is currently classified as reaching a middle income status (World Bank, 2013) however, its development indicators compare poorly with those of most countries in the middle income category (African Economic Outlook, 2013). Ghana has made significant progress in relation to the attainment of the Millennium Development Goals (MDGs) by 2015. “It is likely to attain the MDGs on the eradication of extreme poverty, universal primary education, promotion of gender equality, empowerment of women, and combating HIV/AIDS, malaria and other diseases. Ghana continues to be challenged by slow progress on reduction of under-5 mortality, improvement of maternal health and environmental sustainability” (African Economic Outlook, 2013). Between 1999 and 2006 the national poverty rate fell from 40 to 29 percent, while extreme poverty in Ghana has declined from 27 to 18 percent (ILO 2012 citing Millennium Development Goals Database, United Nations Statistics Division). The primary sector (agriculture, mining, forestry, etc.) however, continues to dominate the economy in terms of its contribution onto output, employment and revenue generation. Although economic activity is slowly shifting away from agriculture, the agriculture sector alone employs about 54 per cent of the labour force.

3.2.2 Political context

According to the World Bank (2013) “Ghana continues to show good performance on democratic governance, arising from strong multi-party political system, growing media

pluralism and strong civil society activism”. The country as compared to other African countries Ghana enjoys a relatively as favourable political context as indicated by the Mo Ibrahim Foundation on African Governance which ranked the country 7th out of 53 African countries (ILO, 2012; ADB & ADF, 2012). This trend of favourable political development has been strengthened by recent developments in the country’s political sphere. These include the swearing in of former Vice President, John Dramani Mahama, as the new President of Ghana on January 7, 2013 after the death of President John Atta Mills in July, 2012 and the ongoing contention of the 2012 election results by the main opposition party, the New Patriotic Party (NPP) in the supreme court of Ghana. These political developments if well managed have the potential of further strengthening Ghana’s democracy (African Economic Outlook, 2013).

These developments in the political terrain of Ghana according to ILO (2012) and World Bank (2013) have been accompanied by gradual improvements in the areas of government accountability, corruption, rule of law, and the quality of public institutions management. However, the ongoing process towards government decentralization, facilitated by the passing of the Local Government Act has not been as progressive as the other developments in the political context of Ghana; owing to ambiguity regarding the distribution of responsibilities across tiers of government, coupled with a clear lack of resources and capacity at local level (ILO, 2012). In response to these challenges, however, ILO (2012) indicates that the Government of Ghana has recently produced a new Decentralization Policy Framework aimed at accelerating the pace of decentralization

3.2.3 Business and employment context

Ghana in recent years has been active in improvement in the country's business environment and has been both in 2009 and 2010 ranked, amongst the top 10 reformers globally by the World Bank's Doing Business team (ADB & ADF, 2012). Furthermore, ADB and ADF (2012) state that, according to the Africa Business Panel survey released in June 2011, Ghana was rated as the 4th best destination in Africa (after South Africa, Nigeria, and Kenya) for investment by international investors. Also, Ghana ranked the 7th largest recipient of FDIs in Africa and the 3rd largest in Sub-Saharan Africa at the end of 2010, according to the United Nations Conference on Trade and Development's World Investment Report 2011.

Ghana in recent years has experienced growth in the private sector with much growth in the service subsector. The Services sector grew by 4.2% and contributed 48.1% as its share to GDP, overtaking agriculture as the largest contributor to GDP in 2011 (Alabi, Alabi, & Mohammed, 2011). Ghana's growing services sub-sector (finance/banking, tourism, education and telecoms), accounts for about 29% of formal employment with industry, including mining and other extractive/processing activities account for between 10-14% of employment (Dashwood & Pupilampu, 2010). Direct employment on the oil rigs in the nascent oil and gas sector in Ghana are estimated to be around 60 with the potential of increasing to 1,860 by 2014. However, a significant number of the highly specialized and high paying jobs in this sector are currently being undertaken by non-Ghanaians (ADB & ADF, 2012).

Underemployment and unemployment have risen in the last two decades in Ghana (Aryeetey & Baah-Boateng, 2007). The unemployment rate in Ghana has remained close to 11% and, as is the

case in other sub-Saharan countries, the informal private sector has become a growing source of employment (ILO, 2012). The private sector which is the main employer in Ghana is dominated by enterprises in the informal sector, with approximately 90% of the companies being Small and Medium Scale Enterprises (SMEs) employing less than 20 persons (ADB & ADF, 2012). The Ghanaian labour market has therefore been characterized by a situation where about 230,000 new job seekers enter the job market annually with only about 2 percent employed by the formal sector. Among the large pool of the unemployed is an increasing population of graduates from the Universities and other tertiary institutions (Baah-Boateng 2004). This pool of unemployed has however been kept low only by the exodus of recent graduates to Europe, North America and other countries in Africa and Asia (Boateng & Ofori-Sarpong, 2002).

Additionally, the problem of graduate unemployment is compounded by the fact that the current supply of the Ghanaian universities and polytechnics of skills required by the key growth and job creating sectors is still proving inadequate reflecting a need for pro-active links between these institutions and industries (ADB & ADF, 2012). According to findings by Boateng and Ofori-Sarpong, (2002), graduates from the tertiary institutions seem to lack the basic skills to complete simple routine assignments, take too long to learn their job and responsibilities and appear to be too mechanical in thinking. This has led to certain employers spending months trying to identify the required graduate personnel, and sometimes fail to find them after months of searching. It can therefore be said that, in the overflowing supply of labour, there is still a significant need for quality and qualified labour especially in a more globalized economy where quality labour has been proven to provide needed competitive advantage.

Beyond this need and in a bid to pursue high economic growth with adequate job creation, the government of Ghana has Medium Term National Development Policy Framework, the GSGDA, which covers the period 2010-2013 and makes poverty reduction through shared growth, employment creation, the attainment of the MDGs, and social protection, its overarching objective (ADB & ADF, 2012). Additionally, a recent study by Alabi et al. (2011) found disparity among the enrolment statistics of tertiary institutions in Ghana, the demand by the labour market and the targets set by the government based on courses pursued. The study found that though the government policy targets increase in the science education, demand for courses as indicated by enrolments and the demand for labour as indicated by job advertisements in a leading media in Ghana indicated a focus on the humanities. These evidences seem to portray a lack of coordinated effort among demand, supply and facilitating and/or regulating institutions in reducing underemployment, unemployment and inadequate quality of labour in Ghana.

In summary, Ghana presents a rather mixed but interesting contextual setting for the current study. The country presents a state of a persistent unemployment in the midst of a relatively stable political climate, a growing economy and increased production of tertiary level graduates as well as a growing business sector that is demanding better quality graduates with relevant qualities. This setting is governed by governmental efforts that seem to focus on the creation more jobs with little or no emphasis on the quality of available labour to feed the growing business sector. There seems therefore the need for businesses in Ghana to play more proactive effort in attracting and maintaining quality labour so as to improve their competitiveness in the growing Ghanaian economy.

3.3 Corporate social responsibility (CSR) in the Ghanaian context

Corporate social responsibility has gained increased discussion in Ghana, although it is not yet a political priority or at the top of the development policy agenda (Stiftung, 2012; Zimmer & Rieth 2007). According to reports by Ghana Society for Development Dialogue (2008), “companies from a wide spectrum of industries are involved in corporate social responsibility activities.” and as such “Ever so often there is a news item reporting the completion of a school block, health facility, borehole or the provision of medical or education supplies by one company or another.” This assertion is supported by empirical studies within the Ghanaian context that has reported a range of CSR engaged in by firms from telecom, financial, forestry and extraction industries of Ghana (Hinson & Kodua, 2012; Hinson et al., 2010; Ayine, 2008; Dashwood & Puplampu 2010; Atuguba & Dowuna-Hammond, 2006).

Corporate social responsibility and related concepts however remain emerging concepts in the context of the wider Ghanaian populace (Stiftung, 2012). The growing knowledge about CSR and related issues can be attributed to the emergence of advocacy, education and promotion efforts of certain institutions including Non-governmental organizations (NGO’s), educational institutions, and business associations in Ghana (Ofori & Hinson, 2007; Ofori & Wilson, 2010; Citifmonline, 2012). CSR concerns have been quite strong in the extraction industry where Stiftung, (2012) argues that for decades, mining companies have extracted natural resources without regard for nature or for the need to protect the living environments of humans and animals. Companies in the extraction sector therefore seem to be playing a lead role promoting CSR in the country.

3.3.1 Stakeholder perceptions of CSR in the Ghanaian context

Although various institutional and academic definitions have been propounded for CSR, the World Business Council for Sustainable Development (WBCSD) sought to investigate the meanings that business and non business stakeholders have about CSR in various countries. In their report published in 2000, stakeholder dialog in Ghana according to the WBCSD yielded the following definition; “CSR is about capacity building for sustainable livelihoods. It respects cultural differences and finds the business opportunities in building the skills of employees, the community and the government”. According to WBCSD (2000), stakeholders in Ghana proposed that the definition of CSR must cover issues involving;

- Partnerships, because CSR does not develop in a vacuum
- Giving access to information
- Filling-in when government falls short
- Teaching employees skills and enabling communities to be self-sufficient
- Empowerment and ownership
- Building local capacity leaving a positive legacy
- A global perspective which respects local culture

Additionally, increasing research in CSR within the Ghanaian context has revealed that firms in Ghana subscribe to the broader goal definition of CSR specifically, CSR as conceptualized by Carroll (1979/1991) i.e. CSR being constituted of economic, legal, ethical and discretionary components (e.g. Ofori & Hinson, 2007; Kuada & Hinson, 2012). Kuada and Hinson (2012) however noted that in the Ghanaian context as in many developing countries’ context, boundaries between responsibilities that may be defined as ethical and discretionary are

frequently blurred. Disparities however have been identified in relation to the focus and implementation of CSR among various firms in Ghana. According to Ofori and Hinson (2007) and Kuada and Hinson (2012) firms in Ghana differ in their perception and implementation of CSR based on whether they are of foreign or local origin. Their results reveal that while the CSR decisions of foreign firms are mainly guided by legal prescriptions and ethical dispositions, those of their local counterparts are guided mostly by discretionary and social considerations. The socially oriented CSR practices of the local firms, they found as being consistent with cultural expectations in Ghana that those with extra resources should support the less privileged members of the society.

Additionally these studies (Ofori & Hinson, 2007; Kuada & Hinson, 2012) found that, foreign firms in Ghana are more strategic in their approach to CSR, using CSR activities as deliberate strategies to strengthen their corporate images while local Ghanaian firms focus a lot more on social inclinations. On the whole however, firms in Ghana have been found to have two main reasons for their CSR activities; improving the company's image and a desire to promote the socioeconomic development of the most important stakeholders (such as the community in which they were located) (GTZ, 2009).

CSR engagements of firms in Ghana are largely philanthropic in nature (usually expressed in form of cash donations) and are focused in the areas of education, environmental protection, customer protection or the healthcare system (GTZ 2009; Ofori & Hinson, 2007). Most of these CSR projects are designed to meet the expectations of direct stakeholders such as communities and customers (GTZ 2009; Ayine, 2008). According to (Stiftung, 2012), CSR is however

perceived in Ghana as closely linked to the PR efforts of major foreign companies and as such is regarded with some scepticism.

3.3.2 The legal and institutional context for CSR in Ghana

Ghana as a country presents an emerging legal and institutional context to the engagement in CSR and rewards or otherwise associated with it. This context consists of a merger of national and international laws, policies and conventions that directly and indirectly affect business operation in the country (Atuguba & Dowuona-Hammond, 2006), the education and advocacy efforts of NGOs and some educational institutions (Ofori & Wilson, 2010; Citifmonline, 2012). These are also supported by the development of CSR consciousness and policies among key business associations and individual business institutions in the country (Stiftung, 2012; GTZ 2009).

According to Atuguba and Dowuona-Hammond (2006) “there is no comprehensive CSR policy or law in Ghana. Yet, there are a variety of policies, laws, practices and initiatives that together provide the CSR framework in Ghana” (pp 49). This is particularly the case because of the lack of government engagement in CSR matters in Ghana, a country whose position as a developing country makes governmental commitment a key driver of legal and institutional change (Zimmer & Rieth 2007). All though many laws exist in Ghana for the regulation of corporations, these laws, except for laws in the forestry sector hardly contain any progressive provisions on CSR, and as such laws in Ghana hardly in direct terms require businesses to be socially responsible (Atuguba & Dowuona-Hammond, 2006). There are however certain legal frameworks established by important international policies, conventions and associations that through the

involvement of Ghana as a nation provide more direct demands for responsible social behaviour from corporations especially multinational enterprises. Among such international initiatives are OECD guidelines for international enterprises, ILO tripartite declaration on principles concerning multinational enterprises and social policy and the United Nations global compact (Atuguba & Dowuona-Hammond, 2006).

Education and advocacy efforts by NGOs and educational institutions are also contributing to the development of institutional promotion, facilitation and monitoring of CSR. According to Ofori and Wilson (2010) the formation of the Corporate Social Responsibility Movement (CSR Movement) has been at the forefront of promoting corporate social and environmental responsibility locally. According to them CSR Movement seeks to advocate for companies to contribute to the overall growth of the communities in which they operate; to encourage these companies to clean when they pollute; to advocate for corporate compliance to existing laws; to promote transparency in companies operation and reporting. Another such NGO is the Corporate Social Responsibility (CSR) Foundation Ghana. With the core values of sustainability, transparency, accountability, integrity and responsiveness, the CSR Foundation Ghana was formed in 2011 with the objectives of offering training, advocacy, research, advisory services and awards on CSR (CSR Foundation Ghana, 2011).

Additionally, educational institutions specifically the University of Ghana Business School (UGBS), are also engaged in efforts to an institutional support for CSR in Ghana. The UGBS in collaboration with the Centre for Cooperation with the Private Sector, (CCPS) GIZ South Africa have established the Centre for Corporate Responsibility (CCR) with a mandate to build and enhance the capacity of companies in Ghana to integrate CSR into their core business activities.

The CCR aims at achieving its mission; “To create a new generation of business leaders who are knowledgeable about and committed to CSR by inspiring current and future Ghanaian managers with the passion for responsible corporate leadership” (Centre for Corporate Responsibility [CCR], 2013).

Beyond the non-profit oriented institutions, business institutions and associations have also demonstrated growing interests in CSR in Ghana. According to (Stiftung, 2012), the three most important economic associations in Ghana which include the Association of Ghana Industries (AGI), the Ghana National Chamber of Commerce and Industry (GNCCI) and the Ghana Employers' Association (GEA) – support the Ghana Business Code, a framework of rules based on the principles of the UN Global Compact which as discussed earlier, is a prominent international framework that promotes responsible business. Additionally, Ofori and Hinson (2007) and Hinson and Kodua (2012) report that the Ghana Club 100 index is an annual compilation and ranking of the top 100 companies in Ghana by the Ghana Investment Promotion Center (GIPC) includes CSR as part of its ranking process and presents an award to the best company in the CSR category.

3.3.3 CSR in the Ghanaian employment context

Like the overall CSR context in Ghana, CSR in the employment context of Ghana can be said to be facilitated and regulated by both national and international laws and institutions. According to Atuguba and Dowuona-Hammond (2006) the ILO’s Tripartite Declaration of Principles to which Ghana subscribes engenders firms particularly multinational firms to implement responsible labour practices. Stiftung (2012) however reports that Ghana as a country has found it difficult to

implement the standards proposed by ILO's in Tripartite Declaration of Principles practice. Particularly problematic according Stiftung (2012) is C182, the convention entitled "Concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour." Child labour is however found in Ghana primarily in agriculture and in the informal sector. ILO (2012) has reported success in the promotion of social protection for workers in the informal economy at the local level through the Local Economic Development (LED) component of its Ghana Decent Work Programme (GDWP).

Business institutions in Ghana have also provided evidence of a commitment to promoting CSR practices in the employment category. For example Stiftung (2012) reports that compelled by the inadequate expertise of workers in Ghana and the fact that it is often difficult to bring foreign workers to Ghana, German companies provide basic and further training for their employees in Ghana. Additionally, Hinson and Kodua (2012) report that the selection criteria employed for compiling the Ghana Club 100 index includes third-party assessments of business ethics and relationships with employees. The intra-company CSR activities monitored for the Ghana Club 100 index relates to human and labour rights as well as environmental development and attracts 72 percent of the total score while the communities benefit initiative attracts 28 percent; a clear indication of a focus on CSR initiatives related to the employment category. As more companies strive to enter or maintain their position on the prestigious Ghana Club 100 listing, it is believed that it will further CSR initiatives in the employment context of Ghana.

Overall, Ghana as a context for the study presents an emerging economic and political economy with increasing focus on CSR especially in the employment category. Additionally giving the

increased need for quality workforce in a competitive environment, Ghana presents a context characterized by inadequate quality of labour in an increasingly competitive environment. Securing and maintaining quality workforce can be seen imperative to corporate success in Ghana. The possible role of CSR based on the CSR perceptions and other individual factors in attracting quality workforce in Ghana is therefore examined in this study.

CHAPTER FOUR

METHODOLOGY

4.0 Introduction

The previous chapter presented a discussion of Ghana as the context within which this study is undertaken. This chapter presents a discussion of the methodology employed in achieving the objectives of the study. The chapter discusses issues related to the research approach and design, the data sources and collection as well as questionnaire development and validation. The examination of collected data, variables employed in the study and the method of analysis are also discussed.

4.1 Research approach

The three main research approaches available for a study include qualitative, quantitative and mixed methodology which is essentially a combination of the qualitative and quantitative research approaches (Tashakkori & Teddlie, 1998). Quantitative methodology is an approach to the conduct of social research which applies a natural science, and in particular a positivist, approach to social phenomena and seeks to quantify data while typically applying statistical analysis (Bryman 1984; Malholtra, 2007). Qualitative research is however focused on a commitment to seeing the social world from the point of view of the actor and aims at gaining understanding of the underlying reasons and motivations (Bryman 1984; Malholtra, 2007). The focus of this study was to quantitatively estimate the associations between various constructs including, CSR perception, identification and employer attractiveness. As such the quantitative research approach was adopted for the study

4.2 Research design

The research design can be conceived as the overall strategy or blueprint for conducting the marketing research (Ghauri & Gronhaug, 2005; Malholtra, 2007). Research designs are of two main types; exploratory research and conclusive research, the choice of which lays the foundation for a research project since research designs influence the subsequent research activities including the type of data to collect, methods and procedures for data collection as well as the plan for the data analysis (Malholtra, 2007). Conclusive research however consists of descriptive research design and causal research design. This study employed the conclusive research design specifically the descriptive design with the use of cross-sectional survey method. This is because according to Malholtra (2007), descriptive research design can be used to determine the degree to which variables in a research are associated and to make specific predictions based on the established associations between the variables. Additionally, although a longitudinal descriptive design or causal research design might be considered more appropriate in establishing causal relationships, limitations of time made it inappropriate to adopt any of these two research designs. Furthermore, Hair, Black, Babin, Anderson, & Tatham (2006) argue that based on strong theoretical and empirical support, causal inferences can be made using cross-sectional surveys under the descriptive research design when structural equation modelling (SEM) technique of data analysis is employed.

This study focuses on investigating the relationship between individuals CSR perceptions and the individuals' employer attractiveness based on CSR while accounting for the influence of individuals' identification with CSR practicing firm as well as the influence of other individual

variables. It was therefore found appropriate to adopt the cross-sectional survey descriptive research design for the current study.

4.3 Data sources

In line with the research design employed for the current study, the study employed primary data sources for the study. According to Ghauri and Gronhaug (2005) the two data sources available for a study include primary and secondary data sources. Primary data sources include observations, experiments, surveys and interviews while secondary data sources include books, journal articles, online data and catalogues. Primary data collected from primary data sources consists of data originated by the researcher for the specific purpose of addressing the research problem while secondary data on the other hand refers to data collected for some purpose other than the problem at hand (Malholtra, 2007). Therefore for the current study primary data in relation to CSR predisposition, CSR-based employer attractiveness, CSR-induced identification and demographic characteristics was collected from individual respondents.

4.4 Data collection method

This study employed the survey method with the use of semi-structured questionnaires for collecting data from respondents. The survey method of obtaining information is based on asking respondents a variety of questions and is an effective tool to get opinions, attitudes and descriptions as well as for getting cause and effect relationships (Malholtra 2007; Ghauri & Gronhaug, 2005). Advantages of this method include; ease of administrating the questionnaires

and reliability due to the fact that the responses are limited to stated alternatives (Malholtra, 2007).

4.4 Questionnaire development

The research employed the semi-structured questionnaires as the data collection instrument. The questionnaire was made up of four sections. The first section included items related to respondent's perception of corporate social responsibility (CSR predisposition), the second presented questions related to respondents employer attractiveness based on corporate social responsibility (CSR-based Employer attractiveness). The third section featured items measuring respondents identification with firms based on CSR (CSR-induced identification) while the fourth section focused on the demographic details of respondents.

The items for measuring the various constructs were developed using deductive approach. According to Hinkin (1995), there are two approaches to item development for questionnaires and these are the deductive approach and inductive approach. Deductive scale development utilizes a classification schema or typology prior to data collection and requires an understanding of the phenomenon to be investigated and a thorough review of the relevant literature. This review of literature then leads to the development of a theoretical definition which in turn is employed to develop the items (Berthon et al., 2005 citing Schwab, 1980; Rossiter, 2002). According to Hinkin (1995), however, there are two ways of undertaking deductive development of scale items and these include:

1. Deriving items designed to tap a previously defined theoretical universe.

2. Developing conceptual definitions grounded in theory, but to then utilize a sample of subject matter experts to provide critical incidents that are subsequently used to develop items.

Converse to the deductive approach, the inductive approach often involves researchers employing little theory at the outset but attempt to identify constructs and generate items from samples of individual respondents for example through the use of focus groups (Hinkin, 1995; Berthon et al., 2005). This study however adapted items from previous studies in line with the first type of deductive approach to item development.

The CSR predisposition construct was measured on a 7-point likert type scale consisting of 3 items adapted from Chomvilailuk and Butcher (2010). The CSR-based employer attractiveness construct was measured with a 7-point likert type scale consisting of 16 items with 4 items representing each of the four dimensions of employer attractiveness based on Carroll's (1979/1991) typology, that is, economic, legal, ethical and philanthropic dimensions. The items were adapted from previous scales developed by Maignan (2001), Maignan & Ferrell (2001) and Smith et al. (2004).

The study included items from these three related studies so as to capture measures related to CSR that were relevant to the Ghanaian context and as such improve the understanding of the questionnaire. Although these items were developed based on the items employed to measure the CSR perception, the items in this case were altered to reflect how an individual will be attracted

to the employments of firms that engage in CSR initiatives corresponding to the economic, legal, ethical and philanthropic CSR initiatives employed in developing the CSR perception construct. This was done so as to enable the study to measure individuals' perceived attraction to working with CSR practicing firms based on the specific CSR actions reported in each item; instead of measuring their perception towards the practice of CSR alone; which was the original purpose of the items. A similar approach was employed by Evans and Davis (2008) in developing items for "CSR work role definition" from items previously used by Maignan (2000) to measure corporate citizenship and also used in the same study to prepare scenarios representing CSR activities of firms. The scale for CSR-induced employer attractiveness thus consisted of four items each for each of the four dimension of the employer attractiveness based on economic, legal, ethical and philanthropic CSR and were thus referred to as economic, legal, ethical and philanthropic employer attractiveness respectively. The CSR-induced identification construct was also measured by a 7-point likert type scale consisting of 3 items adapted from Bhattacharya and Elsbach (2002) and Bhattacharya, Rao, & Glynn (1995).

4.5 Reliability

Reliability is an assessment of the degree of consistency between multiple measurements of a construct (Hair et al., 2006). Reliability in essence is a measure of the stability of the proposed measure (Ghauri & Gronhaug, 2005). As such the two basic concerns addressed with respect to reliability of a measure are the consistency of items within a measure and stability of the measure over time (Hinkin, 1995). Approaches for accessing reliability include test-retest, alternative-forms and internal consistency reliability (Malholtra, 2007). However the commonly used method of assessing reliability is internal consistency (Hair et al., 2006). The simplest form of

measuring internal consistency of a scale is the split-half reliability (Malholtra, 2007) and the most widely used method of measuring the split-half reliability is by using the coefficient alpha or Cronbach's alpha (Hair et al., 2006; Malholtra, 2007). According to Ghauri and Gronhaug, (2005) the Cronbach's alpha can be conceived as a measure of the intercorrelations between the various items used to capture the construct. The assumption therefore is that the various items should correlate positively but should not correlate perfectly; perfect correlation among items defeats the assumption that no single item is a perfect measure of a concept that is represented by a construct (Ghauri & Gronhaug, 2005; Hair et al., 2006). Cronbach's alpha values fall between 0 and 1, however the generally accepted lower limit is 0.7 though this might decrease to 0.6 in exploratory research (Hair et al., 2006). Cronbach's alpha may however understate reliability in certain cases and in addition, also increases with increasing number of items; thus making it not a perfect indicator of the reliability of a scale (Kim et al., 2010; Hair et al., 2006). Other measures of reliability such as composite reliability generated using confirmatory factor analysis can be employed as additional measures of reliability (Kim et al., 2010; Hair et al., 2006). This study therefore employed both Cronbach's alpha and composite reliability as indicators of the internal consistency of the measurement scales.

4.6 Validity

“For a scale to be used with confidence it must possess validity; in simple terms, it must measure what it purports to measure” (Berthon et al., 2005). In more technical terms, validity is the extent to which a scale or set of measures accurately represent the concept of interest (Hair et al., 2006). Types of validity include, content validity, convergent validity and divergent validity (Ghauri & Gronhaug, 2005; Malholtra, 2007).

4.7 Content validity

Content validity also called face validity, is a subjective but systematic evaluation of how well the content of a scale represent the measurement task at hand (Malholtra, 2007). According Ghauri and Gronhaug (2005) a simple test for face validity is to ask for the opinion of others acquainted with the actual topic. However, pre-test of measuring instrument can also be employed in checking content validity (Hair et al., 2006). The study therefore employed the opinions of one Master of Philosophy student who was writing a thesis on CSR and the opinion of a CSR researcher who is also a trustee of the CSR Foundation Ghana in accessing the content validity of the various scales. Some items were thus modified slightly based on their recommendations. The questionnaire was further administered to 17 weekend MBA students as a pre-test. Results from the pilot study were also used to slightly improve the drafting of some of the scale items.

4.8 Convergent validity and discriminant validity

Convergent validity establishes to what extent multiple measure of and /or multiple methods of measuring the same construct yield comparable results (Ghauri & Gronhaug, 2005) while discriminant validity is the degree to which conceptually similar concepts are distinct or the extent to which a construct is distinguishable from another construct (Hair et al., 2006; Ghauri & Gronhaug, 2005). According to Berthon et al. (2005) convergent and discriminant validity can be evaluated by calculating the average variance extracted (AVE) for each of the constructs. Convergent validity is established if the shared variance accounts for 0.50 or more of the total variance. However, discriminant validity is evident when the AVE for each construct is greater than the squared correlation between that construct and any other construct in the model (Fornell

& Larcker 1981). The study therefore employed results from the Confirmatory factor analysis in evaluating the convergent and discriminant validity of the constructs. Confirmatory factor analysis into is described in later sections of this chapter.

4.9 Population for the study

The population for this study consisted of final year undergraduate students and weekend MBA student of the University of Ghana, Legon. Similar populations has been employed in studies investigating employer attractiveness within the CSR context (Albinger & Freeman, 2000; Sen et al., 2006; Evans & Davis, 2008). According to Evans and Davis (2008) university students are appropriate for employer attractiveness studies since many organisations are likely hire form pools of graduating students. Thus since the final year students were about one month away from the completion of their courses of study at the time of the collection of the data, this study considered them a relevant population. Additionally MBA students have been found to vary from undergraduate student in their perception of employer attractiveness based on CSR (Albinger & Freeman, 2000) they were thus included in this study to enable the study account for such differences that may exist.

4.10 Sample and sampling technique

A total sample of 308 students was employed for the study. This sample was considered appropriate based on recommendations for Hair et al. (2006) who consider sample sizes of 200 and above appropriate for structural equation modelling analysis technique. The sample was selected using probability sampling procedure. This procedure was found appropriate because

the probability sampling technique involves collecting random samples from the population and thus allows for statistical inferences to be drawn from the analysis of the data (Ghauri & Gronhaug, 2005)

4.12 Data analysis

This section discusses into some detail the considerations in data examinations, variables employed in the data analysis as well as the methods and tools used in the data analysis process.

4.12.1 Data Examination

Data examination in the study included checking for missing data, outliers and for the violation of underlying assumptions. Assumptions that the data was examined for included assumptions of normality, linearity. Normality refers to how the shape of the data distribution for an individual metric variable corresponds to the normal distribution while linearity is an expression of the concept that a model possesses the properties of additivity and homogeneity (Hair et al., 2006). Although normality is an important assumption to consider in multivariate analysis, for sample sizes beyond 200 the effects of non-normal data on the results of an analysis may be negligible. Non-linearity of the relationships between variables on the other hand may lead to underestimation of the actual strength of a relationship between variables when techniques such as multiple regression, factor analysis or structural equation modelling e.t.c are employed (Hair et al., 2006).

4.12.2 Variables in the analysis

Variables in the analysis included latent and measured variables. Latent variables are variables that cannot be measured directly but can be measured by one or more variables while measured variables represent observed values for a specific item or question (Hair et al., 2006). The CSR predisposition, CSR-based employer attractiveness and CSR-induced identification constructs included in the analysis as latent variables since according to Hair et al. (2006) constructs can be operationalised as latent variables. The measured variables for CSR predisposition included 3 items from three questions asked in relation to CSR predisposition. Measured variable for the CSR-based employer attractiveness construct consisted of economic, legal, ethical and philanthropic employer attractiveness. These eight (4) measured variables were composite variables formed by summated scales of four items each. Other measured variables included 3 items measuring identification. These items consisted of responses to three questions indicating CSR-induced identification.

A control variable CSR education was also included in the analysis this is because though this variable was not a variable of interest to this particular study, Evans and Davis (2008) found that potential employees were influenced by CSR education in their favourable response based on job application. The possible confounding effects of this variable was therefore found important to be checked especially because a CSR related course was part of the curriculum for a section of the students of the University of Ghana.

4.12.3 Method of analysis

Structural equation Modelling (SEM), specifically the two-step approach to SEM (Anderson & Gerbing, 1988) was employed as the method of analysis. SEM is a family of statistical models that seeks to explain the relationships among multiple variables (Hair et al., 2006). SEM is comparable to common quantitative methods, such as correlation, multiple regression, and analysis of variance (ANOVA), as well as factor analysis and multivariate analysis of variance (MANOVA) (Weston & Gore, 2006; Hair et al., 2006). According to Weston and Gore (2006) SEM is similar to correlation, multiple regression, and analysis of variance (ANOVA) based on the fact that firstly, all four statistical procedures are general linear models. Secondly, all these quantitative methods are valid only if specific assumptions are met and thirdly, none of these techniques implies causality. According to Hair et al. (2006) however, empirical inference of causation can be made possible in SEM when the hypothesized relationship has a strong theoretical support. As such, SEM is most useful in assessing the soundness of the causal relationships researchers formulate based on theory (Tobbin & Kuwornu, 2011; Toma, McVittie, Hubbard, & Stott, 2009).

SEM is also similar to multiple regressions and MANOVA in the sense that exogenous variables (which are similar to independent variables in the multiple regressions and MANOVA techniques) are used to predict and explain endogenous variables (which are similar to dependent variables in the multiple regressions and MANOVA techniques) (Hair et al., 2006). In this study, CSR perception was the exogenous variable while identification and employer attractiveness are the endogenous variables.

Structural equation modelling technique however has certain advantages that distinguish it from other quantitative and multivariate techniques. According to Chin (1998) the correct application of SEM-based procedures generate substantial advantages over first-generation techniques (e.g. factor analysis, discriminant analysis and multiple regression) because of the greater flexibility to:

1. model relationships among multiple predictor and criterion variables,
2. construct unobservable variables (also called Latent variables [LVs] ; these represent multidimensional constructs)
3. model errors in measurement for observed variables and
4. statistically test a priori substantive/theoretical and measurement assumptions against empirical data (i.e. confirmatory analysis).

Thus, SEM according to Chin (1998) involves generalizations and extensions of first-generation procedures". SEM is also the only multivariate technique that allows the simultaneous estimation of multiple equations (Hair et al., 2006). In this study SEM was employed to estimate the multiple relationships that were hypothesized to exist among CSR perception, identification, employer attractiveness and the various items employed in measuring them.

SEM consists primarily of two parts, namely, the measurement model specifying the relationships between the latent variables and their constituent indicators or items, and the structural model designating the causal relationships between the latent variables (Toma et al., 2009; Weston and Gore, 2006). It has therefore been viewed as a coupling of two traditions - psychometric emphasis and an econometric perspective focusing on prediction (Chin 1998).

Together, the measurement model and the structural model enable researchers to assess both the measurement properties and test the key theoretical relationships in a single technique (Hair et al., 2006); a unique feature of SEM. The measurement model part of SEM is however essentially Confirmatory factor analysis (CFA) (Schreiber, Nora, Stage, Barlow, & King, 2006; Albright & Park, 2009).

4.12.3.1 The measurement model (confirmatory factor analysis)

The measurement model describes the relationships between measured variables and the construct or constructs those variables are hypothesized to measure (Weston & Gore, 2006). The measurement part of the SEM model is analysed using confirmatory factor analysis. Confirmatory factor analysis a (CFA) is considered as the best-known statistical procedure for testing a hypothesized factor structure (Wang & Ahmed, 2004 citing Schumacker & Lomax, 1996; Byrne, 2001). Although CFA is similar to exploratory factor analysis (EFA) in some respects, philosophically it is quite different (Hair et al., 2006). Unlike EFA that is data driven and as such derives factors from statistical results obtained from analyzing the data (Hair et al., 2006), CFA is essentially theory driven; the analysis is driven by the theoretical relationships among the observed and unobserved or latent variables (Albright & Park, 2009; Schreiber et al., 2006). Additionally, although in EFA it is assumed that each common factor affect every observed variable and can be under taken with, CFA requires researcher to specify both the number of factors that exist within a set of variables and which factor each variable will load highly on before results can be computed (Hair et al., 2006).

According to Schreiber et al. (2006) when a researcher conducts CFA, the researcher uses a hypothesised model to estimate a population covariance matrix that is compared with the observed covariance matrix. Technically therefore, the researcher aims at minimizing the difference between the estimated and observed matrices. Beyond its demand for rigorous theoretical support, another important advantage of CFA in SEM is the researcher's ability to evaluate the construct validity of the measurement theory (Hair et al., 2006) which is usually indicated in the researcher's conceptual or structural framework or both (Schreiber et al., 2006). CFA was thus employed to check the validity of the measurement model as proposed in the conceptual framework as well as establish both the convergent and discriminant validity of the constructs employed in the study.

4.12.3.2 The structural model

The structural model is the part of SEM that describes interrelationships among constructs or latent variables (Weston & Gore, 2006). The structural model is essentially the corresponding structural theory, or specification of hypothesised relationships based on theory represented with a set of structural equations that can be depicted with a visual diagram (Hair et al., 2006). It is therefore the part of the SEM process that is employed in estimating specified relationships among constructs. Given that the study included the investigation of mediation and moderation relationships, the study employed both mediation and moderated mediation (conditional indirect effect) analysis in SEM (Baron & Kenny, 1986; Preacher, Rucker, & Hayes, 2007). The study therefore employed the Baron and Kenny (1986) and the bootstrapping resampling procedures

(Preacher et al., 2007; Hayes, 2009) for analysing the structural model. Overall SPSS version 20 and AMOS version 21 were the software employed for the data analysis.

CHAPTER FIVE

RESULTS AND DISCUSSIONS

5.0 Introduction

The preceding chapter presented a discussion of the methodology employed in achieving the objectives of the study. This chapter, however, presents the results of the analyses of data collected and also presents a discussion of these results in the light of the study. The chapter presents the demographic characteristics of the respondents, the descriptive statistics of the variables employed in the study, an assessment of the measurement model and an assessment of the structural model. The study then moves to discuss results of the data analysis in relation to the various hypotheses developed in chapter two. The chapter then concludes with a summary and discussion of the result in light of the study and in relation to the objectives of the study.

5.1 Demography of respondents

Tables 5.1 and 5.2 present information on the demographic profile of the respondents that made up that sample for the study. Table 5.1 presents demographic information captured in form of categorical variables while Table 5.2 presents information on the age of respondents; which was captured as a continuous variable. Females formed majority of the respondents surveyed, accounting for 61.4% of the 308 respondents. The respondents were of an average age of 24.77 years at a standard deviation of 5.01. In relation to religion, 93.5% of the respondents were Christians, while 5.8% and 0.6% of the respondents professed Islam or other religions respectively. In relation to the academic degree being offered, 54 of the respondents,

representing 17.5% were offering an MBA degree while 224 respondents representing 82.5% of the sample were offering an undergraduate degree. In terms of work experience, 224 of the 308 respondents representing 72.7% had work experience with the majority of them having 1 year of work experience. The highest length of work experience was 21 years. In relation to CSR education, more than half of the respondents, that is, 57.5% of the respondents have never taken a course in business ethics or social responsibility.

Table 5.1 Demographic profile of respondents

Categorical Variables	Frequency	Percentage
Gender		
Male	189	61.4
Female	119	38.6
Religion		
Christianity	288	93.5
Islam	18	5.8
other	2	0.6
Type of degree		
MBA	54	17.5
Undergraduate	254	82.5
Work experience		
Yes	224	72.7
No	84	27.3
CSR education		
Yes	131	42.5
No	177	57.5

Table 5.2 Age distribution of respondents

Continuous variable	Minimum	Maximum	mean	Standard deviation	mode	Cumulative percentage of modal age
Age (years)	18	50	24.77	5.01	22	27

5.2 Descriptive statistics of measurement items

The importance of the various variables employed in forming the various constructs; CSR, CSR-induced identification, CSR-based employer attractiveness, employed in the analyses are presented in Table 5.3. The table presents the means, standard deviations, corrected item-to-total correlations, reliability of constructs if item is deleted and the results of t-tests. The mean of the variables ranged from the lowest of 4.13 to the highest of 6.53. The item “I believe that businesses should commit substantial funds to CSR initiatives at the expense of profits” which had the lowest mean of 4.13 also had the highest standard deviation of 1.87, indicating the varied responses this particular item. The lowest corrected item-to-total correlation recorded was .325, which was higher than the acceptable threshold of 0.3 (Blankson & Stokes, 2002) and as such, the variable was retained. All the variables were significant per the results of the two-tailed t-test. All variables were therefore considered acceptable and included in the formation of their respective constructs for further analysis.

Table 5.3 Descriptive statistics of measurement items

Measurement items	Mean	Standard deviation	Corrected Item-to-total correlation	Reliability if deleted	T-test	Two-tailed Sig.
CSR activities are far more important than profit making	4.292	1.6985	.676	.768	44.349	.000
CSR should be the first obligation of all businesses in today’s society	4.425	1.6455	.729	.720	47.197	.000

I believe that businesses should commit substantial funds to CSR initiatives at the expense of profits	4.133	1.8683	.654	.797	38.826	.000
I am attracted to seeking employment with companies that plan for their long term success	6.47	.733	.614	.514	155.026	.000
I am attracted to working with firms that always improve economic performance	6.41	.796	.496	.572	141.336	.000
I consider as attractive employers, firms that minimize operating costs	6.08	1.024	.325	.690	104.132	.000
I am attracted to seeking employment with companies that are as profitable as possible	6.28	1.055	.426	.620	104.425	.000
I am attracted to seeking employment with companies that refrain from circumventing the law even if this helps to improve performance	6.07	1.147	.397	.790	85.791	.000
I am attracted to working with firms that abide by laws and regulations	6.48	.737	.650	.642	97.963	.000
I consider as attractive employers, firms that avoid discrimination in hiring and compensation	6.53	.882	.531	.686	132.780	.000
I am attracted to seeking employment with companies that ensure that their employees act within the standards defined by the law	6.39	.930	.648	.617	117.444	.000
I am attracted to seeking employment with companies that implement an ethical code of conduct	6.00	1.228	.536	.621	92.885	.000
I am attracted to working with firms that avoid compromising ethical standards in order to achieve corporate goals	6.17	1.105	.445	.675	154.258	.000
I consider as attractive employers, firms that incorporate integrity in the performance evaluation of employees	6.42	.848	.460	.667	130.022	.000
I am attracted to seeking employment with companies that organize ethics training programs for their employees	6.29	.939	.564	.605	120.641	.000
I am attracted to seeking employment with companies that allocate some of their	5.66	1.270	.517	.575	78.129	.000

resources to philanthropic activities (donations, supporting charitable causes, etc.)						
I am attracted to working with firms that minimize the amount of energy and materials wasted	6.12	1.015	.388	.654	105.774	.000
I consider as attractive employers, firms that support employees' education and training	6.16	1.024	.406	.643	105.619	.000
I am attracted to seeking employment with companies that help solve social problems	6.28	.913	.554	.561	120.682	.000
I feel connected to firms that are socially responsible	5.75	1.064	.691	.866	94.938	.000
When socially responsible firms succeed I feel like part of the success	5.74	1.137	.751	.814	88.565	.000
I feel a sense of oneness with firms that demonstrate social responsibility	5.76	1.074	.809	.760	94.105	.000

5.2.1 Examination of data

The data were also examined for missing data, linearity and normality. Missing data were found on the demographic variables and one missing data point was found on one of the items measuring CSR predisposition. Missing data were found to be missing completely at random using the little's MCAR test in SPSS. The missing data were then replaced using multiple imputation method (Rubin, 1996) in SPSS 20. Normality checks in AMOS using measures of skewness and kurtosis and multivariate normality revealed insufficient multivariate normality (results presented in Appendix 2). However, according to Hair et al. (2006) in large sample sizes of over 200, effects of non-normal data may become negligible.

Additionally, the bootstrapping resampling method employed in the mediation and moderated mediation analysis does not assume multivariate normality and as such the non-normality of the variables is unlikely to have substantial impact on the results. Finally, linearity test in SPSS revealed that all the hypothesised relationships were sufficiently linear except for the relationship between CSR predisposition and CSR-based employer attractiveness which was not sufficiently linear. It is therefore expected that the structural equation model estimated using the maximum likelihood estimation procedure might underestimate the effect of CSR predisposition on CSR-based employer attractiveness. This shortfall will however be put into consideration during the interpretation and discussion of the results of the analysis.

5.2.2 Reliability of measuring scales

Reliability analysis for the study was at two levels using SPSS version 20. Firstly the reliability of the items measuring, economic, legal, ethical and philanthropic employer attractiveness were measured. According to Hair et al. (2006), the generally accepted lower limit for Cronbach's alpha reliability measure is 0.7, however, in exploratory research, a lower limit of 0.6 may be considered acceptable (Hair et al., 2006). The minimum Cronbach's alpha recorded was 0.67 and this was recorded for economic employer attractiveness. Given that the lowest Cronbach's alpha score for each of the four dimension of CSR-based employer attractiveness, 0.67 was above the minimum acceptable for exploratory research and marginally lower than the more acceptable 0.7 score, the study proceeded to sum and average the observed scores for the 4 items representing each of these 4 dimensions of CSR-based employer. The new single composite measure for the variables for economic, legal, ethical and philanthropic employer attractiveness were then used as measured variables for the latent variable employer attractiveness (EA). The reliabilities of

the summated scales are reported for economic (EcEA), legal (LeEA), ethical (EtEA) and philanthropic (PhEA) employer attractiveness are reported in Table 5.4.

Table 5.4 Reliability of summated scales

Summated scales	Cronbach's alpha reliability
EcEA	0.67
LeEA	0.71
EtEA	0.74
PhEA	0.78

The reliability of the measurement scale for the latent variables CSR predisposition (CSRPRE) CSR-based employer attractiveness (EA) and CSR-induced identification (IDEN) were then measured. CSRPRE, EA and IDEN constructs recorded Cronbach's alpha scores of 0.83, 0.90 and 0.87 respectively. Each of these constructs consisted of three measured variables, except for EA which was made up of four measured variables. In addition to the Cronbach's alpha reliability scores calculated for the constructs; which were latent variables in this study, composite reliabilities for the latent variables were also calculated from the confirmatory factor analysis step of the structural equation modelling technique. Composite reliability scores for CSR Predisposition (CSRPRE), employer attractiveness (EA) and identification (IDEN) were 0.83, 0.90 and 0.87 respectively and exceeding 0.7, suggesting a satisfactory level of reliability (Bagozzi and Yi, 2012). Both the Cronbach's alpha and composite reliability scores of the constructs or latent variables are reported in Table 5.5.

Table 5.5 Reliability of final constructs

Constructs	Cronbach's alpha reliability	Composite reliability
CSRPPRE	0.83	0.83
EA	0.90	0.90
IDEN	0.87	0.87

5.2.3 Construct Validity

Convergent and discriminant validity were determined from the CFA model. As discussed earlier, convergent validity is established if the shared variance accounts for 0.50 or more of the total variance. However, discriminant validity is evident when the AVE for each construct is greater than the squared correlation between that construct and any other construct in the model (Fornell & Larcker 1981). As evident from Table 5.6, all the latent variables in the equation had AVE higher than 0.5. The AVE's for the variables ranged for 0.62 to 0.70 an indication of acceptable convergent validity of each of the measuring scales. The results indicate that, the multiple items proposed to measure each construct share a high proportion of variance in common (Hair et al., 2006).

Additionally, the AVE for each construct was higher than the square of the correlation between the construct and any other construct, an indication of adequate discriminant validity among the constructs. Thus, this means that each of the latent variables in the model is a better measure of the construct it proposes to measure than being a measure of any other construct in the model. As such, given that the proposed measures have adequate convergent and discriminant validity, the study proceeded to analyse the fit of the overall measurement model.

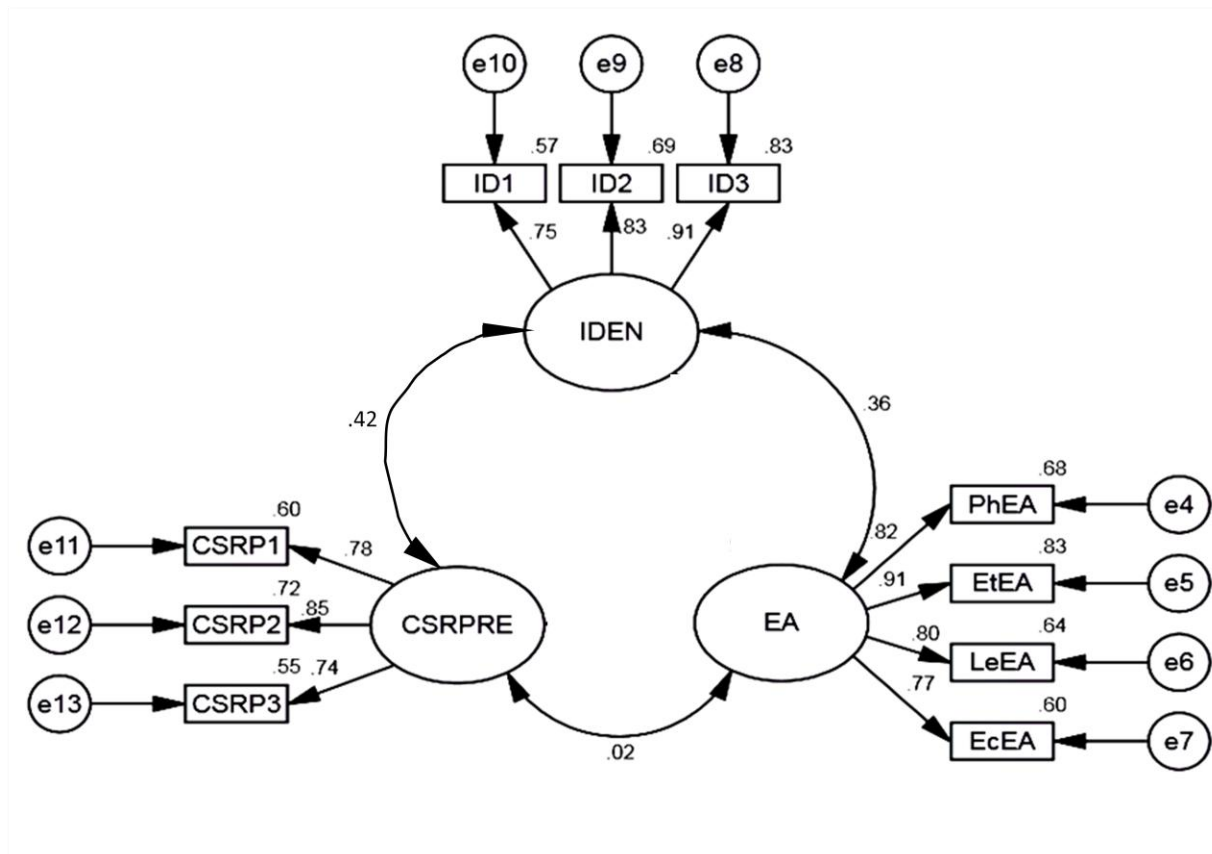
Table 5.6 AVE and shared variance

Constructs	AVE	Shared variance		
		EA	IDEN	CSRPRE
EA	0.69	0.829		
IDEN	0.70	0.362	0.835	
CSRPRE	0.62	0.016	0.415	0.790

5.3 Assessment of the overall measurement model

The overall measurement model was generated by running a confirmatory factor analysis by covarying all the latent variables involved in the study (i.e CSRPRE, EA and IDEN). The fit of the overall measurement model, Figure 5.1 was tested and evaluated using model indices of absolute, incremental and parsimonious fit measures.

Figure 5.1 Overall measurement model



The proposed measurement model demonstrated adequate fit on each of the fit indices except for the Chi-square (X^2) statistic which was significant indicating that the model is not representative of the data. It has however been argued that the X^2 - statistic produces biased result when large sample sizes are involved (Hair et al., 2006) and indeed it has been argued that a better criterion is the ratio of the X^2 statistic to the degrees of freedom, which should be less than 2 (Kim et al.,

2010 citing Carmines & McIver ,1981). In the case of this study, the ratio of the X^2 to the degrees of freedom was 1.80 indicating that the model is adequately representative of the data. The model had a RMSEA value of 0.05, incremental fit indices greater than 0.95, ranging from 0.98 to 0.99 and parsimony of fit indices greater than the 0.05 threshold. In addition to the existing evidence of convergent validity of constructs, the indicators of the various constructs demonstrated strong loadings on constructs ranging from a the lowest of 0.74 to the highest of 0.91 thus higher than the recommended > 0.50 threshold and as such indicating that each measure is accounting for 50 percent or more of the variance of the underlying construct (Chin, 1998).

Table 5.7 Goodness-of-fit indices for measurement model

Goodness-of-fit Indices	Benchmark	Model
Absolute goodness of fit measure		
Chi-square (CMIN) (χ^2)	$P \geq 0.05$	0.003
Chi-square /degree of freedom	≤ 2	1.806
Absolute badness of fit measure		
Root mean Square Error of Approximation (RMSEA)	≤ 0.08	0.051
Incremental fit measure		
Comparative Fit Index (CFI)	≥ 0.95	0.985
Incremental fit index (IFI)	≥ 0.95	0.985
Turker-Lewis Index (TLI)	≥ 0.95	0.978
Parsimony fit measure		
Parsimony Comparative of Fit index (PCFI)	≥ 0.50	0.700
Parsimony Normed of Fit index (PNFI)	≥ 0.50	0.687

5.4 Assessing the baseline structural model

The assessment of structural models involves determining whether the theoretical relationships specified in the model are indeed supported by the data (Cobb, 2007). As such assessing the structural model in this study was to determine whether the relationships hypothesized based on theory were supported by the data. The overall fit of the structural model was tested using the various fit indices as discussed in chapter four. As indicated in Table 5.8, the baseline structural model, Figure 5.2 , demonstrated adequate fit based on each of the fit indices except for the Chi-square (X^2) statistic. The model had a RMSEA value of 0.019, incremental fit indices greater than 0.95 and parsimony of fit measures higher than the ≥ 0.05 threshold. Although the X^2 statistic was significant indicating that the model was rejected, the ratio of the X^2 statistic to the degrees of freedom which is a better measure of fit was less than 2 (i.e. 1.42) thus indicating acceptable fit of the structural model to the data. The overall model however explained 17 percent ($R^2= 0.17$) of the variance in CSR-induced identification and 15 percent ($R^2= 0.15$) of the variance in CSR-base employer attractiveness.

In the following sections the study proceeds to examine the results of the analysis with a focus on the hypothesised relationships.

Figure 5.2 The baseline structural model

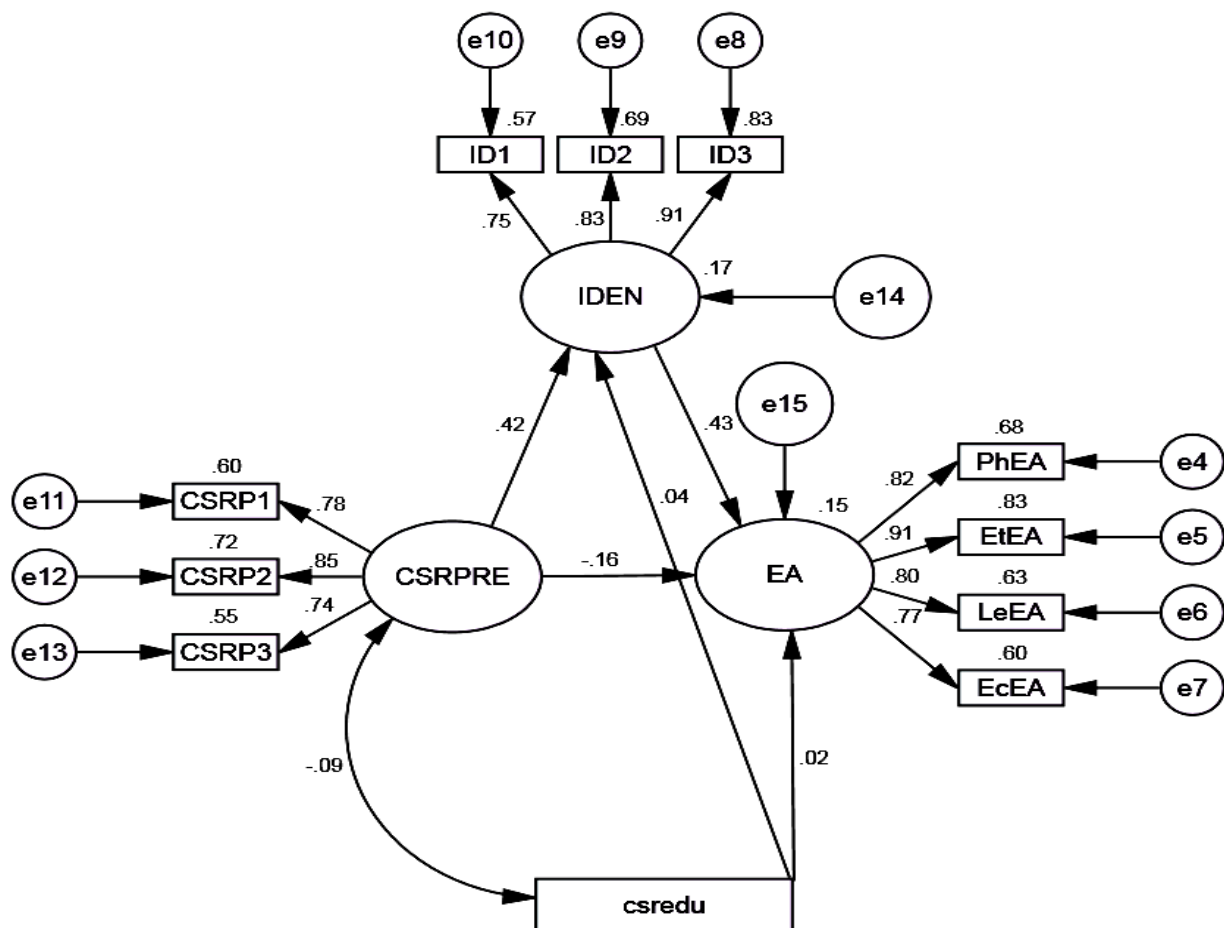


Table 5.8 Goodness-of-fit indices for structural model

Goodness-of-fit Indices	Benchmark	Model
Absolute goodness of fit measure		
Chi-square (CMIN)	$P \geq 0.05$	0.000
Chi-square /degree of freedom	≤ 3	1.423
Absolute badness of fit measure		
Root mean Square Error of Approximation (RMSEA)	≤ 0.08	0.019
Incremental fit measure		
Comparative Fit Index (CFI)	≥ 0.95	0.983
Incremental fit index (IFI)	≥ 0.95	0.983
Turker-Lewis Index (TLI)	≥ 0.95	0.976

Parsimony fit measure		
Parsimony Comparative of Fit index (PCFI)	≥ 0.50	0.697
Parsimony Normed of Fit index (PNFI)	≥ 0.50	0.670

5.4 Examining hypothesised relationships

This section examines the results of the structural model in light of the hypothesis put forward in the chapter two of the study. The results presented in this section focus on the results related to the stated hypotheses; however, mention is also made of the results related to the role of the control variable, CSR education. The section is divided into three subsections. The first subsection deals with results from the baseline structural model which address hypothesis 1 to 3. The second subsection addresses results from mediation analysis using both the Baron and Kenney (1986) method and bootstrapping resampling method. The third section addresses results from the moderated mediation analysis which was employed to address hypothesis 4.

5.4.1 Results from baseline structural model

H1: CSR predisposition will have a significant positive effect on CSR-based employer attractiveness

As indicated in Figure 5.2 above and Table 5.9 below, contrary to hypothesised relationship, CSR predisposition within the overall model had a negative influence on employer attractiveness. This was represented by a standardized coefficient of - 0.16 significant at 5% level of significance ($p = 0.02$). However, although Chin(1998) argues that standardized paths must be at least 0.20 and ideally above 0.30 in order to be considered meaningful the non-

linearity of the relationship between CSR predisposition and EA as found during the data examination stage of the analysis may have caused an underestimation of this path. The results therefore indicate that CSR predisposition is negatively related to CSR based employer attractiveness. Hence, contrary to the hypothesised relationship results indicate that the more predisposed a respondent is to CSR the more likely it is that the respondent will respond negatively on CSR-based employer attractiveness. In other words respondents with favourable CSR predisposition will have less CSR-based employer attractiveness

H2: CSR predisposition will have a significant positive effect on CSR-induced identification

As indicated in Figure 5.2 above and in Table 5.9 below, CSR predisposition within the overall structural model had a positive influence on CSR-induced identification. The positive relationship had a standardized regression weight of 0.42 and was significant at 1% level of significance with a $p < 0.0001$. As such, the study's second hypothesis was supported; indicating that CSR predisposition had significant positive influence on the level of CSR-induced identification among respondents. This further indicates that respondents that are predisposed to CSR are more likely to identify with firms based on firms' practice of CSR.

H3: CSR-induced identification will have a significant positive effect on CSR-based employer attractiveness

Results from Figure 5.2 and Table 5.9 reveal that in accordance with the hypothesised relationship, CSR-induced identification has a positive influence on CSR-based employer attractiveness. The relationship is significant at the 1% level of significance and has a

standardized regression coefficient of 0.43. This is an indication that respondents that identify with firms based on firms' practice of CSR are likely to be attracted to working with such firms.

Table 5.9 provides a summary of the results of hypothesis 1 to 3.

Table 5.9 Summary of hypothesis and related results from the structural model

	Hypothesised direct relationships			Estimate	S.E.	C.R.	Hypothesis	Results
H1	CSRPRE	→	EA	-0.16**	.033	-2.263	+	Rejected
H2	CSRPRE	→	IDEN	0.42***	.042	6.109	+	Supported
H3	IDEN	→	EA	0.43***	.056	5.899	+	Supported
control	csredudummy	→	EA	0.02	.071	.379		Controlled
control	csredudummy	→	IDEN	0.04	.092	.631		Controlled

*** significant at 1%

**significant at 5%

5.4.2 Results from mediation analysis

Mediation analysis using both the Baron and Kenny (1986) method and the bootstrapping resampling technique were employed to address hypothesis 4 as discussed in chapter four.

Results for the mediation analysis are presented below.

H4: CSR-induced identification will mediate the relationship between CSR predisposition and CSR-based employer attractiveness

Following Baron and Kenny's (1986) approach to analysing simple mediation models, the baseline model was analysed both with and without the proposed mediator. The results are presented in Figure 5.3 below. This was done to produce standardized regression coefficients for three regression equations that were tested: first, the independent variable (CSR predisposition)

predicting the mediator (identification); second, the independent variable (CSR predisposition) predicting the dependent variable (employer attractiveness); and third, both the independent variable (CSR predisposition) and the mediator (identification) predicting employer attractiveness. The first and third equations were however run simultaneously as is possible in SEM (Preacher et al., 2007).

As shown in Figure 5.3, for the first equation CSR predisposition is significantly and positively related to identification with a standardized regression weight of 0.42 at 1% ($p < 0.01$) level of significance. However, for the second equation, CSR predisposition however had marginally positive but an insignificant relationship with employer attractiveness. The insignificance of this relationship meant that conditions were not fully met for undertaking mediation analysis according to the Baron and Kenny (1986) approach and as such the results of the third equation did not really matter.

However, Hayes (2009), in his article “Beyond Baron and Kenny: statistical mediation analysis in the new millennium” argued that, there is a possibility of a variable X affecting a dependent variable Y indirectly through another variable M without the existence of a significant direct association between X and Y. He further argued that “a failure to test for indirect effects in the absence of a total effect can lead to you miss some potentially interesting, important, or useful mechanisms by which X exerts some kind of effect on Y”. Thus in the case of this study, a failure to proceed in analysing the possible indirect effect might lead to missing a possible mechanism by which CSR predisposition exerts some kind of effect on CSR-based employer

attractiveness through CSR-induced identification. Thus the study went on to analyse the possible indirect effect using both the Benny and Kenny method and the bootstrap resampling method proposed by Preacher et al. (2007) and Hayes (2009). The results of the two methods of mediation analysis are summarized in Table 5.10 while the mediation analysis using the Baron and Kenny approach is illustrated Figure 5.3.

From Figure 5.3 and Table 5.10 below, the Baron and Kenny method of simple mediation analysis produced inconclusive results. Although the direct effect between CSR predisposition and employer attractiveness was not significant when run without the mediator, the relationship became negative and significant with inclusion of the mediator. The direct relationship at the inclusion of the mediator had a standardized regression weight of - 0.16 and was significant at 5%. This indicates that the presence of the identification reverses the direct effect of respondents CSR predisposition on employer attractiveness. The results seem to indicate that in the event of a possible CSR-induced identification on the part of respondents, there is a significantly negative direct influence of an individual's CSR predisposition and his or her CSR-based employer attractiveness.

To clarify the overall mechanism of response, the study then moved on to analyse the indirect effect of CSR predisposition on CSR-based employer attractiveness through CSR-induced identification. The study employed the bootstrapping resampling technique at a 95% bias-corrected bootstrap confidence interval based on 5000 bootstrap samples as recommended by Hayes (2009). Results from this analysis as presented in Table 5.10 indicate that the indirect

effect of CSR predisposition on employer attractiveness through identification was significant at a 95% bias-corrected bootstrap confidence interval based on 5000 bootstrap samples with a standardized regression weight of 1.79. This result indicates that although CSR predisposition does not have a significant direct effect on employer attractiveness, or has a significant negative effect on employer attractiveness in the presence of identification; CSR predisposition of individuals has a positive and significant indirect influence on employer attractiveness through CSR-induced identification with a regression weight of 1.79.

Figure 5.3 Mediation analysis using Baron and Kenny (1986) approach

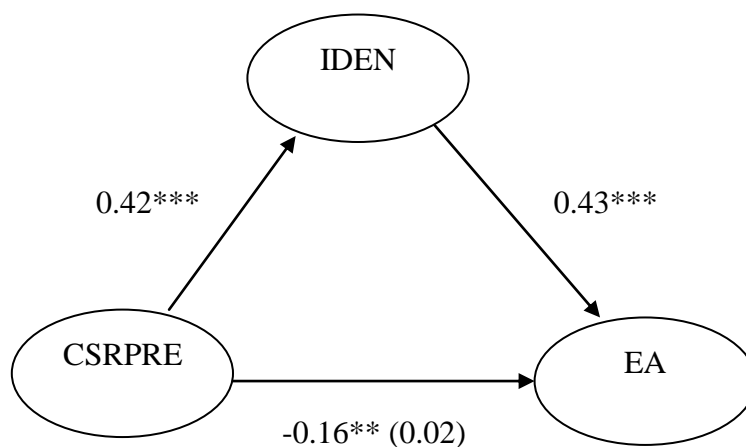


Table 5.10 Results of mediation analysis using Baron and Kenny and bootstrapping approaches

Relationship	Baron and Kenny method		Bootstrapping	
	Direct without mediator	Direct with mediator	Indirect effect	Indirect effect
CSRI-DEN-EA	.020 (.760)	-.16 (.024)	0.179	Significant at 1% (P < 0.0001)

NB: p-values for Baron and Kenny estimates are in bracket

5.4.3 Results of the moderated mediation (conditional indirect effects) analysis

To analyse the effects of different demographic factors on the direct and indirect influence of CSR predisposition on employer attractiveness, the study employed the moderated mediation analysis (Baron & Kenny, 1986; Preacher et al., 2007) also known as conditional indirect effects analysis (Preacher et al., 2007). The analysis took the form of multi-group analysis of the mediation model using SEM.

H5: Work experience, educational level and gender will moderate both direct effect of CSR predisposition on CSR-based employer attractiveness and indirect effect of CSR predisposition on CSR-based employer attractiveness through CSR-induced identification.

5.4.3.1 Gender

Results of the moderated mediation analysis in relation to the gender characteristic are presented in Table 5.11. Results from the Baron and Kenny method reveal that in the presence of the mediation variable the direct effect of CSR predisposition on CSR-based employer attractiveness was significant at 10% level of significance for both males and females. This direct effect had however been insignificant for both male and females when the analysis was run without the mediator. It is interesting to note however, that unlike the baseline structural model, the direct effect of CSR predisposition without the inclusion of identification though not significant was still negative for females signalling the possibility of no direct positive effect on CSR-based employer attractiveness in females. The indirect effect via bootstrapping was positive and significant for both sexes. The standardized regression estimates were however relatively higher

for males than females, 0.275 and 0.120 respectively. This results signal that the indirect influence of CSR predisposition on employer attractiveness through identification was twice stronger in males than in females; suggesting that males were possibly more responsive to CSR activities of firms based on their perception of CSR once they identify with CSR practicing firms. This result was therefore further tested through the heterogeneity test in line with recommendations by (Altman, 2003). The difference between the standardized regression weights was found significant at 10% under a one-tail test as presented in Table 5.12 below but insignificant under a two tail test. This result however is not a sufficient support for earlier results from the bootstrap test. As such, contrary to the hypothesis 5, the positive indirect influence of CSR predisposition on employer attractiveness through identification is statistically equal among in males than in females.

Table 5.11 Results of moderated mediation analysis in relation to gender

	Relationship	Baron and Kenny method		Bootstrapping	
		Direct without mediator	Direct with mediator	Indirect effect size	Indirect
Male	CSRI-DEN-EA	.073(.483)	-.206(.064)	0.275	.000
Female	CSRI-DEN-EA	-.036(.666)	-.156(.087)	0.120	.000

NB: p-values for Baron and Kenny estimates are in bracket

Table 5.12 Results of heterogeneity test of the difference between standardized indirect effects for males and females

	Female	Male	Z	2-tailed P	1-tailed P
Indirect Effect (Not Standardized)	0.052	0.143	1.553	0.120	0.060
Standard Error	0.025	0.053			

5.4.3.2 Work experience

The results of the moderated mediation analysis in relation to work experience are presented in Table 5.13 below. According to the Baron and Kenny (1986) method, CSR predisposition has no significant direct influence on employer attractiveness with or without a moderator; except for those who had work experience for whom CSR predisposition had a significant negative (-0.14 , $P= 0.86$) effect of employer attractiveness in the presence of a mediator.

Results from the bootstrapping technique indicated that the indirect effect of CSR predisposition on employer attractiveness through identification is significant for both respondents who had work experience and those that did not at 1% level of significance with standardized regression weights of 0.17 and 0.20 for those who do and do not have work experience respectively. The difference between the two significant regression weights was however tested by the heterogeneity test and presented in Table 5.14 below. Results from the heterogeneity test indicate that there is no significant difference between the indirect influences of CSR predisposition on employer attractiveness through identification for neither respondents with work experience nor otherwise. These results indicate that the indirect influence of respondents CSR predisposition on employer attractiveness is positive and statistically equal for both respondents with work experience and those without work experience.

Table 5.13 Moderated mediation results for work experience

	Relationship	Baron and Kenny method		Bootstrapping	
		Direct without mediator	Direct with mediator	Indirect effect size	Indirect p-value
Yes	CSRI-DEN-EA	.028(.710)	-.141(.082)	0.170	.000
No	CSRI-DEN-EA	.010(.936)	-.194(.160)	0.204	.002

NB: p-values for Baron and Kenny estimates are in bracket

Table 5.14 Results for heterogeneity test for difference between standardized indirect regression weights for respondents based on existence of work experience.

	No Exp	Yes Exp	z	2-tailed p	1-tailed p
Indirect effect (not standardized)	0.125	0.073	0.630	0.529	0.264
Standard error	0.079	0.024			

5.4.3.3 Education

The education variable was measured in relation to the type of degree the respondent was pursuing at the time of the study. Results for moderated mediation analysis in relation to educational level are presented in Table 5.15 below. Results from the Baron and Kenny method indicate that CSR predisposition has no significant direct effect on CSR-based employer attractiveness when analysed without the mediator for either group (MBA or Undergraduate). When analysed with the mediator, the direct relationship remained insignificant for respondents who were offering an MBA course but was negative and significant at 5% level of significance

for respondents offering an undergraduate course. This direct relationship in the presence of the mediator had a regression weight of -0.154 ($p = 0.037$).

Additionally, results from the bootstrap resampling technique at a 95% bias-corrected bootstrap confidence interval based on 5000 bootstrap samples indicated that CSR predisposition had a positive and significant indirect effect on employer attractiveness through identification for respondents who were offering an undergraduate degree (standardized regression coefficient = 0.169 , $P < 0.001$). This indirect effect was however insignificant for respondents who were offering an MBA. This result indicates that CSR predisposition of respondents offering undergraduate courses influence their employer attractiveness through their CSR-induced identification with the firm. This indirect influence is however nonexistent for MBA students contrary to hypothesis 5 and as such there was no need for a heterogeneity analysis to establish the difference in standardized regression weights.

Table 5.15 Results for moderated mediation analysis for education based on type of degree

	Relationship	Baron and Kenny method		Bootstrapping	
		Direct without mediator	Direct with mediator	Indirect effect size	Indirect
MBA	CSRI-DEN-EA	.024(.853)	-.129(.495)	0.144	.110
Undergraduate	CSRI-DEN-EA	.014(.842)	-.154(.037)	0.169	.000

NB: p-values for Baron and Kenny estimates are in bracket

5.5 Discussion of findings

The study sort to examine a mechanism through which stakeholders' CSR perception measured by their CSR predisposition translates into a response to CSR initiatives while accounting for the influence of other individual factors. To achieve this aim, the first part of the analyses focused on estimating the direct effect of CSR predisposition on CSR-based employer attractiveness. Contrary to the first hypothesis, results from the analysis of the overall baseline structural model revealed that CSR predisposition had a significant negative direct effect on CSR-based employer attractiveness. The results indicate that stakeholders who have favourable CSR predisposition are more likely to respond negatively on CSR-based employer attractiveness if they are directly exposed to CSR initiatives of firms in the presence of possible identification. In other words stakeholders' who have a favourable perception of CSR are not attracted to working with firms based on the direct knowledge of firms' CSR engagements.

This result was consistent with the findings of Kim and Park (2011) who found that CSR had a significant negative effect on intent to apply for a job in the presence when person-organization (P-O) fit, a variable similar to the identification was included as a mediating variable. Although this finding is contrary to the findings of (Turban & Greening, 1997; Greening & Turban, 2000; Sen et al., 2006; Evans & Davis, 2008) who found that stakeholders CSR perceptions positively affected their employer attractiveness, other scholars have also heightened the fact that under certain conditions, engagement in CSR can indeed lead to negative returns from stakeholders (Sen & Bhattacharya, 2001; Brammer & Pavelin, 2006; Guzman & Becker-Olsen, 2010). Guzman and Becker-Olsen (2010) for example argue that under conditions where consumers are sceptical about the CSR engagements of firms, consumers will respond negatively to the CSR

engagements of firms. As such, in the Ghanaian context, where Stiftung (2012) intimates that CSR is perceived as closely linked to the PR efforts of major foreign companies and as such, is regarded with some scepticism, it can be said that this stakeholders may respond negatively when directly exposed to the information about the CSR engagements of firms.

The study proceeded to examine the effect of stakeholders' CSR predisposition on their identification with firms based on firm's practice of CSR and additionally to investigate the interrelationship among CSR predisposition, CSR-identification and CSR-based employer attractiveness. Results of the analysis showed that CSR-predisposition had a positive and significant effect on CSR-induced identification while CSR-induced identification also had positive and significant effect on CSR-based employer attractiveness. These results indicate that stakeholders who have favourable perception of CSR will be likely to identify with or in other words be psychologically attached to firms that engage in CSR. Additionally, stakeholders who identify with firms based on the practice of CSR are likely to have positive employer attractiveness passed on the practice firms' practice of CSR. Given that CSR-predisposition had a significant positive effect on CSR-induced identification which in turn positively affected CSR-based employer attractiveness; the possibility of an indirect effect of CSR-predisposition on CSR-based employer attractiveness through CSR-induced identification was tested using the bootstrapping resampling technique option in AMOS 21.

The bootstrapping test at 95% confidence interval using 5000 bootstrap samples revealed a significant positive indirect effect of CSR predisposition on CSR-based employer attractiveness through CSR-induced identification. This confirms that CSR-induced identification mediates the

relationship between individuals' CSR predisposition and their perceived attraction towards the job offerings of CSR practicing firms.

A synthesis of the preceding discussion of results thus indicated that although there was not a clearly significant direct effect of CSR predisposition on individuals' CSR-based employer attractiveness, there exists a significant positive indirect effect of CSR predisposition on employer attractiveness through CSR-induced identification. Practically therefore, the results indicate that individuals with favourable CSR predisposition will be attracted to the employment of CSR practicing firms if they first identified with the firms based on the firms' practice of CSR. This finding is consistent with findings of other scholars who found that identification leads to other favourable attitudinal and behavioural rewards (Bhattacharya & Sen 2004; Curras-Perez et al., 2009) and indeed mediates the relationship between CSR perceptions and employer attractiveness (Sen et al., 2006; Kim & Park, 2011). As supported by Kim and Park (2011), it is plausible that potential employees first develop perceptions of fit with a company when provided with information about CSR performance, and they then begin to develop perceptions of a company's attractiveness.

The study then moved on to investigate the influence of individual-level factors including gender, work experience and level of education on the mechanism of response identified in the preceding analyses. In general, the results of the analysis revealed that the mechanism of CSR predisposition's effect on CSR-based employer attractiveness remained the same across subgroups except for notable departure in the case of females and MBA students. Contrary to the hypothesised relationships the results also indicated no statistically significant difference

between subgroups under gender or work experience in relation to the indirect effect of CSR predisposition on CSR-based employer attractiveness through CSR-induced identification. The findings in relation to gender are similar to the findings by Martins and Parsons (2007) who found no significant difference in employer attractiveness between males and females in relation to a company's pursuit of gender diversity management programmes; a type of CSR. The indirect effect was however found significant for students offering undergraduate degrees and insignificant for students offering an MBA.

Additionally no direct effect for CSR predisposition on CSR-based employer attractiveness was significant for those who were offering an MBA or those who had no working experience, however notably also, all direct effects were negative in the case of females though insignificant without the CSR-induced identification variable; an indication that females might be more sceptical about the motives of firms engaged in CSR when exposed directly to information of firms' engagement in CSR. On the whole however, these results indicate that the overall baseline model is largely applicable across demographic variables of gender and work experience but not across educational level. Undergraduates were found to be more responsive to CSR initiatives by their attraction to the work of such firms based on their performance of CSR than MBA students, who were not found to be attracted to such firms neither directly nor indirectly. Although this finding contradicts the finding of other studies (e.g Albinger & Freeman, 2000), Aryeetey and Baah-Boateng, (2007) have argued that, underemployment and unemployment have increased post secondary education in the Ghanaian context, as such it seems plausible to reason that in context of proven underemployment and unemployment, job security will be a primary concern. Again, given that the MBA students employed in this study were from the weekend MBA course

designed for busy career men and women, it seems logical to reason based on arguments by Aryeetey and Baah-Boateng (2007) that these students were primarily concerned with job security which has been said to be a benefit of undertaking an MBA (Richards-Wilson & Galloway, 2006). As such, it can be concluded that these MBA students had relatively less job choice compared to the MBA sample employed in the study by Albinger and Freeman (2000) whose research was conducted in “a large Midwestern city”(pp. 246) presumably in the United States of America. Thus, the insignificant effect of CSR predisposition on the employer attractiveness for the MBA students in this study can be considered consistent with the findings of Albinger and Freeman, (2000) who found insignificant effect of CSR perception on employer attractiveness among individuals who have low job choice levels.

Additionally, the baseline structural model explained only 17 percent of the variation in CSR-induced identification and 15 percent of the variation in CSR-based employer attractiveness. These results suggests that other factors such as industry, job related and other individual or CSR based factors might help account for more of the variations in stakeholders response to CSR. Indeed findings by Thomas and Wise (1999) have revealed that, across various individual factors, the characteristics of the job were more important in determining employer attractiveness than a company’s impact on diversity issue; a type CSR. Among consumers also, quality of the product has been found to be important in explaining consumers’ response to CSR (Sen & Bhattacharya, 2001; Guzman & Becker-Olsen, 2010). It can therefore be argued that although CSR predisposition of stakeholders affects their CSR-based employer attractiveness, other factors including perception of CSR-company fit (Brammer & Pavelin, 2006) and job characteristics (Thomas & Wise, 1999) might contribute to fully explaining the mechanism by

which CSR predispositions of individuals can influence employer attractiveness and by extension other stakeholder responses such as consumption and investment.

Table 5.16 Summary of results in relation to hypotheses for the study

Hypothesis	Hypothesised sign	Results	Comments
<i>H1: CSR predisposition will have a significant positive effect on CSR-based employer attractiveness</i>	+	-	Rejected
<i>H2: CSR predisposition will have a significant positive effect on CSR-induced identification</i>	+	+	Supported
<i>H3: CSR-induced identification will have a significant positive effect on CSR-based employer attractiveness</i>	+	+	Supported
<i>H4: CSR-induced identification will mediate the relationship between CSR predisposition and CSR-based employer attractiveness</i>			Supported
<i>H5: Work experience, educational level and gender will moderate both direct effect of CSR predisposition on CSR-based employer attractiveness and indirect effect of CSR predisposition on CSR-based employer attractiveness through CSR-induced identification.</i>			Rejected

CHAPTER SIX

SUMMARY, CONCLUSION AND RECOMMENDATIONS

6.0 Introduction

The previous chapter presented the results of the analysis and a discussion of the results obtained through the testing of the study's hypotheses. This chapter concludes the study by presenting a summary of the study, conclusions drawn in relation to the objectives of the study, an overall conclusion based on findings and a discussion of the implications, limitations and recommendations for future research.

6.1 Summary

The study set out to examine a mechanism through which stakeholders' CSR perception translates into a response to CSR initiatives while accounting for the influence of other individual factors. To achieve the broad aim of the study, the study focus on examining the effect of stakeholders' CSR predisposition on their identification with firms based on firm's practice of CSR, effect CSR predisposition on CSR-based employer attractiveness and interrelationship among stakeholders' CSR predisposition, identification and employer attractiveness. After an extensive review the of literature, development of appropriate hypothesis and a discussion of the context of study, the study employed questionnaires to collect data from 308 students comprising of final year undergraduate students and MBA students. The constructs employed in the study were validated using confirmatory factor analysis while the relationships among the constructs were estimated in a structural model; both techniques are components of the two-step approach

to structural equation modelling technique (Anderson & Gerbing, 1988). The findings of the study provide support for the fact that the CSR predispositions of stakeholders indirectly affect their response, specifically CSR-based employer attractiveness through CSR-induced identification. A direct effect across stakeholder demography was either negative or insignificant.

6.2 Major findings

This section briefly discusses the findings in relation to the specific objectives of the study

Objective 1

The first objective of the study was to examine the effect of stakeholders' CSR predisposition on their attraction to the employment of CSR practicing firms. This objective was achieved by estimating the direct relationship between CSR predisposition and CSR-based employer attractiveness with and without the inclusion of the CSR-induced identification construct within the context of the overall structural model. Within the overall structural model, CSR predisposition had a significant negative effect on CSR-based employer attractiveness. However, when the model was run without the CSR-induced identification CSR predisposition had a positive but insignificant effect on CSR-based employer attractiveness. The findings suggest that the CSR predisposition of potential employees in Ghana does not directly positively affect their attraction to working for firms that engage in CSR. Additionally in the presence of their ability to identify with such firms, job seeker in Ghana might react negatively to the CSR engagements of firms as a possible effect of scepticism about the motives of firms that engage in CSR.

Objective 2

The second specific objective was to examine the effect of stakeholders' CSR predisposition on their identification with firms based on firm's practice of CSR. The study achieved this by examine the estimated relationship between the CSR predisposition construct and the CSR-induced identification construct within the baseline structural model. CSR predisposition was found to significantly and positively affect CSR-induced identification. This finding is in line with other studies to support the fact that CSR has a role to play in stakeholders' identification with firms. As such it can be asserted that CSR can be employed to engender the needed psychological attachment of stakeholders with firms.

Objective 3

The third objective of this study was to examine the interrelationship among CSR predisposition, identification and employer attractiveness. The study relied on review of literature to test a hypothesis of possible mediating effect of CSR-induced identification on the relationship between CSR predisposition and CSR-based employer attractiveness. The results of the mediation analysis based on the Baron and Kenny (1986) and the bootstrapping resampling approach (Preacher & Hayes, 2007; Hayes, 2009) demonstrated that CSR-induced identification not only mediated the effect of CSR predisposition on CSR-based employer attractiveness, but provided a significant positive effect of CSR predisposition on CSR-based employer attractiveness. These results, examined in the light of preceding results seem to indicate that although stakeholders within the Ghanaian context react negatively or insignificantly when responding directly to CSR initiatives of firms as a result scepticism, they will react positively to

these same CSR initiatives if they first identify with firms based on these initiatives. There is therefore a clear suggestion of the need to focus on engendering stakeholder identification through CSR as this will inherently lead to other positive responses like employer attractiveness.

Objective 4

The fourth objective was to examine the influence of work experience, educational qualification and gender on the relationship between CSR predisposition, identification and employer attractiveness. In the context of the established negative or insignificant direct effect of CSR predisposition on CSR-based employer attractiveness and the significantly positive indirect effect of CSR predisposition on CSR-based employer attractiveness, the study proceeded to examine the possible moderation effects of gender, work experience and level of education on these identified relationships by conducting moderated mediation analysis. The study found that both the direct and indirect relationships between CSR predisposition and CSR-based employer attractiveness remained largely the same across all the tested demographic variables except for level of education where the CSR predisposition of MBA students was found to have no significant effect on their employer attractiveness. This result though contrary to findings by other scholars was explained within the prevailing employment context of Ghana where underemployment and unemployment are said exist. It was explained with supporting arguments for literature that acquiring an MBA in such a sector might be more focused towards job security than job acquisition. As such, this condition may have influenced the responses given and subsequent results.

6.3 Conclusion

In conclusion, evidence from the discussed results of the study reveal that potential employees in Ghana will react with scepticism to CSR initiatives of firms unless they first identify with firms based on the firms' performance of CSR. Additionally, this reaction mechanism is not significantly affected by individuals gender or work experience but is however affected by the degree potential employees are pursuing. Final year undergraduate students looking forward to enter the job market are more likely to respond positively based CSR initiatives of firms once they identify with the firm, however, MBA students seem indifferent to firms' practice of CSR since they are likely to be motivated by the need for job security rather than job pursuit in their decision to read the MBA.

6.4 Theoretical implications

The study found that CSR-induced identification was an important condition for positive response to CSR initiatives based on the CSR predisposition of individuals. This finding lends credence to and extends the applicability of identification based mechanisms of stakeholder response to CSR proposed by certain studies (Bhattacharya & Sen, 2004; Sen et al., 2006; Bhattacharya et al., 2008) into the Ghanaian context and possibly the African context where CSR investigation have focused on the motives, nature and reportage of CSR(e.g Kuada & Hinson, 2012; Hinson & Ndhlovu, 2011; Hinson et al., 2010; Dashwood & Puplampu 2010; Deutsche Gesellschaft für Technische Zusammenarbeit [GTZ], 2009; Ayine, 2008; Atuguba & Dowuna-Hammond, 2006; Visser, 2005). This is an important contribution given the existence of cultural differences and societal idiosyncrasies existing in different countries towards CSR (Ofori & Hinson, 2007, Maignan & Ferrell, 2004) and existing arguments for the African perspective of

CSR (Visser, 2005). More specifically, the findings of the study add evidence to the fact that identification plays an important if not a central role in stakeholders' attraction to the jobs of firms based on their firms CSR practices (Kim & Park, 2011; Sen et al., 2006).

The study was able to establish the significant positive indirect effect of CSR predisposition on employer attractiveness using the bootstrapping resampling technique in the absence of any such evidence from the Baron and Kenny (1986) approach. This study therefore provides a practical example of the methodological inadequacy of the Baron and Kenny (1986) approach in detecting significant indirect effects that may exist between two variables in the absence of the existence of a significant direct relationship between the two variables. As such, this study serves as a cautionary note to researchers not to abandon tests of simple mediation when there is no proof of direct relationship between two variables as prescribed by the Baron and Kenny approach but resort to other methods such as bootstrapping or Sobel test as recommended by Preacher and Hayes (2007) and Hayes (2009). As advised by Hayes (2009) “ a failure to test for indirect effects in the absence of a total effect can lead to you miss some potentially interesting, important, or useful mechanisms by which X exerts some kind of effect on Y”.

6.5 Managerial implications

Results from the study suggest that potential employees in Ghana will react with scepticism to CSR initiatives of firms unless they first identify with a firm based on the firm's performance of CSR. This finding indicates the need for managers, especially marketing managers to plan, implement and communicate CSR initiatives with the focus intensifying identification among

stakeholders (Kim et al., 2010; Maignan et al., 2005). Additionally, stakeholder identification has especially within the employment context been argued to be increased when employees are communicated to about CSR activities of firms and also actively included in the planning and implementation of firms' CSR initiatives (Bhattacharya et al., 2008; Kim et al., 2010). Based on the stakeholder theory (Mitchell et al., 1997) therefore, it is advised that firms adopt CSR planning and implementation approaches that identify and include the expectations and participation of important stakeholders groups, and in this case potential employees. For example firms can collaborate with student bodies to plan and implement CSR activities so as to engender identification of students with firms.

Additionally, since the indirect response mechanism of CSR predisposition on CSR-based employer attractiveness through CSR-induced identification was not significantly affected by their gender or work experience but only type of degree being pursued, it suggests the possibility of managers developing more generic than differentiated CSR strategies that can appeal to a wider audience. Specific strategies in relation to the communication and implementation of CSR practices can however be developed if the educational qualification is an important factor in the desired human resource.

6.6 Limitations and recommendation for future research

The study measured perceptual employer attractiveness based on CSR rather than actual behaviour. It is possible that perceptions or attitudes might not translate into actual behaviour and this might affect the way results of this study play out in the diverse conditions that plague

real world decision making. Additionally, the study did not investigate the possibility of interactions between individual variables in predicting or moderating both the direct and indirect effect of CSR predisposition of CSR-induced employer attractiveness. It is possible that interaction between these individual factors, for example, a combination of gender and level of education may present other interesting findings.

Future studies can therefore attempt to measure actual behaviour among stakeholders rather than focus on the measure of perceptual response. Additionally, future studies can investigate the interaction effects of various individual factors in predicting or moderating stakeholder response. Furthermore, given that baseline structural model did not account for all of the variance in the model, future studies could include other factors that may be more related to specific job characteristics in a bid to account for more of the changes in CSR-based employer attractiveness.

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APPENDIX 1: SAMPLE QUESTIONNAIRE**CORPORATE SOCIAL RESPONSIBILITY (CSR) AND EMPLOYER ATTRACTIVENESS**

Dear Respondent,

This is a survey created by Selorm Agbleze and Prof. Robert Hinson at the University of Ghana Business School. The questionnaire is anonymous and there are no right or wrong answers. It is important to answer all the questions. We thank you very much for your cooperation.

PART 1 (CSR predisposition)

Please indicate your opinion on the following statements by ticking your assessment in the space provided after each statement on the scale 1 to 7 (1= **strongly disagree**; 7 = **strongly agree**)

	Strongly Disagree	Disagree	Somewhat Disagree	Neutral	Somewhat Agree	Agree	Strongly Agree
	1	2	3	4	5	6	7
CSR activities are far more important than profit making							
CSR should be the first obligation of all businesses in today's society							
I believe that businesses should commit substantial funds to CSR initiatives at the expense of profits							

PART 2 (Employer Attractiveness)

Please indicate your opinion on the following statements by ticking your assessment in the space provided after each statement on the scale 1 to 7 (1= strongly disagree; 7 = strongly agree)

I am attracted to seeking employment with companies that	Strongly Disagree	Disagree	Somewhat Disagree	Neutral	Somewhat Agree	Agree	Strongly Agree
	1	2	3	4	5	6	7
Implement an ethical code of conduct							
Allocate some of their resources to philanthropic activities (donations, supporting charitable causes, etc.)							
Plan for their long term success. –							
Refrain from circumventing the law even if this helps to improve performance							

I am attracted to working with firms that	Strongly Disagree	Disagree	Somewhat Disagree	Neutral	Somewhat Agree	Agree	Strongly Agree
	1	2	3	4	5	6	7
Minimize the amount of energy and materials wasted							
Avoid compromising ethical standards in order to achieve corporate goals							
Abide by laws and regulations							
Always improve economic performance							

I consider as attractive employers, firms that	Strongly Disagree	Disagree	Somewhat Disagree	Neutral	Somewhat Agree	Agree	Strongly Agree
	1	2	3	4	5	6	7
Avoid discrimination in hiring and compensation							
Minimize operating costs							
Support employees' education and training							
Incorporate integrity in the performance evaluation of employees							

I am attracted to seeking employment with companies that	Strongly Disagree	Disagree	Somewhat Disagree	Neutral	Somewhat Agree	Agree	Strongly Agree
	1	2	3	4	5	6	7
Are as profitable as possible							
Ensure that their employees act within the standards defined by the law							
Organize ethics training programs for their employees							
Help solve social problems							

PART 3 (identification)

Please indicate your opinion on the following statements by ticking your assessment in the space provided after each statement on the scale 1 to 7 (1= **strongly disagree**; 7 = **strongly agree**)

	Strongly Disagree	Disagree	Somewhat Disagree	Neutral	Somewhat Agree	Agree	Strongly Agree
	1	2	3	4	5	6	7
I feel connected to firms that are socially responsible							
When socially responsible firms succeed I feel like part of the success							
I feel a sense of oneness with firms that demonstrate social responsibility							
I am religious							
I'd rather depend on myself than on others							

Thank you for providing information in Part 1, 2, and 3. To complete the questionnaire, please provide the following information about yourself:

Gender (Tick one): Male [] Female []

Continent of Origin (Tick one): Africa [] Europe [] North America [] South America [] Asia [] Australia []

Country of Birth.....

Age:_____

What Degree are you currently studying for? Undergraduate Degree _____ Masters' Degree _____

If you're studying for an Undergraduate Degree, what is your major? _____

If you're studying for a Masters' Degree, what degree are you studying for? EMBA [] MA [] MBA [] MPA [] MPhil []

If you're studying for a Masters' Degree, what Specific course are you studying?
.....

Have you ever taken a course in social responsibility or business ethics? Yes [] No []

If you belong to a religion, what is that religion? Christianity [] Islam [] Other []

Have you ever worked before? Yes [] No []

If you've worked before, what is the length of your Cumulative Work Experience?
.....

Thank You Very Much

Code:.....

APPENDIX 2: RESULTS FOR TEST OF MULTIVARIATE NORMALITY

Variable	Minimum	Maximum	Skewness	Critical ratio	kurtosis	Critical ratio
csredudummy	.000	1.000	.316	2.261	-1.900	-6.808
CSRP3	1.000	7.000	-.170	-1.218	-1.258	-4.505
CSRP2	1.000	7.000	-.316	-2.263	-.957	-3.427
CSRP1	1.000	7.000	-.250	-1.794	-.948	-3.394
ID3	2.000	7.000	-.807	-5.779	.363	1.299
ID2	1.000	7.000	-.982	-7.037	.934	3.347
ID1	1.000	7.000	-1.286	-9.217	2.481	8.888
PhEA	2.250	7.000	-1.489	-10.671	3.953	14.162
EtEA	2.500	7.000	-1.626	-11.650	3.676	13.168
LeEA	2.250	7.000	-1.936	-13.870	5.870	21.027
EcEA	2.750	7.000	-1.769	-12.672	5.675	20.328
Multivariate					49.972	25.929