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# MINING COMMUNITIES' PERCEPTIONS OF CORPORATE SOCIAL RESPONSIBILITY IN GHANA

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#### Abstract

The knowledge of the impacts of businesses' activities on society and the environment is as old as the existence of the institution of business. But over a period of time, the perspectives towards business impacts on society has changed, with the Media, Civil Society, Communities, and other social institutions becoming very pressing and active to ask and force response by the business organizations towards various issues dwelling in the boundary between business and society. This study examines what Corporate Social Responsibility (CSR) is to people in the local communities affected by mining and their perceptions about some CSR initiatives. Data was collected from 501 respondents from three regions of Ghana. The sample was drawn from the catchment communities of gold mining companies who have commercial membership, level



A, with the Ghana Chamber of mines. The results of the survey showed that, more than 80% of the respondents in all the three regions know and understand CSR to mean something more than mining companies obeying only the laws governing mining in Ghana. Based on the results of the survey analysis, implications are drawn and recommendations made for managers of mining companies.

Keywords: Corporate Social Responsibility, CSR, Mining Communities, Mining Companies, Welfare, Perception

#### INTRODUCTION

For centuries, West Africa has been one of the world's most important gold mining regions. Presently, Ghana is the most significant gold-producing country in West Africa and Africa's second producer after South Africa (Hilson2002; Bloch and Owusu 2012). Foreign interest mining in Ghana (formerly Gold Coast) dates back over 500 years from the first Portuguese landings in 1471. Gold mining and trade was for over 100 years one of the principal reasons why the Gold Coast came to be so important in European trade, until slavery took over (ICMM 2007; Hilson 2002; Puplampu and Dashwood 2011; Garvin at el 2009; Addy 1998; Nyame et al, 2009).

As world leaders, governments, communities and social groups look for better ways to protect the environment, and to ensure good quality of life for their citizenry, it has become necessary for firms or organisations that hitherto were not socially responsible to reconsider their corporate strategy to incorporate corporate social responsibility or make their corporate strategy socially acceptable. In Ghana most mineral deposits are found in rural areas and for that matter mining activities are also in rural communities. Most often opinion leaders, politicians, and chiefs from these areas lobby authorities in order for investors to come and operate in their communities, but some of these investors or operators come and their activities are nothing to be desired, which result in open resistance from people of these mining communities and accusation of their political leaders and chiefs whom they believe compromise on social responsibility.

In today's changing business world, companies cannot be measured on profits alone. The external environment can play a major role in the perceived value and success of an organization. Managers should be concerned about social responsibilities, since it gives the company a right to exist based on their responsiveness to the external environment.



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### The CSR Concept

There have been a growing concern toward the issue of social responsibility (Mackenzie 2007; Jones at el, 2009; Pedersen, 2011; Hilson 2012) and despite this heightened concerns the concept itself appears to complex and be hard to define (Ralston, 2010, Mzembe and Downs 2014), too frequently businesses focus solely on their products and markets while neglecting the social impact of their activities. Perhaps this is because the concept is ambiguous one with unclear boundaries and debatable legitimacy (Lantos, 2001; Galbreath, 2009; Shahin&Zairi, 2007; Carroll, 1999; McWilliams and Siegel, 2001). In both the corporate and the academic world there is uncertainty as to how CSR should be defined (Dahlsrud, 2006, Carroll 1979).

#### **CSR** Arguments

The argument for and against the legitimacy of CSR often take their point of divergence or departure from the famous claim by Milton Friedman (Giacalone at el 2005; Dannis at el 1998, Hill at el 2007). According to Friedman 1970 the sole responsibility of a business is its fiduciary duty to maximize shareholders wealth while obeying the law and basic standards of ethics. Against this argument is the notion of corporate social responsibility in respect of stakeholders.

Jensen (2007) considered the controversy between Friedman and stakeholder theory as a point of departure for closer scrutiny of arguments and systematically explored the extent to which it is legitimate for a business to concentrate on profit. Jensen concludes that it is ethically legitimate for a business to concentrate on profit under respect for the law and ethical custom. And for democratic reasons, a corporation should not be seen as an instrument for all member stakeholders and that it is legitimate for a corporation to serve as an instrument for the owners, and the management has a fiduciary obligation to serve their interests. He argues further that, certain pragmatic considerations do to a certain extent make it legitimate for a corporation to concentrate on profit and leave the ethical responsibility to democratic regulation. But there are a number of restrictions to these considerations and to the extent that the considerations are tenable, the corporation still has an obligation to co-operate with the government.

But like many others who have opposite view to what Friedman view as CSR, Grant (1991) argued that Milton Friedman's article 'the social responsibility of business is to increase profits', owes its appeal to the rhetorical devices of simplicity, authority, and finality. But more careful consideration reveals oversimplification and ambiguity that conceals empirical errors and logical fallacies. In the opinion of (DesJardins 1998) business is heavily involved in the realm of law in both its legislative and judicial dimensions, and that no political lobby can begin to match the business lobby; thus no influence can begin to match the influence of business on the lawmaking process and for that matter businesses must take CSR seriously.



### **CSR** Definitions

According to McWilliams and Siegel (2001), CSR are actions that appear to further some social good, beyond the interests of the firm and that which is required by law. To them corporate social responsibility means going beyond obeying the law. Moir (2001) stipulate that business only contributes fully to society if it is efficient, profitable and socially responsible. Corporate social responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large.

One of the most influential and commonly used definition comes from Carroll (1979, 1991) and remains popular both with practitioners and academics in the field of corporate social responsibility orientation (Yakovleva and Vazquez-Brust 2012; Mzembe and Downs 2014). Carroll's (1991) four part definition of CSR suggest that: the total corporate social responsibility of business entails the simultaneous fulfilment of the firm's economic, legal, ethical, and philanthropic responsibilities. Stated in a 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. In the quest to find a widely-accepted definition of CSR that could replace Carroll's (1978, 1991) definitions, Dahlsrud (2008) studied how CSR is defined in the existing literature and identified five principal dimensions that any CSR definition should cover. These are: economic dimension, social dimension, environmental dimension, stakeholder dimension, and voluntariness dimension.

There are many available definitions of CSR and they are consistently referring to five dimensions (economic, social, environmental, stakeholder, and voluntariness). Although they apply different phrases, the definitions are predominantly congruent, making the lack of one universally accepted definition less problematic than it might seem at first glance.

In the opinion of Hilson (2012), whilst there have been some concerns voiced over the precise definition of CSR, its underpinnings are almost always the same and universally recognised: the idea that there are incentives for business to proactively embrace environmental and community development concerns.

#### **Research Problem and Objectives**

Though most companies in the mining sector in Ghana seem to have responded somehow over the years to the CSR call by providing some social responsibility activities to the communities within which they operate, some still face open resistance from members of the communities who see them as socially irresponsible. It is, however, not clear whether mining companies understand what the communities acknowledge as being socially responsibility.



This research is aimed at unearthing local mining communities understanding of Corporate Social Responsibility, and finding out the perceptions of the local communities about some CSR initiatives by the mining companies

#### **RESEARCH METHODOLOGY**

For the study purpose, a descriptive research design was adopted. The research employed the survey method in assessing the understanding and the views of the local communities about Corporate Social Responsibility.

Purposive sampling method was employed to select respondents from mining communities in three of the four regions where mining companies who have commercial membership, level A, with the Ghana Chamber of Mines operates. Catchment communities of gold mining companies having Commercial Level 'A' membership with the Ghana Chamber of Mines were considered as the scope of the study because, the Ghana Chamber of Mines expects its members to operate under high ethical standards and be socially responsibly. (Chamber of mines 2014)

Mining communities in the fourth region (BrongAhafo region) were not included because the Ghana Chamber of Mines, level 'A' company that operate solely in that region is also the same company that operate solely in the third region (Eastern region). Therefore, the information the researchers needed to enable them arrived at the objectives for the study was available from the respondents from the third region. The first and second regions (Western region and Ashanti region) are the regions dominated by gold mining companies in Ghana so the researchers purposively included them in the study.

Convenience sampling technique was used to collect data from 501 respondents from mining communities in the Western, Ashanti, and Eastern regions of Ghana. Out of this number, 173 representing 34.53% respondents were from the Western region, 163 representing 32.54% from the Ashanti region and 165 representing 32.93% from the Eastern region. The questionnaire was made up of both closed-ended and open-ended questions and the questionnaires were personally administered; this offered the researchers the chance to personally explain the questions to some respondents who cannot read in a way that they can understand and answer.

Our use of convenience and purposive sampling techniques were consistent with the works of Addae-Boateng et al (2014), Addae-Boateng et al (2013) and suggestions by De Vos (1998) and Saunders et al (2012).



#### ANALYSIS AND DISCUSSION

#### Local Communities' Understanding of Corporate Social Responsibility

The study examined the understanding of the local community on what corporate social responsibility is. In doing so, the researchers, through the literature reviewed, provided respondents with seven options to choose from, the last option gave respondents the chance to freely state what their understanding of CSR is, if different from the available options provided.

Table 1 presents the results of the responses from the respondent on the meaning of CSR. From the responses, 9 respondents representing 5.5% from the Ashanti Region, 29 respondents representing 16.8% from the Western Region, and 32 respondents representing 19.4% from the Eastern region, understand CSR to mean when a company operates within the available laws governing gold mining in Ghana. 31 respondents representing 19% from the Ashanti Region, 22 respondents representing 12.7% from the Western Region, and 31 respondents representing 18.8% from the Eastern Region, are with the opinion that CSR is when a company operates under higher ethical standards than what the law prescribes. Whiles 54 respondents representing 33.1% from the Ashanti Region, 35 respondents representing 20.2% from the Western Region, and 19 respondents representing 11.5% from Eastern Region, understands CSR to mean when mining companies are responsible for the environment and take steps to minimize the effect of their operations on the environment.

44 respondents representing 27% from the Ashanti Region, 46 respondents representing 26.6% from the Western Region, and 54 respondents representing 32.7% from the Eastern Region, understand CSR to mean when mining companies make charitable contributions and donations to the community. 21 respondents representing 12.9% from the Ashanti Region, 31 respondents representing 17.9% from the Western Region and 17 respondents representing 10.3% from the Eastern Region, believe that CSR is when a company is conscious of the negative effects of their operations and take step to prevent or minimize it before it starts operation. Whiles, 1 respondent representing 0.6% from the Ashanti Region, 10 respondents representing 5.8 from the Western Region and 12 respondents representing 7.3% from the Eastern Region are of the view that CSR is when a mining company sees itself as a member of the community and behaves responsible toward the community.

There were no responses to the open-ended question which asked respondents to freely state their own understanding of CSR if different from the options that were provided. An indication that the options provided respondents were comprehensive enough and covered well how respondents understand and defined CSR.

The analysis of the data revealed that, in the Ashanti region, most of the respondents, (33.1%) understands CSR to mean when mining companies are responsible for the



environment and take steps to minimize the effect of their operations on the environment. Whiles, most respondents 26.6% from the Western Region, and 32.7% of respondents from the Eastern Region, understand CSR to mean when mining companies make charitable contributions and donations to the community. The second most preferred meaning to CSR by respondents (27%) in the Ashanti region is when mining companies make charitable contributions and donations to the community. The second most preferred meaning to CSR by respondents (20.2%) in the western region is when mining companies are responsible for the environment and take steps to minimize the effect of their operations on the environment. Whiles the second most preferred meaning to CSR by respondents in the Eastern region (19.4%) is when mining companies are legally responsible and liable, that is when they operate within the law.

It is important to note that, more than 80% of respondents in all the three regions know and understand CSR to mean something more than mining companies obeying only the laws governing mining in Ghana. Charitable contributions and donations to the mining community had the highest frequencies and percentages in the Western and Eastern regions [46(26.6%), 54 (32.7%)] and second highest frequency and percentage in the Ashanti Region [44(27%)].

|       | Ashanti Region |         | Western   | Region  | Eastern Region |         |  |
|-------|----------------|---------|-----------|---------|----------------|---------|--|
|       | Frequency      | Valid   | Frequency | Valid   | Frequency      | Valid   |  |
|       |                | Percent |           | Percent |                | Percent |  |
| A1    | 9              | 5.5     | 29        | 16.8    | 32             | 19.4    |  |
| A2    | 31             | 19.0    | 22        | 12.7    | 31             | 18.8    |  |
| A3    | 54             | 33.1    | 35        | 20.2    | 19             | 11.5    |  |
| A4    | 44             | 27.0    | 46        | 26.6    | 54             | 32.7    |  |
| A5    | 21             | 12.9    | 31        | 17.9    | 17             | 10.3    |  |
| A6    | 1              | 0.6     | 10        | 5.8     | 12             | 7.3     |  |
| Total | 163            | 100.0   | 173       | 100     | 165            | 100     |  |

Table 1: Local Communities' Understanding of Corporate Social Responsibility

Codes -Interpretation

| A1 | - | When mining companies are legally responsible and liable, that is when they operate |
|----|---|-------------------------------------------------------------------------------------|
|    |   | within the law                                                                      |

A2 When mining companies operate under higher standards of ethical behaviour than what the law prescribes

A3 When mining companies take responsibility for the mess they create in the environment as a result of their operations

A4 When mining companies give charitable contributions and donations to the community

A5 When mining companies are conscious of the negative effects of their operations on the community

When mining companies see themselves and behave as responsible members of the A6 community/society



# The Local Communities' Perception of some CSR initiatives by the Mining Companies Repetition of CSR activities from other communities and its usefulness

The researchers were interested in knowing whether CSR initiatives by mining companies in the communities are seen by the community as useful and not just a repetition of activities in other communities. Table 2 shows that in the Eastern region 31.5% respondents disagree with the statement "some CSR initiatives are just a repetition of activities in other communities which we don't need now", 32.7% do not agree nor disagree, while 35.8% agree to the statement. 50.2% respondents in the Western region disagree with the statement, 16.8% neither agree nor disagree and 33% agree. In the Ashanti region 82.3% respondents disagree with the statement, 6.1% neither disagree nor agree and 11.6% agree with the statement.

The views of respondents from the Ashanti region are similar to that of the Western region but not the Eastern region. Whiles in the Ashanti region 82.3% and 50.2% in the Western region see the CSR initiatives by mining companies as what the communities currently need and not repetition of activities from other communities, only 31.5% respondents from the Eastern region see the CSR initiatives by mining companies as what the communities currently need. 23% respondents in the Eastern region and 23.1% in the Western region strongly agree that CSR initiatives are just repetition of activities in other communities and it is not currently needed by the community, only 2.5% in the Ashanti region strongly agree.

|                    | Eastern Region |         | Western Region |         | Ashanti Region |         |  |  |
|--------------------|----------------|---------|----------------|---------|----------------|---------|--|--|
|                    | Frequency      | Valid   | Frequency      | Valid   | Frequency      | Valid   |  |  |
|                    |                | Percent |                | Percent |                | Percent |  |  |
| Strongly Disagree  | 33             | 20.0    | 53             | 30.6    | 79             | 48.5    |  |  |
| Just Agree         | 8              | 4.8     | 18             | 10.4    | 29             | 17.8    |  |  |
| Partially Disagree | 11             | 6.7     | 16             | 9.2     | 26             | 16.0    |  |  |
| Neutral            | 54             | 32.7    | 29             | 16.8    | 10             | 6.1     |  |  |
| Partially Agree    | 10             | 6.1     | 6              | 3.5     | 4              | 2.5     |  |  |
| Just Agree         | 11             | 6.7     | 11             | 6.4     | 11             | 6.7     |  |  |
| Strongly Agree     | 38             | 23.0    | 40             | 23.1    | 4              | 2.5     |  |  |
| Total              | 165            | 100.0   | 173            | 100.0   | 163            | 100.0   |  |  |

Table 2: Some CSR initiatives are just a repetition of activities in other communities which we don't need now

# The Right of People in the Communities to Be Heard By the Mining Companies

The communities' perception about their right to be heard when part of the mining company's operations are not going well was investigated by the researchers. The respondents were asked to state their level of disagreement or agreement to the statement "The mining company listens to and acts when the community is not happy with parts of their operations"



Table 3 indicates that, 56.4% respondents in the Eastern region, 53.3% in the Western region, and 44.2% respondents in the Ashanti region disagree that the mining company listens to and acts when the community is not happy with parts of their operations. 10.9% respondents from the Eastern region, 7.5% in the Western region, and 19% from the Ashanti region neither agree nor disagree with the statement. Whiles32.7% respondents from the Eastern region, 39.3% from the Western region, and 36.8% from the Ashanti region agree that the mining company listens to and acts when the community is not happy with parts of their operations. From the analysis it could be deduced that from the point of view of the mining communities, mining companies operating in the various regions do not listen and act when the community is not happy with parts of their operations.

|                | •                                                 | •                                                                                   |                                                                                    |                                                                                                                                                                                  |                                                                                                                                                                               |
|----------------|---------------------------------------------------|-------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Eastern region |                                                   | Western region                                                                      |                                                                                    | Ashanti region                                                                                                                                                                   |                                                                                                                                                                               |
| Frequency      | Valid                                             | Frequency                                                                           | Valid                                                                              | Frequency                                                                                                                                                                        | Valid                                                                                                                                                                         |
|                | Percent                                           |                                                                                     | Percent                                                                            |                                                                                                                                                                                  | Percent                                                                                                                                                                       |
| 61             | 37.0                                              | 52                                                                                  | 30.1                                                                               | 29                                                                                                                                                                               | 17.8                                                                                                                                                                          |
| 27             | 16.4                                              | 20                                                                                  | 11.6                                                                               | 27                                                                                                                                                                               | 16.6                                                                                                                                                                          |
| 5              | 3.0                                               | 20                                                                                  | 11.6                                                                               | 16                                                                                                                                                                               | 9.8                                                                                                                                                                           |
| 18             | 10.9                                              | 13                                                                                  | 7.5                                                                                | 31                                                                                                                                                                               | 19.0                                                                                                                                                                          |
| 4              | 2.4                                               | 17                                                                                  | 9.8                                                                                | 16                                                                                                                                                                               | 9.8                                                                                                                                                                           |
| 21             | 12.7                                              | 11                                                                                  | 6.4                                                                                | 20                                                                                                                                                                               | 12.3                                                                                                                                                                          |
| 29             | 17.6                                              | 40                                                                                  | 23.1                                                                               | 24                                                                                                                                                                               | 14.7                                                                                                                                                                          |
| 165            | 100.0                                             | 173                                                                                 | 100.0                                                                              | 163                                                                                                                                                                              | 100.0                                                                                                                                                                         |
|                | Frequency<br>61<br>27<br>5<br>18<br>4<br>21<br>29 | Frequency Valid   Percent 61 37.0   27 16.4 5 3.0   18 10.9 4 2.4   21 12.7 29 17.6 | FrequencyValidFrequencyPercent6137.0522716.42053.0201810.91342.4172112.7112917.640 | Frequency Valid Frequency Valid   Percent Percent Percent   61 37.0 52 30.1   27 16.4 20 11.6   5 3.0 20 11.6   18 10.9 13 7.5   4 2.4 17 9.8   21 12.7 11 6.4   29 17.6 40 23.1 | Frequency Valid Frequency Valid Frequency   Percent Percent Percent 11.6 27   5 3.0 20 11.6 16   18 10.9 13 7.5 31   4 2.4 17 9.8 16   21 12.7 11 6.4 20   29 17.6 40 23.1 24 |

Table 3: The mining company listens to and acts when the community is not happy with parts of their operations

# Consent to CSR Activities Implementation in the Community

Respondents' views on whether mining companies involve their leaders in the CSR activities they provide was evaluated. Respondents were asked to state their level of agreement or disagreement with the statement 'The Company consult with and negotiate with leaders of the community before it introduces CSR activities'. Table 4 indicates that, majority of the respondents in the Eastern region 72.7% agree to the statement, 14.5% neither agree nor disagree to the statement and 12.7% disagree to the statement. In the Western region, 58% agree with the statement that the company consult with and negotiate with leaders of the community before it introduces CSR activities, 9.8% are neutral and 31.8% disagree with the statement. 62.7% in the Ashanti region agree with the statement, 11.7% neither agree nor disagree and 25.8% disagree with the statement. The analysis shows that in all the regions studied, (Ashanti, Eastern, and Western regions), majority of the respondents are of the view



that the company consult with and negotiate with leaders of the communities before it introduces CSR activities.

|                    | Eastern region |         | Western   | Western region |           | region  |
|--------------------|----------------|---------|-----------|----------------|-----------|---------|
|                    | Frequency      | Valid   | Frequency | Valid          | Frequency | Valid   |
|                    |                | Percent |           | Percent        |           | Percent |
| Strongly Disagree  | 11             | 6.7     | 29        | 16.8           | 10        | 6.1     |
| Just Agree         | 6              | 3.6     | 19        | 11.0           | 26        | 16.0    |
| Partially Disagree | 4              | 2.4     | 7         | 4.0            | 6         | 3.7     |
| Neutral            | 24             | 14.5    | 17        | 9.8            | 19        | 11.7    |
| Partially Agree    | 14             | 8.5     | 13        | 7.5            | 12        | 7.4     |
| Just Agree         | 40             | 24.2    | 28        | 16.2           | 41        | 25.2    |
| Strongly Agree     | 66             | 40.0    | 60        | 34.7           | 49        | 30.1    |
| Total              | 165            | 100.0   | 173       | 100.0          | 163       | 100.0   |

Table 4: The Company consult with and negotiate with leaders of the community before it introduces CSR activities

#### Compensation of the Communities' for the Use of Their Land

The perceptions of respondents about the fairness and adequacy of compensation paid to land and farm owners by mining companies were evaluated by the researchers. Respondents were required to state their level of agreement with the statement 'mining companies adequately compensate us for the use of our land.'

Tables 5 shows that in the Eastern region 59.4% of respondents disagree with the statement or do not believe mining companies adequately compensate the local communities for the use of their land. 7.3% neither agree nor disagree to the statement, and 33.4% agree to the statement.

Unlike the Eastern region, in the Western region 38.2% respondents disagree with the statement, 13.3% respondents neither disagree nor agree, whiles 48.6% agree with the statement. In the Ashanti region 19.1% respondents disagree with the statement whiles, 27.6% respondents neither disagree nor agree, and 53.4% agree with the statement that the mining companies adequately compensate them for the use of their lands.

From the analysis, most respondents 59.4% in the Eastern region are of the view that mining companies do not adequately compensate them for the use of their land. The opposite is the results of the analysis of responses from the Ashanti region, where 53.4% respondents are of the opinion that the mining companies adequately compensate the communities for the use of their land. This is similar to the results from the Western region, where 48.6% of the respondents agree with the statement.



|                    | Eastern region |         | Western region |         | Ashanti region |         |
|--------------------|----------------|---------|----------------|---------|----------------|---------|
|                    | Frequency      | Valid   | Frequency      | Valid   | Frequency      | Valid   |
|                    |                | Percent |                | Percent |                | Percent |
| Strongly Disagree  | 51             | 30.9    | 30             | 17.3    | 12             | 7.4     |
| Just Agree         | 28             | 17.0    | 25             | 14.5    | 6              | 3.7     |
| Partially Disagree | 19             | 11.5    | 11             | 6.4     | 13             | 8.0     |
| Neutral            | 12             | 7.3     | 23             | 13.3    | 45             | 27.6    |
| Partially Agree    | 11             | 6.7     | 18             | 10.4    | 12             | 7.4     |
| Just Agree         | 11             | 6.7     | 20             | 11.6    | 42             | 25.8    |
| Strongly Agree     | 33             | 20.0    | 46             | 26.6    | 33             | 20.2    |
| Total              | 165            | 100.0   | 173            | 100.0   | 163            | 100.0   |

Table 5 Mining companies adequately compensate us for the use of our land

#### **Employment Opportunity for the Local Communities**

Table 6, shows the analysis of responses to the statement 'the mining company offers employment to people in the local community'. 72.7% respondents in the Eastern region disagree with the statement, 20% respondents agree, and 7.3% neither disagree nor agree. In the Western region, 55% disagree with the statement, 36.4% agree, and 8.7% neither disagree nor agree with the statement. In the Ashanti region 41.7% respondents disagree with the statement, whiles 49.1% agree to statement and 9.2% respondents neither agree nor disagree. The analysis shows that in the Eastern and Western regions most of the respondents 44.2% and 35.3% respectively strongly disagree with the statement while 14.1% respondents strongly disagree in the Ashanti region.

|                    | Eastern region |         | Western region |         | Ashanti region |         |
|--------------------|----------------|---------|----------------|---------|----------------|---------|
|                    | Frequency      | Valid   | Frequency      | Valid   | Frequency      | Valid   |
|                    |                | Percent |                | Percent |                | Percent |
| Strongly Disagree  | 73             | 44.2    | 61             | 35.3    | 23             | 14.1    |
| Just Agree         | 24             | 14.6    | 24             | 13.9    | 10             | 6.1     |
| Partially Disagree | 23             | 13.9    | 10             | 5.8     | 35             | 21.5    |
| Neutral            | 12             | 7.3     | 15             | 8.7     | 15             | 9.2     |
| Partially Agree    | 4              | 2.4     | 11             | 6.4     | 32             | 19.6    |
| Just Agree         | 9              | 5.5     | 31             | 17.9    | 20             | 12.3    |
| Strongly Agree     | 20             | 12.1    | 21             | 12.1    | 28             | 17.2    |
| Total              | 165            | 100.0   | 173            | 100.0   | 163            | 100.0   |

Table 6: The mining company offers employment to people in the local community.

# Training of local people for job opportunities

The researchers were interested in finding out whether the mining companies help to upgrade the skills of the locals in order to enable them get employment in the company. Respondents' level of agreement with the statement 'The company offers training program to the local people



in order to offer them jobs' was assessed. Table 7 shows that in the Eastern region, 60% of respondents disagree with the statement, 34.5% agree with the statement, while 5.5% neither disagree nor agree. In the Western region 65.3% respondents disagree with the statement, 25.4% respondents agree with the statement and 9.2% neither agree nor disagree. 44.4% of the respondents from the Ashanti region disagree with the statement, 37.4% agree with the statement, and 17.8 neither agree nor disagree.

The analysis shows that most of the respondents from all the three regions disagree that the mining company offers training program to the local people in order to offer them jobs.

|                    | Eastern region |         | Western   | Western region |           | region  |
|--------------------|----------------|---------|-----------|----------------|-----------|---------|
|                    | Frequency      | Valid   | Frequency | Valid          | Frequency | Valid   |
|                    |                | Percent |           | Percent        |           | Percent |
| Strongly Disagree  | 56             | 33.9    | 74        | 42.8           | 26        | 16.0    |
| Just Agree         | 34             | 20.6    | 22        | 12.7           | 15        | 9.2     |
| Partially Disagree | 9              | 5.5     | 17        | 9.8            | 32        | 19.6    |
| Neutral            | 9              | 5.5     | 16        | 9.2            | 29        | 17.8    |
| Partially Agree    | 17             | 10.3    | 4         | 2.3            | 29        | 17.8    |
| Just Agree         | 4              | 2.4     | 18        | 10.4           | 9         | 5.5     |
| Strongly Agree     | 36             | 21.8    | 22        | 12.7           | 23        | 14.1    |
| Total              | 165            | 100.0   | 173       | 100.0          | 163       | 100.0   |

Table 7: The Company offers training program to the local people in order to offer them jobs

# CONCLUSIONS

The significance of an effective relationship between a mining company and its local communities can not be underestimated. The social capital from such relationship ought to be guarded at all possible cost to ensure the continuous viability of the company. Mining companies, especially multinational mining companies must take steps to deepen their current knowledge about what the local communities within their catchment understand as CSR.

From the research analysis, more than 80% of the respondents from the Ashanti, Eastern, and Western regions know and understand CSR to mean something more than mining companies obeying only the laws and regulations governing mining in Ghana. It is therefore not enough for mining companies and their managers to focus solely on what the law prescribes. The study recommends mining companies to provide their communities with CSR activities and also take steps to ensure the community as a wholes benefit from such activities.

Management should take immediate steps to manage and genuinely correct and/or defuse the perception that mining companies do not listen and act when the community is not happy with parts of their operations. Similarly steps should be taken to deal with the perception that mining companies do not adequately compensate farms and land owners, particularly in the



Eastern region and Western region. Compensations payments have been one of the sources of between mining companies and their local community constant misunderstanding (myjoyonline.com 2014). Mining companies must endeavour to show genuine commitment in helping their communities find alternative livelihood activities, especially farmers who have been affected by the operations of the company. The Ghana Chamber of Mines must effectively monitor closely the CRS activities at the community level and also apply the appropriate sanctions or encouragement to their member companies to ensure that their code of ethics is strictly obeyed.

#### LIMITATIONS AND FURTHER RESEARCH

This research concentrated on corporate social responsibility activities of gold mining companies who have commercial level 'A' membership with the Ghana Chamber of Mines. Future research could include other mining companies who mine other minerals such as bauxite and diamond in Ghana. Also, future research could concentrate on mining companies with different membership category from the Ghana Chamber of Mines.

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