

KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY

COLLEGE OF HUMANITIES AND SOCIAL SCIENCES

SCHOOL OF BUSINESS

**THE EFFECT OF CORPORATE SOCIAL RESPONSIBILITY ON COCOA LICENSED
BUYING COMPANIES PERFORMANCE: THE MEDIATING EFFECT OF BRAND
LOYALTY**

BY

JOYCE OFORI

(PG 3957520)

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DECLARATION

I hereby declare that this submission is my own work towards a postgraduate degree in Master of Business Administration (Strategic Management and Consulting) and that to the best of my knowledge, it includes no material previously published by others nor material which has been accepted for the award of any other degree of the University, except where due acknowledgement has been made in the text.

JOYCE OFORI

(STUDENT)

(PG3957520)

Signature

Date

CERTIFIED BY:

DR. MARIAMA ZAKARI

(SUPERVISOR)

Signature

Date

CERTIFIED BY:

PROF. AHMED AGYAPONG

(HEAD OF DEPARTMENT)

Signature

Date

ABSTRACT

Firms or institutions are craving to stay relevant and productive through the implementation of socially responsible practices. Many business firms have realized the immense benefits of being socially responsible in the communities in which they operate. Studies have unraveled that, there are mediating and moderating factors that influence firm's performance aside corporate social responsibilities. This study investigated the effect of corporate social responsibility on cocoa licensed buying companies, assessed the effect of CSR on brand loyalty and how brand loyalty mediates the relationship between CSR and firm performance. The respondents for this study were cocoa purchasing clerks in Obuasi Municipality, regional managers of cocoa licensed buying companies, workers of Ghana Cocoa Board, marketing and brand consultants. Convenience sampling under non-probability sampling was the sampling technique used. Out of the 200 respondents, 184 responded to the questionnaire. Items or measuring instruments for the study were adapted from the literature. Confirmatory Factor Analysis (CFA) were done to establish the convergent validity of the adapted items and Cronbach Alpha was done to establish composite or construct reliability. Structural Equation Modeling (SEM) was the technique used to analysis the structural model. The results of the structural equation modelling indicated that, both CSR and BL have a positive relationship or influence on LBC Performance. From the structural model, it could be seen that the impact weight of Corporate Social Responsibility on Licensed Buying Company Performance appears less strongly with path coefficient of 0.50. Brand Loyalty as a mediating variable is strongly correlated with LBC Performance with a path coefficient of 0.72. To better comprehend the interrelatedness of CSR, BL and LBC Performance, it would be expedient another research is conducted to involve more mediating variables.

DEDICATION

To God be the Glory.

I dedicate this research project to my parents



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CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

The sustainability of organizations largely depends on its performance. The performance of organizations can be broadly categorized into; financial performance, employee performance, product or service performance and customer satisfaction. According to Mustaffa, (2012) performance of the organization can be measured and defined as all areas that are important for the organization's continued existence. Organizational performances are influenced by a plethora of factors, some of the factors include; the ability to identify stakeholders need and satisfy the need. The need satisfaction enhances the performance of the organization by making them more competitive, sustainable, and help them grow in the industry they find themselves.

Currently, institutions are craving to stay relevant through the implementation of socially responsible practices. Organizations or institutions are capitalizing on the emergent of corporate social responsibility dimensions to meet societal demands and to help achieve institutional goals. Many businesses today are realizing the immense benefits of being socially responsible in the communities in which they operate (Abukari, & Abdul-Hamid, 2018). Corporate social responsibility has gradually gained traction as a viable strategic marketing tool in recent years (He, & Lai, 2014). Corporate social responsibility (CSR) is a critical issue that businesses must address in order to meet the expected benefits of stakeholders, face strong competition and survive in a variety of ways while remaining a well-functioning and sustainable economic unit (Hichri, & Ltifi, 2021; Le Thanh, Ngo, & Aureliano-Silva, 2021).

Brand loyalty (BL) is very instrumental when it comes to the success of any organization. Globally, most firms have recently realized that, establishing a unique brand mostly goes with being socially responsible and fulfilling a society's social needs (Mahmood & Bashir, 2020). The study of brand loyalty is becoming increasingly important, as growing brand equity leads to a higher return on marketing investment as well as brand loyalty (El-Kassar, Makki, & GonzalezPerez, 2019; Harvey, 2001) Corporate Social Responsibility efforts contribute to institutions brand loyalty, with strong brands becoming increasingly important as institutions compete for revenue and international credibility (Garipagaoglu, 2016).

The Government of Ghana is proactively ensuring the practices of CSR friendly activities by firms operating in the country (Atuguba & Dowuona-Hammond as cited in Abukari, & Abdul-Hamid, 2018). Currently, corporations are under pressure to engage in socially responsible activities as stakeholder expectations rise with time. Better CSR goals and plans should be established as they translate positive corporate loyalty into both financial and non-financial rewards (Sindhu, & Arif, 2017). Relationships with investors and customers have changed as a result, and today, a significant element of the communication strategy is focused on the company's social responsibility (Chavaz, 2008). This development is consistent with a global trend where businesses are taking more ownership of the way they act in the face of investors and consumers who are becoming more demanding.

Ghana Cocoa Board (COCOBOD) through the Cocoa Marketing Companies (CMC) is sustaining the interest of cocoa farmers through corporate social interventions such as improved remunerations. To improve the LBC's performance and the well-being of cocoa farmers, the Cote d'Ivoire-Ghana Cocoa Initiative has implemented the Living Income Differential (LID) of US\$400 per tonne of cocoa to help cushion cocoa farmers (Cocoa Marketing Company [CMC], 2021). The

Government through COCOBOD has implemented Cocoa Farmers Pension Scheme as a social intervention to help improve the livelihoods of Ghanaian cocoa farmers after retiring from active farming (Cocoa Marketing Company, 2021). According to Dr. Owusu Akoto Afriyie, the minister in-charge of Agriculture, the Government is still stretching its helping hand to cocoa farmers through the Productivity Enhancement Programmes (PEP) to help increase yields (CMC, 2021).

The cocoa market is characterized by considerable price volatility, unequal power relationships along the whole value chain, and a reliance on primary exports from low-income producing nations (Chavaz, 2008). CSR and other business ethics activities are seen as solutions to the problems of price volatility, unequal power relationship and value chain issues. CSR is viewed as a sustainable method for giving farmers social advantages, emphasis on social benefits in CSR initiatives focus on the provision of non-monetary (primarily social) benefits, such as support for families, education, healthcare, and community infrastructure (Chavaz, 2008).

The LBC's do not have authority in determining the prices of cocoa, the farmgate price of cocoa is determined by the COCOBOD. So, all cocoa marketing companies or licensed buying companies purchase cocoa beans from farmers by farmgate price or cocoa producer price set by the Government through COCOBOD. So, the LBCs cannot use pricing as a competitive advantage over their rivals. Aside pricing, the other determinant of LBC's performance could be attributed to their corporate social responsibilities. The LBCs such as Kuapa Kooko, Akafo Adamfo, Adwuma Buyers, Armajaro, Produce Buying Company (PBC), etc., try to outwit each other through the implementation of corporate social responsibilities. Therefore, the study intends to unravel the effect of corporate social responsibilities on LBC's performance and how brand loyalty could mediate the LBCs performance.

1.2 Statement of the Problem

The emergent of the Structural Adjustment Programme, brought a lot of system and structural changes in Ghana and international market. Under the Adjustment Programme, opportunities were given to private cocoa marketing companies to participate in the marketing of cocoa beans in Ghana (Poku & Lamptey, 2015; Abbott, Wilcox & Muir, 2005). As posited by Poku and Lamptey, the reforms in the adjustment programme resulted in the emerging of numerous Licensed Buying Companies in the country. Now, the entrant of those new cocoa licensed buying companies created a keen competition. According a report by COCOBOD (2009), out of the total cocoa marketing share, Produce Buying Company (PBC), which is state owned has 36.8 percent of the market share and the rest of the licensed buying companies battle it out for the 63.2 percent. In the same report by COCOBOD, the licensed buying companies were around 27. So, 27 licensed buying companies are competing fiercely to get significant share of the 63.2 percent.

Considering the competitive nature of the cocoa marketing space, the LBC's must understand the effect of corporate social responsibility on overall business performance because CSR is viewed as a collection of sustainable practices within a multi-stakeholder framework (Singh, & Misra, 2021). Again, the dynamic nature of the environment, the internal and external exposure of stakeholders have made it necessary for cocoa licensed buying companies to adjust to the principles and principles of CSR to grant them Brand Loyalty (BL) in our contemporary times.

Since the LBC's do not have major stake in the determinants of cocoa pricing, they need explore other areas such as embarking on socially responsible activities to help them perform and outwit their competitors.

The challenges of Ghanaian cocoa farmers are enormous, most of the farmers are embattling with challenges such as fertilizers acquisition, diseases affecting their cocoa, remunerations and other

host of factors. The problems of the farmers could be mitigated through the interventions of the LBCs. Those interventional programmes which forms part of CSR activities affect LBCs organizational performance. To help address or mitigate the challenges of cocoa farmers and also making LBCs more competitive, there will be the need to have more scientific or empirical evidences in the areas of CSR activities of LBCs and the mediating role of brand loyalty in the cocoa marketing sector.

However, in the research space, studies on cocoa marketing in Ghana has been tilted towards areas such as internal cocoa marketing (Sakyi-Bediako, 2011), the market structure and productivity in Ghanaian cocoa (Zeitlin, 2005; Dormon, Van Huis, Leeuwis, Obeng-Ofori, Sakyi-Dawson, 2004), Williams (2009) researched into Ghanaian cocoa marketing system, Takane (2002) looked into the incentives, institutions and change of Ghanaian cocoa farmers. The profitability and sustainability of cocoa production in Ghana (Dormon & Sakyi-Dawson, 2009). Quite recently, Opoku and Lamptey, (2015) studied the impact of sales promotion by cocoa licensed buying companies on sales of farmers in Wassa Amenfi District of Ghana. However, studies on corporate social responsibilities of cocoa licensed buying companies in Ghana is not fully addressed. It is unfortunate that there has not been any comprehensive research on the aforementioned subject, considering the pertinent nature of the subject matter, the study could help inform LBCs on their strategies, plans and practices. The research would enhance Ghana's cocoa marketing, making it more competitive and advantageous to LBCs. To fill this gap, this study will diverge from earlier research to examine how corporate social responsibility affect LBCs performances. The study will further address the mediating role of brand loyalty in LBCs performance.

1.3 Objectives of the Study

Generally, the study intends to unravel the effect of corporate social responsibility on cocoa licensed buying companies' performance in Obuasi Municipal. To fully comprehend the subject matter, the study further considers brand loyalty as a mediator through which CSR can influence cocoa buying companies performance.

The study specifically considers the following objectives;

1. To investigate the effects of Corporate Social Responsibilities on LBCs performance.
2. To assess the effects of Corporate Social Responsibilities on Brand Loyalty.
3. To examine the mediating role of brand loyalty in the relationship between CSR and performance of LBC.

1.4 Research Hypothesis

H₁ CSR has a positive effect on LBC's performance.

H₂ CSR has a positive effect on Brand Loyalty

H₃ Brand loyalty positively mediate the relationship between CSR and LBC's performance.

1.5 Justification of the Study

The current study aims to make a substantial contribution to the CSR and LBCs research space. This study will add to the empirical literature by giving full correlations on the CSR-institutional performance link to LBCs. The study will avail the benefits of CSR in terms of improving brand loyalty and fostering positive relationship among stakeholders. This study has practical consequences for LBCs as they develop their branding strategies. Furthermore, the findings of this

study will help Ministry of Agriculture, COCOBOD, CMC and other stakeholders to make an informed decision when planning. The findings could serve as a relevant reference material for other researchers and students.

1.6 Research Methodology

The study adopted a quantitative method. The population for the study were licensed buying companies, cocoa purchasing clerks in cocoa farming communities, district and regional managers of cocoa licensed buying companies, workers of Ghana Cocoa Board, marketing and brand consultants. Convenience sampling under non-probability sampling was employed. Items to measure corporate social responsibility, brand loyalty and licensed buying companies performance were adapted from Saeidi et al., (2015), Tiep Le et al., (2021) and Benavides-Velasco et al., (2014). Factor analysis was used to check the validity of the instruments. Cronbach Alpha was used to test the reliability of the measuring instrument. Structural equation modelling (SEM) was used in the data analysis. The scientific software that was used in the analysis is Statistical Package for Social Science (SPSS version 26).

1.7 Scope of the Study

Considering the multiplicity and the diverse background and geographical area of respondents, the study area was not targeted at one place, different areas were used. Obuasi municipality was specifically selected to target the purchasing clerks of cocoa licensed buying companies. The study will focus on corporate social responsibilities of LBCs. There are a lot of variables that could mediate the relationship between CSR and firms or institutions performance, the study made use of only brand loyalty as the mediating variable.

1.8 Limitation of the Study

Financial and time constraints on the part of the researcher was a big challenge, as the researcher had to combine lectures with the conduct of the study. The study was self funded and the financial commitments had a toll on the researcher. Accessibility to reading materials such as related articles, books, reports and other relevant materials were difficult to access. To be able to get access to some reading materials, the researcher had to purchase them. Getting respondents to participate in the study was also a bit of a challenge.

1.9 Organization of the Study

The study is organized in five chapters. Chapter one will be the introductory section that covers the background of the study, the statement of the problem, the purpose of the study, objectives of the study, research questions, significance of the study, limitations, and definition of terms. Chapter two covers the review of relevant theoretical, conceptual and empirical literature. The research methodology is discussed in chapter three. Data presentation, analysis and findings will be captured in chapter four. Chapter five will entail the summary, recommendation and conclusion of the study.

CHAPTER TWO

LITERATURE REVIEW AND HYPOTHESI DEVELOPMENT

2.0 Introduction

The chapter two of the study covers the literary analysis. The literature used or cited correspond with the subject-matter of the study. The various related subjects, concepts and empirical studies relevant to the research include; the definitions of corporate social responsibilities, the importance of corporate social responsibilities, the concepts and empirical studies on the effects of corporate social responsibilities on firm's performance. Literary analysis of brand loyalty focused on definitions and concepts of brand loyalty, the impact of brand loyalty on companies performance. Background to the introduction of cocoa licensed buying companies and the roles they play in the cocoa industry. The respective citations and references have been rendered in accordance with APA's reference system.

2.1 Background to Cocoa Licensed Buying Companies (LBC)

The emergent of the Structural Adjustment Programme, brought a lot of system and structural changes in Ghana and international market. Under the Adjustment Programme, opportunities were given to private cocoa marketing companies to participate in the marketing of cocoa beans in Ghana (Poku & Lamptey, 2015; Abbott, Wilcox & Muir, 2005). As posited by Poku and Lamptey, the reforms in the adjustment programme resulted in the emerging of numerous Licensed Buying Companies in the country. Now, the entrant of those new cocoa licensed buying companies created a keen competition. The goal of the Ghanaian government's policy was to secure higher and more competitive producer prices by improving the operational and financial performance of Ghana's

cocoa marketing system through liberalization and privatization (Laven as cited in Owusu Ansah, Ofori, Siaw, & Manu, 2018). According a report by COCOBOD, there are 46 LBCs in the cocoa market, of which Produce Buying Company (PBC) holds 31% of the market share (COCOBOD, 2011). The privatization and liberalization of the cocoa market has created an opportunity for local and international LBCs to patronize in the purchase of cocoa beans directly from farms (Bakang, Frimpong, Etuah, Tham-Agyekum, Sowah, Doodo, Amponsah, Boateng, & Iddrisu, 2021).

2.2 Concepts of Corporate Social Responsibility (CSR)

2.2.1 Definitions of CSR

Litany of definitions has been given to explain the meaning of corporate social responsibility. Corporate social responsibility is a process that focuses on how a firm or institution treats its stakeholders ethically or responsibly (Hopkins, 2006). "Ethically or responsibly" refers to handling important stakeholders in a way that is considered acceptable by international standards. Economic, financial, and environmental responsibility are all aspects of CSR. There are stakeholders both inside and outside of a company or institution which are influenced by CSR activities. CSR is frequently referred to as the company's "triple bottom line," or the sum of its financial or economic, social, and environmental performance in running its operations (USAID, 2002). According to Alma, Al-Qudah, and Shrouf, (2019), corporate social responsibility covers a wide range of issues, including human resource management, creating a positive work environment, and fostering connections among local businesses, suppliers, and customers. Additionally, they recommend that businesses handle issues brought on by their activities on their own, independent of laws and governmental restrictions

The ultimate goal of social responsibility is to develop increasingly rigorous sustainable firm. CSR is a method used to help societies develop sustainably. Multi-stakeholder issues and their importance are addressed by both CSR and sustainability (Hopkins, 2006). European Commission defined CSR as a concept where business organizations or corporations actively integrate social and environmental issues in their business operation and in their contact with their stakeholders (EU, 2002). Jamali and Sidani (2008), also defined CSR as an action taken by corporations or companies to add value to its product or services to meet a wide range of societal demands and expectations to make the companies more socially responsible.

The new viewpoint or perspective on corporate social responsibility places more emphasis on the welfare of stakeholders, including employees, customers, suppliers, management, and the community, than on the interests of shareholders and profit maximization (Siddiq & Javed, 2014). Corporate social responsibility is defined by The Conference Board of Canada, a non-profit organization that focuses on tax and corporate patterns, as a strategy for advancing the organization's long-term goals, decision-making, and action in accordance with its values, expectations, and aspirations. The ways in which businesses may demonstrate their social responsibility are numerous. They can fund initiatives that advance learning, the arts, the welfare of children or animals, or they can try to lessen their negative impacts on the environment, practice fair hiring, participate in initiatives, and only partner with suppliers that share their commitment to these causes. CSR can be passively followed by eliminating socially damaging conduct or actively promoting social objectives (Pallathadka & Pallathadka, 2020).

Internal corporate social responsibility refers to actions taken to improve employees physical, mental well-being, workplace conditions, the fairness of opportunities, and the work-family balance. (Al-maâ, Al-Qudah, & Shrouf, 2019; Suifan, Diab & Abdallah, 2017; Brammer,

Millington, & Rayton, 2007). One of the company activities that has a positive influence on the public and can be seen by customers is external social responsibility (Calveras as cited in Al-maâ, Al-Qudah, & Shrouf, 2019). External CSR refers to actions that are taken for the benefit of consumers, partners, suppliers, and government organizations (Albuhisi & Abdallah, 2018; Saleh, Sweis, Abdelqader, Abdallah, & Arafah, 2017). Government and policies, customers, small suppliers, environmental and other pressure organizations, trade unions, and human rights and pressure groups may all fall under the category of external social responsibility (Al-maâ, AlQudah, & Shrouf, 2019; Abdallah & Matsui, 2008; Abu-Nimeh, Abdallah, & Sweis, 2018).

2.2.2 Importance of CSR

According to He and Lai (2014) the concept of corporate social responsibility (CSR) is recognized as an effective strategic marketing tool and has a big impact on consumer behavior. He et al., (2014) further explained that consumers' perceptions of a brand's legal and moral obligations may increase brand loyalty by elevating favorable functional and symbolic representations. Additionally, ethically responsible behavior affects a symbolic image (the intangible features of a product such as social approval, self-expression) more than a functional image (the tangible part of a product), while legally responsible business behavior serves to strengthen a more functional image viewed by consumers than a symbolic picture.

Corporate Social Responsibility (CSR) is seen as a strategic method for reducing adverse effects of business or company's operations on the environment (Islam, Islam, Pitafi, Xiaobei, Rehmani, Irfan, & Mubarak, 2020). CSR has recently evolved into a competitive strategy for businesses to boost revenues, client satisfaction, customer loyalty, corporate reputation, and favorable opinions about the brands of the organization (Islam, et al.,2020; Calabrese, Costa & Rosati, 2016). A clear signal to the corporate world is the growing need for social responsibility initiatives from the

stakeholders. This signals create awareness for company leaders to emphasize social issues in their operations in order to win the trust of their final customers and turn loyalty into a competitive advantage (Islam, et al.,2020).

Again, Husted and Allen (2007) discovered that CSR programs aid in boosting the reputation of the company and fostering favorable relationships with stakeholder groups. Organizations view CSR as a strategy to forge close ties with the community and improve the company's reputation in general. Consumers use CSR activities as a yardstick to assess a company's values (Maignan and Ferrell, 2004). CSR is one of the best strategies to influence customer trust (Park & Kim, 2019). By carrying out business activities ethically, a firm can improve the perception of its products and services and win over more customers.

2.3 Corporate Social Responsibilities of Cocoa Licensed Buying Companies

As part of their duties, Licensed Buying Companies (LBC) ensure that, farmers are educated and trained on excellent agronomic methods, drying, cleaning off placenta fragments and foreign objects from beans, proper fermentation of cocoa output, and other topics, among others, through organized workshops (Owusu Ansah, Ofori, Siaw, & Manu, 2018). LBC's require district managers to deliver high-quality cocoa to the Quality Control Company (QCC) for grading and sealing in order to avoid rejection, they further ensure that purchasing clerks (PCs) give farmers the necessary help (Owusu Ansah et al., 2018). LBC's encourage the covering of cocoa beans with banana and plantain leaves to impart a pleasant scent, they improve production and quality by providing farmers with farm inputs, financial credit, as well as reward and award systems for farmers and PCs (Owusu Ansah et al., 2018).

LBC's further embark on other activities such as preventing bagged cocoa sacks from absorbing moisture from the ground due to the plants' hygroscopic nature, it is important to provide excellent storage facilities, such as cocoa district depots, tarpaulins, pallets, etc. By purchasing storage facilities, a truck for transportation, and operational logistics like tarpaulins, gratins, and weighing scales, promptly paying employees' salaries and wages associated with maintaining product quality to act as a motivator towards ensuring good quality cocoa practice, cooperating with COCOBOD and QCC to follow rules in the cocoa buying sector, particularly those pertaining to quality maintenance (Owusu Ansah et al., 2018). In exploring the contributions of LBCs, it was further ascertained that, they provide credit and extension services to cocoa farmers, provision of bonuses, subsidized inputs, provision of farm tools and engagement in farmers social activities (Bakang, Frimpong, Etuah, et al., 2021).

Programs for Building Capacity for Farmers and Purchasing Clerks (PCs), according to Poku and Lamptey (2015) Kuapa Kookoo has established programs for building capacity in the district to educate and train farmers and PCs on how to produce high-quality cocoa beans. Workshops are planned for PCs to educate users on how to increase sales and improve customer service, record keeping, banking services, and management of company-provided seed money (Poku & Lamptey, 2015). Additionally, it distributes booklets to Purchasing Clerks on how to operate in their various societies. In a similar vein, community-level sensitization campaigns are planned to teach farmers through the District Managers and PCs. Farmers learn about the use of agrochemicals, bean quality control, COCOBOD, and other government initiatives pertaining to their welfare, such as the COCOBOD scholarship, NHIS, SSNIT program, and mass spraying, during these sessions (Poku & Lamptey, 2015). Farmers are drawn to these training programs because they want to learn strategies for improving production.

2.4 Effects or Impacts of CSR on Companies Performance

Companies are now understanding that they must become socially responsible if they want to remain effective, competitive, and relevant in a commercial environment that is changing quickly. Research has shown that, there is a direct link between CSR and Financial Performance of companies. This happens if companies initiate CSR activities to create positive image in the minds of stakeholders. Satisfying the needs of stakeholders through CSR activities would help improve the financial performance of the company (Sameer, 2021). Another study found that socially conscious businesses can attract more skilled workers to join their team and can keep those workers on board for an extended period of time, giving them an edge over rival businesses (Turban & Greening as cited in Sameer, 2021).

Corporate social responsibility has a variety of effects on an organization's performance. It aids in improving a company's financial performance so that it may expand quickly and earn the most money possible from the market (Siddiq & Javed, 2014). A corporation will undoubtedly be able to outperform rivals if it practices CSR and works to satisfy its stakeholders. The concerns and actions related to corporate social responsibility have grown quickly during the past few decades. due to increasing understanding of the necessity and demands of CSR among shareholders, stakeholders, and community organizations (Siddiq & Javed, 2014).

The advocates of CSR believed that implementing CSR-related programs can help the organization in a number of ways, including a decrease in employee turnover, an improvement in the company's reputation and the accomplishment of its business strategy, the creation of a sense of belonging, the attraction of more talented employees, and increased job satisfaction and commitment (Javed, Rashid & Hussein, 2020; Zhao, Lee & Moon, 2019; Yoon & Lee, 2016; Johns, Willness & Madey, 2014).

According to Collis and Hussey (2009) businesses view CSR as an important tool for promoting and supporting the adoption of Total Quality Management (TQM) and obtaining a long-term competitive advantage. Collis and Hussey further posited that, CSR enhances a company's reputation and trustworthiness, which attracts better and more qualified workers, customers, and other parties, resulting in the renewal of social licenses. The implementation of CSR helps with the renewal of social permits. By implementing CSR-related initiatives, one may increase their "moral capital," which promotes and supports behaviors like staff engagement, employee interest, consumer acceptance, and third-party approval.

According to Al-maâ, Al-Qudah, and Shrouf, (2019), CSR impacts organizations financially and non-financially. According to the writers, Internal CSR has a favorable impact on performance in non-financial areas, the report further stated that, internal CSR has a significant influence in enhancing external non-financial performance such as customer happiness and corporate reputation. The impact of external CSR on non-financial performance is favorable. The findings of the study by Al-maâ et al. (2019) indicates that external CSR has a greater impact than internal CSR on non-financial success, internal CSR has a favorable impact on financial results. Employees that are committed and driven should be more productive, more motivated to look for ways to save costs, and more inclined to stay on the job. The long-term outcome of implementing internal CSR has the propensity to increase financial performance.

2.5 Impact of CSR on LBC's Performance

Farmers are given incentives by the LBCs in the district in the shape of clothing, soaps, books, pencils, pens, salt, cutlasses, boots, spraying equipment, and other items (Poku & Lamptey, 2015). Kuapa Kookoo and the Produce Buying Company are the two most notable parties in this. Cocoa

Licensed Purchasing Organizations like PBC, Armajaro, Akuafu Adamfo, and Kuapa Kookoo provide farmers with discounted fertilizers and other agricultural chemicals on a credit basis.

According to responses from a focus group, the (early) distribution of fertilizer is the main reason why they choose to sell their products to various LBCs in the district (Poku & Lamptey, 2015).

Early Payment of Bonuses and Commissions: According to a study by (Poku & Lamptey, 2015), the LBCs in the district start paying bonuses and commissions to farmers and PCs earlier than usual. For instance, the PBC gives farmers and PCs incentives and commissions in preparation of the cocoa season. In addition to the government payments, Armajaro and Kuapa Kookoo also provide farmers extra bonuses. As a result, these farmers are constantly driven to market their cocoa beans to these LBCs. Additionally, it acts as a tool for drawing in new farmers and PCs that formerly belonged to other businesses. Release of Funds for the Purchase of Cocoa are timely done by some LBCs. Every PC needs seed money to be able to pay farmers directly or in advance. PCs that work with PBC, Armajaro, Kuapa Kookoo, and Akuafu Adamfo get timely financing, thus they are given funds or monies ahead of time to start with the purchasing of the cocoa beans. The PBC frequently offers a larger amount of this seed money than the other LBCs in the district. By doing this, PCs are able to provide credit facilities and purchase more cocoa beans than their competitors at Adwumapa, FEDCO, Diaby, and other well-known LBCs (Poku & Lamptey, 2015).

Through a thorough discussion with the farmers, it was revealed that the specific sales promotional packages offered affect the farmers' choice of LBC. Sales promotional packages adopted by LBCs have short-term and long-term effect of cocoa purchases. Per the study, sales promotional strategies are divided into farm-related and non-farm-related sales promotional inputs. Salt, soap, watches, cooking utensils, and other non-farm related sales and promotional inputs have immediate influence on the district's licensed buying companies' purchases of cocoa from farmers.

On the other hand, farm-related sales promotion tools including fertilizers, weedicides, insecticides, cutlasses, farm inspections, development of capacity, and spraying equipment have a long-term impact on how farmers sell their cocoa beans to the LBCs (Poku & Lamptey, 2015).

Based on the above studies, the first hypothesis is presented.

H₁. Corporate Social Responsibility has a positive relationship with firm's performance.

2.6 Impact of CSR on Brand Loyalty

According to He and Lai (2014) the two key components of CSR - legal and ethical responsibilities improve brand loyalty by creating favorable practical and symbolic impressions. Moreover, distinct roles are played in enhancing brand loyalty by fulfilling legal and ethical obligations. CSR activities can improve the image of the company among consumers and it help to improve customer and brand loyalty (Sameer, 2021). The practicing of CSR help companies to be successful in the sense that, it promotes customer loyalty, job satisfaction and business performance (Siddiq & Javed, 2014).

Companies who practice CSR gain additional advantages from consumer loyalty, which eventually boosts the company's profit margin. As goodwill grows, firms gain a strong reputation among stakeholders and support the defeat of rivals (Siddiq & Javed, 2014). CSR practice should be thoroughly considered to help uphold brand loyalty. The achievement of brand loyalty through

CSR will enhance company's reputations, customer commitment and legal equity (Palllathadka & Pallathadka, 2020). Moreover, CSR and BL could help accomplish both short- and long-term goals and objectives as well as maximum efficiency and productivity.

The implementation of corporate social responsibility initiatives have positive correlation on brand loyalty, the CSR activities will further enhance the competitive prowess of a company against its competitors and most people respond to a brand for a good reason (Lu et al., 2020; Sharma & Jain, 2019). A consumer's knowledge about a company depends on brand performance and BL is considered as input of brand performance which has a positive impact on firm's performance (Irshad et al., 2017). building customer loyalty through CSR activities promotes brand loyalty (Fandos-Roig et al., 2021; Singh & Saini, 2016). If brands meet the expectations of the customer, they will eventually repeat purchases (Kotler et al., 2018; Martinez & Del Bosque, 2013)

Based on the above review, the second hypothesis is presented.

H₂. The Corporate Social Responsibilities has a positive effect on Brand Loyalty

2.7 Concepts of Brand Loyalty

2.7.1 Definitions of Brand Loyalty

Kotler and Armstrong (2010) uniquely defined brand as “a name, term, sign, symbol, design or a combination of these that identified the maker or seller of a product or service.” Brand loyalty as a construct is very complex, it comes with a lot of definitions from scholars and other interest groups. According to Chegini (2010) brand loyalty is a positive behaviour exhibited by customers which include repurchase of product and services, support and offer to purchase which may control a new potential customer. The American Marketing Association and Moiescu (2006) further highlighted on the definition of brand loyalty as the repeated or consistent purchases of a company's product or services by a customer.

According to Saif, Ahmed, Shareef, and Khalid (2018) brand loyalty can be explained as repeat purchase behavior, positive word of mouth and recommendation demonstrated by satisfied customers. In another vein, Barringer and Ireland (2009) also defined brand loyalty as a valuable assets for a particular company which influence the customer to become loyal to the product or service of the company and continue to patronize the product or service time to time again.

2.7.2 Factors Influencing Brand Loyalty

2.7.2.1 Customer Satisfaction

Customer satisfaction really influence brand loyalty. There are several studies that attest to the fact that there is a link between customer satisfaction and brand loyalty. Satisfied customers become loyal and dissatisfied customers change a brand to get more satisfactory brand (Dahlgren, 2011; Kuusik, 2007). The American Customer Satisfaction Index (ASCI) and European Customer Satisfaction Index (ECSI) have postulated that, customers feel satisfied if they perceive the product is of quality, value and meet their expectations. Aside product related attributes, human related attributes also affect customer satisfaction, thereby affecting brand loyalty (Dahlgren, 2011; Anderson & Fornell, 2000).

2.7.2.2 Brand Image

Indisputably, brand image to some extent affect brand loyalty either positively or negatively. According to Kuusik (2007) consumers or customers express their identity through their brand preference either consciously or subconsciously. People's propensity to categorize themselves into various social groups is another factor that can have an impact on brand loyalty. People then assess and contrast their own values and symbols with those of others (Kuusik, 2007). Consumers want

to associate with people who have similar beliefs and an image to their own, and even connections between consumers and brands can be considered as examples of perceived compatibility (Dahlgren, 2011). The various assertions by the writers indicate that, when there is compatibility between brand image and customers image, then brand loyalty can be ensured.

2.7.2.3 Trust

Brand loyalty appears to be affected by trust. The belief a customer has for a company influences how they patronize in the services of that company. According to research, trustworthiness is the bedrock of a partnership and can be used to gauge a partner's value (Kuusik, 2007). Business organizations demonstrate trustworthiness to customers through frontline staff, management policies, and procedures. Company's trustworthiness generates a counter effect in the form of consumer trust, which subsequently has an impact on loyalty. Consumers' levels of trust can be either positive (trust) or negative (distrust), but only a positive value can enhance brand loyalty (Alhabeeb, 2007).

Chaudhuri and Holbrook as cited in Dahlgren (2011) empirically evaluated the effects of the two components of loyalty in relation to consumer trust and brand loyalty. Their findings show that customer loyalty is influenced by both behavioral and attitudinal factors. Behavioral loyalty results in repeat purchase, which increases the company's market share, while attitudinal loyalty results in a consumer's commitment to the product, which enables the brand to make profit.

2.7.2.4 Word-of-Mouth

Customers readiness to suggest a business to others is the most significant indication of loyalty (Reichheld as cited in Dahlgren, 2011). The likelihood of recommendations can be considered as a good indicator of loyalty because the individual making the recommendation is risking their own

reputation. According to various academics, brand loyalty causes current customers to recommend the brand to others and make more purchases (Sirdesmukh, Singh & Sabol, 2002; Dahlgren, 2011). Positive word of mouth, according to Alhabeeb (2007), is crucial for boosting brand loyalty and expanding its reach. It serves as a free advertisement, disclosing details about the positive brand experience and outlining benefits that can automatically attract new customers who might then do the same to attract even more new customers.

2.7.2.5 Service and Product Quality

Undoubtedly, service quality can be considered an important determinant of brand loyalty and repeat purchase behavior. Service quality is established when there is positive outcome between customers' expectation and their perceived performance of a service (saif et al., 2019). A study conducted by Kuo, Wu, and Deng, (2009) emphasized on the relationship between service quality and brand loyalty, the study further assessed the variables that influenced brand loyalty and the results showed that service quality is a key determinant of brand loyalty.

A study by Zehir, Şahin, Kitapçı, and Özşahin, (2011) focused on how service quality and brand communication relate to brand trust and brand loyalty. The outcome of the research showed that service quality influences brand loyalty favorably through brand trust and a strong brand image. In another research by Krystallis & Chrysochou (2014) on various service qualities and their influence on brand loyalty, it was established that service quality has an impact on brand loyalty. In the works of Batra, Ahuvia, and Bagozzi, (2012), product quality is a key factor in determining brand Loyalty and brand love.

2.7.2.6 Sales Promotions

A study by Tsao, Lin, Pitt, and Campbell, (2008) established the fact that promotions can influence brand loyalty as promotional activates attract potential buyers, potential switcher and induce repeat purchase behavior. Buil, De Chernatony, and Martínez, (2013) shares similar sentiment with Tsao et al., Buil et al., concluded that promotional tools are considered t have positive impact on brand image and create positive brand associations that lead to brand loyalty. Even though promotional activities influence brand loyalty, it also has some adversely effects. Some of the adverse or negative effects of promotional activities are; promotions have negative effects on brand associations and brand image as customers consider price as a representative of quality (Agarwal & Teas, 2002), this implies that reduction in the price could be considered as a bad signal by the customers. In another study by DelVecchio, Henard, and Freling, (2006) promotions such as price discounts can result in unfavorable quality evaluations.

2.8 Effects or Impacts of Brand Loyalty on Companies Performance

According to Saif *et al.*, (2018), Brand loyalty builds and keeps a devoted consumer base, brand loyalty has evolved into the secret to success, ensuring a company's long-term prosperity. The factors that affect brand loyalty should be thoroughly researched by managers, as should the connections between these factors. This information may be used by managers to create pricing and promotion plans. The availability of same products or related products in the market has caused intense competition among companies, businesses have now recognize how crucial it is to concentrate on creating a strong brand identity and cultivating brand loyalty in order to keep customers as well as establish long-lasting, profitable relationships (Saif, et al., 2018).

The value that brand loyalty creates for businesses comes in the form of a high barrier of entry for competitors, increased sales and revenue, a customer base that is less susceptible to competitor marketing efforts, an improvement in the firm's capacity to respond to competitive threats, decreased customer price sensitivity, lower costs associated with acquiring new customers, and increased organizational profitability (Ballester & Aleman, 2001; Rowley, 2005).

The competitive nature of the business environment has given rise to the essence of customer maintenance and customer loyalty, since loyalty fosters organizational success (Chegini, 2010; Tripathi, 2009). Customers who are loyal to a brand want to make additional purchases and support it, allowing the company to keep such customers and avoid spending money on attracting new ones (Niyomsart & Khamwon, 2015; Kazemi, PaEmami, Abbaszadeh, & Pourzamani, 2013; Carol & Ahuvia, 2006). Brand loyalty promotes customer and company longevity, this means that both parties would continue to patronize each other for a long period of time. This longevity would likely influence a company's profitability (Dahlgren, 2011).

Brand loyalty fosters customer retention, the retention of customers influence the market share of the company (Dahlgren, 2011; Pleshko & Bager, 2008). The essence of brand loyalty or loyal customers was further expatiated by Reichheld (2001), Reichheld summarized the benefits as; brand loyalty will lower customer acquisition cost, loyal customers mostly buy more as time unfolds, a positive word of mouth by customers, brand loyalty gives companies competitive edge.

Brand loyalty improves revenues along the relationship life cycle of cross-selling activities and also improves customer penetration rates (Dwyer et al., as cited in Banjo & Obasan, 2015). In other study by Reichheld and Sasser as cited in Banjo and Obasan, (2015) it was reported that

“customer loyalty creates increased organizational profitability through enhanced revenues, reduced costs to acquire customers, lower customer-price sensitivity, and decreased costs to serve customers familiar with a firm’s service delivery system.”

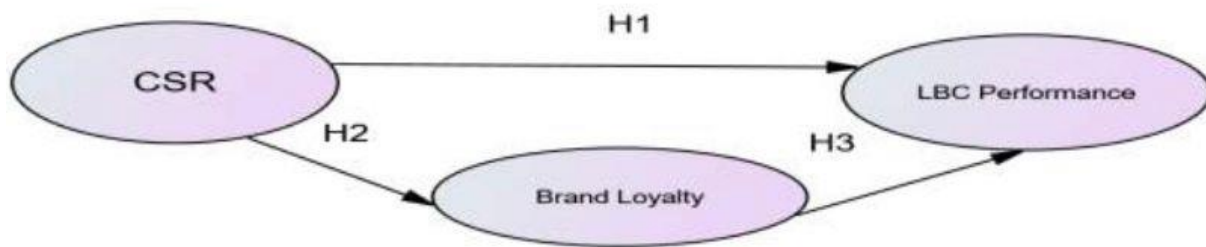
Based on the above studies, the third hypothesis is presented.

H3. Brand Loyalty has a positive relationship with firm’s performance whiles mediates the relationship between Corporate Social Responsibility and Firm performance

2.9 Conceptual Framework or Model of the Study

A model representing Corporate Social Responsibility (CSR), Brand Loyalty (BL) and Licensed Buying Company Performance (LBCP). Where CSR is the independent variable, BL is the mediating variable and LBCP is the dependent variable.

Figure 1: Conceptual Framework or Model



Source: Authors Construct, 2023

CHAPTER THREE

METHODOLOGY OF THE STUDY

3.0 Introduction

The study adopted a quantitative method. The population for the study were licensed buying companies, cocoa purchasing clerks in cocoa farming communities, district and regional managers of cocoa licensed buying companies, workers of Ghana Cocoa Board, marketing and brand consultants. Convenience sampling under non-probability sampling was employed. Items to measure corporate social responsibility, brand loyalty and licensed buying companies performance were adapted from Saeidi et al., (2015), Tiep Le et al., (2021) and Benavides-Velasco et al., (2014). Confirmatory Factor Analysis (CFA) was used to check the validity of the instruments. Cronbach Alpha was used to test the reliability of the measuring instrument. Deductive approach was used in the analysis of primary and secondary data. Structural Equation Modelling (SEM) was used in the data analysis. The scientific software applied in the data is Statistical Package for Social Science (SPSS version 26).

3.1 Study Area

Considering the multiplicity and the diverse background and geographical area of respondents, the study area was not targeted at one place, different areas were used. Obuasi municipality was specifically selected to target the purchasing clerks of cocoa licensed buying companies. The Obuasi Municipality is located in the southern part of the Ashanti Region of Ghana, and is about 64 km from Kumasi, it lies between latitudes 5 °35'N and 5 °65'N, and longitudes 6°35'W and 6°90'W. It covers a total land area of 220.7 square km. The Municipality is bounded on the south

by Upper Denkyira East Municipal of the Central Region, east by Adansi South District, west by Amansie Central District, and north by Adansi North District. The estimated population of the municipality is 104,297 with 51,885 males 52,412 females (Ghanadistricts, 2023). Another interesting fact about Obuasi is that, in 2020, Nana Kwabena Ponkoh II from Atatoase in the Obuasi Municipality of the Ashanti Region was crowned as the National Best Cocoa Farmer in 2020 (Cocoa Marketing Company, 2020).

3.2 Research Design and Approach

According to Bezuidenhout (2005), research design is the blueprint describing how a research study will be done. Quantitative method was employed in the study. According to Creswell and Creswell (2018) quantitative approach is numerical based. Quantitative method of research helps in finding patterns, application of models, simulations, averages and making of predictions (Cresswell & Garrett, 2008).

Under the quantitative approach, non-experimental cross-sectional survey was adopted to study the case. Non-experimental design is less costly as compared to experimental design. The non-experimental design is appropriate for analyzing past events or situations. It further helps in the observation of unique phenomena (Creswel & Creswell, 2018).

3.3 Population of the Study

The target population for this study were cocoa purchasing clerks in cocoa farming communities, district and regional managers of cocoa licensed buying companies, workers of Ghana Cocoa Board, marketing and brand consultants who are experienced and knowledgeable. The farmers were excluded because; the goal of the case study is to extensively understand the impact of CSR on LBC Performance, and how BL mediates the relationship between CSR and performance from management view (Tiep Le 2021; Keller, 2013).

3.4 Sample and Sampling Technique

3.4.1 Sampling Technique

The researcher intends to use convenience sampling technique to select participants for this study. Convenience sampling is a non-probability sampling method in which participants are drawn from a target population. This method aids researcher to collect data from people who are easiest to reach or contact. For convenience sampling, respondents must be available and willing to participate in the study.

3.4.2 Sample size

As it is an established fact, sample size is obtained from the population. There are multiple ways of obtaining sample size, in a study by Hair et al., (2019), the sample size was calculated based on the number of measuring items of the study. He opined that; the sample size should be calculated 5 to 10 times more than the defined items in the study. In the case of this study, the measuring items are thirteen (13), so 13×10 will give you 130. Per the analogy, the respondents should be 130 but in order to make up for unsatisfactory responses and missing responses, the sample size was increased to 200.

3.5 Data Collection Method

3.5.1 Primary Data Collection

Ideally, survey method is appropriate when collecting primary data. It is a technique or instrument used by the researcher to collect data from respondents. Under the survey method, respondents are asked to answer some designed questions, the idea is to solicit their experiences and their knowledge in the subject under study. This technique or method was adopted because, it helped the

researcher to get access to in-depth information, freedom of flexibility and accurate data would be guaranteed.

Primary data would be gathered from sampled farmers and purchasing clerks or district managers of cocoa buying companies in the Obuasi Municipality. The researcher and the respondents would engage in face-to-face survey; what this means is that, the researcher would personally engage the respondents during the questionnaire administration.

3.5.2 Secondary Data Collection

For the secondary data collection, reports from COCOBOD, Cocoa Buying Companies and articles from reputable journals would be used. This method is adopted because of its significance. Reports and articles from reputable institutions ensure accuracy of information, it is easy to access information and further ensures informed decision-making.

3.6 Data Collection Instruments

The questionnaire for the data collection would be close ended. The designed questionnaire would be administered in person. This instrument would be employed because, the researcher wants to gain a thorough understanding of the issue to be discussed. The researcher prefers to use questionnaire because, it is the quick and efficient way to obtain large or enough information from a large sample.

3.7 Data Validity and Reliability of the Instrument

Validity refers to the extent to which an instrument is relevant and measures accurately in the study. The measuring instruments used were edited and tested before their administration. It is vital for an instrument to be valid in order for the results to be accurately applied and interpreted. Exploratory and confirmatory factor analysis were conducted to check the validity of the

instruments. Factor analysis is used to as a data reduction technique (Fawad, 2020), it summarizes variables into different factors or components.

Data reliability basically explains the consistent nature of the measuring instruments as they are used repeatedly with the same conditions. The purpose of reliability is to assess the instrument ability to measure the same way in which the same sample was administered. A test is considered reliable if we get the same result repeatedly. Cronbach Alpha was used to ascertain the reliability of the measuring instrument.

3.8 Data Analysis

Respondents bio-data were statistically described and Structural Equation Modelling (SEM) were used to analyze the measuring items. Path analysis, often known as structural equation modeling, is a multivariate technique used to evaluate theories or hypothesis about the impacts of interacting factors (Fawad, 2020). Based on the hypothetical nature of the constructs, the ideal analytical tool is structural equation modeling. It facilitates and accurately test the hypothetical nature or the relationship among the construct. It further explains the correlation between constructs and their observed indicators. It is against this background that SEM was adopted to analyze the relationship between CSR, LBCs performance and BL.

3.9 Ethical Considerations

With the politicization of the research environment, it is always expedient to consider ethical issues whenever one wants to embark on any study. It is against this background that the researcher officially sought consent from participants. For confidentiality purposes, I took measures to protect the identity of all participants and their privacy were respected. The goal of the study was reveal

to the research participants. No threatening information were gathered, the work was strictly academic.

3.10 Questionnaire Formulation

Data were gathered for the current investigation using questionnaire. In order to develop the questionnaire, established scales from the literature were adopted and modified. Instrument items were adapted to measure CSR (4 items) (Saeidi et al., 2015), brand loyalty (5 items) (Bianchi et al., 2019; Tiep Le et al., 2021) and firm performance (4 items) (Tiep Le et al 2021; Benavides-Velasco et al., (2014)). 5-point likert scale with anchors ranging from 1 (strongly disagree) to 5 (strongly agree) were used to rate the measuring items.

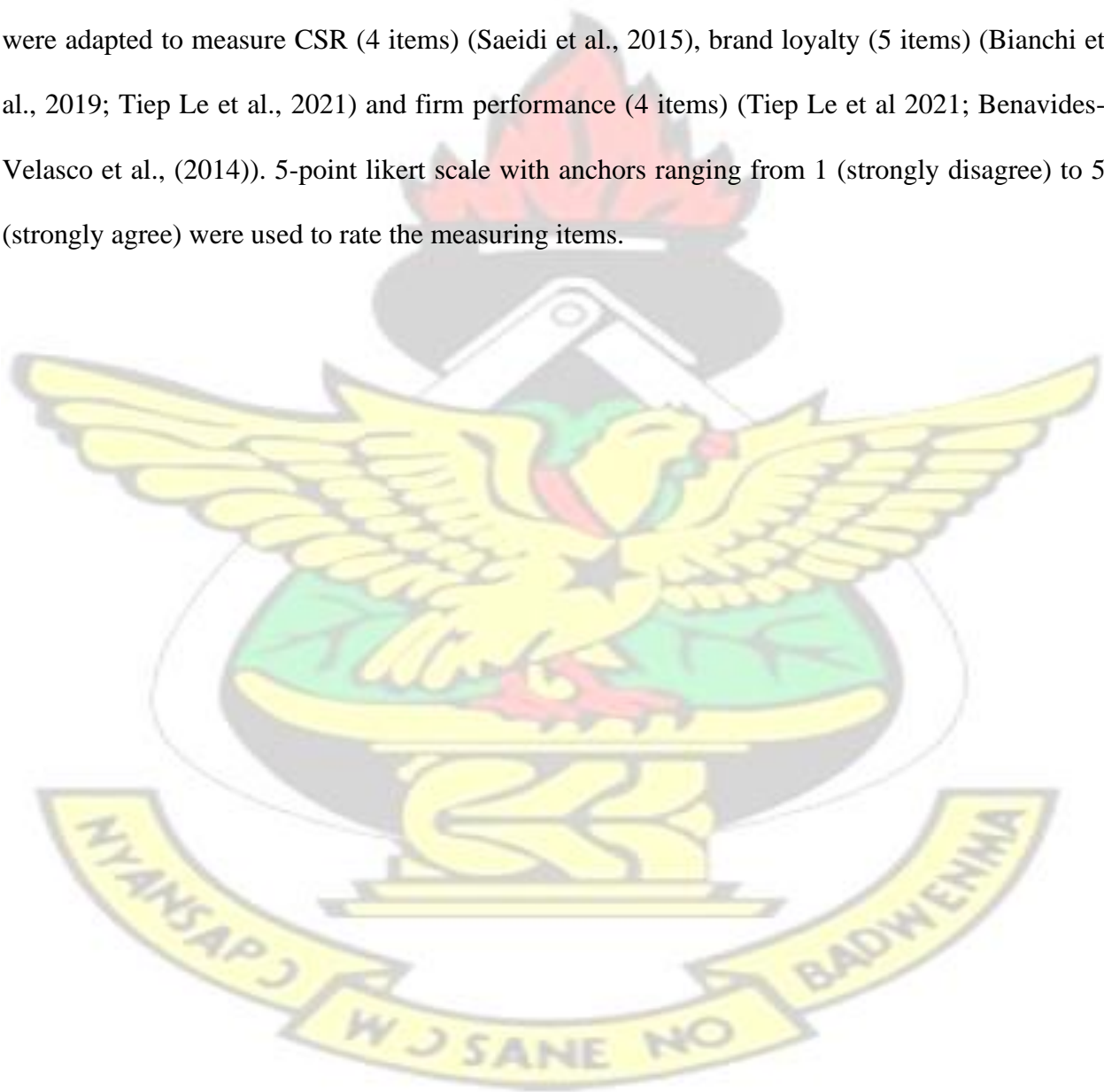


Table 1: Constructs or Questionnaire formulation for the Study

CONSTRUCT	ITEMS	DESCRIPTION	REFERENCES
Corporate Social Responsibility (CSR)	CSR1	Ethical dimensions	Saeidi et al., (2015)
	CSR2	Economic dimensions	
	CSR3	Legal dimensions	
	CSR4	Discretionary	
Brand Loyalty (BL)	BL1	Repurchase intention decided by customers on existing product or service	Tiep Le et al., (2021) Chaudhuri et al., (2001)
	BL2	Continue support of customers by making selling decisions for the new services offered by firm	
	BL3	Willingness of referrals of brands product or services	
	BL4	Customers desire to maintain established relationship with the brand.	
	BL5	Customers intention to represent the brand	
Licensed Buying Company Performance (LBCP)	LBCP1	Growth of revenue	Benavides-Velasco et al., (2014) Tiep Le et al., (2021)
	LBCP2	Growth of profitability	
	LBCP3	Increased return of asset (ROA)	
	LBCP4	Growth of market shares	

Source: Authors Construct, 2023

CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATION

4.1 Introduction

This chapter analyzes and interprets the measurement instruments and the structural models. Under the measurement instruments, the items were assessed through confirmatory factor analysis to prove the convergent validity, and Cronbach's alpha was performed to prove the composite reliability of the measuring items. SPSS AMOS was used to performed Structural Equation Modeling (SEM) and Confirmatory Factor Analysis (CFA), to assess the authenticity of the designed model (Nachtigall et al., 2003).

Table 2: Respondents Characteristics

Demographics	Number	Percentage
GENDER		
Male	108	58.7
Female	76	41.3
AGE		
18-30	46	25
31-50	95	51.6
51-70	40	21.7
71 and above	3	1.6
EDU. LEVEL		
Basic	15	8.2
Senior High Sch.	31	16.8
Bachelors	77	41.8
Masters	41	22.3
Above	20	10.9

WORK EXP.		
1-5	20	10.9
6-10	89	48.4
11-15	55	29.9
16 and above	20	10.9
TOTAL	184	100

Source: Authors Construct, 2023

The respondents characteristics are statistically presented in table 2. The respondents were cocoa purchasing clerks in cocoa farming communities, district and regional managers of cocoa licensed buying companies, workers of Ghana Cocoa Board, marketing and brand consultants and other stakeholders in the cocoa industry.

4.2 Assessment of Measurement Model

The measurement framework for this study considers three constructs thus Corporate Social Responsibility (CSR), Brand Loyalty (BL) and Licensed Buying Company's Performance (LBCP). To assess the measurement model, reliability and validity measures were examined. The construct reliability was assessed by Cronbach's alpha with the factor loadings of the items measuring the respective construct.

Composite or construct reliability is an appropriate reliability measure when performing structural equation modeling (Fornell & Larcker, 1981; Raykov, 1997), the accepted threshold value must either be 0.7 or greater. Hair et al., (2017) further alluded that, composite reliability values of 0.7 or greater denote good reliability. From **table 3**; the composite reliability value for CSR is 0.869, BL 0.92 and LBCP 0.95. The presented values indicate a n excellent reliability.

In other to ensure if there is convergent validity, the Average Variance Extracted (AVE) value should be greater than 0.5 (Ghasemy et al., 2020 Rasoolimanesh et al., 2019). From table 3; the

AVE values for the various constructs are; CSR 0.546, BL 0.595 and LBCP 0.603. The values indicate an establishment of convergent validity for the study model.

Table 3: Assessment of Measurement Model

Construct	Factor Loadings	Cronbach's alpha	CR	AVE
CSR1	0.69	0.825	0.869	0.546
CSR2	0.66			
CSR3	0.73			
CSR4	0.86			
BL1	0.84	0.881	0.92	0.595
BL2	0.68			
BL3	0.78			
BL4	0.79			
BL5	0.76			
LBCP1	0.89	0.851	0.95	0.603
LBCP2	0.85			
LBCP3	0.66			
LBCP4	0.68			

Source: Authors Construct, 2023

4.3 Evaluation of Model Fit

The assessment of model fit is very critical in SEM. The model fit establishes how the model is good enough for the study. There is plethora of goodness-of-fit indicators. For the purpose of this study, the model fit analysis focused on Comparative Fit Index (CFI), Tucker-Lewis Fit Index (TLI), Chi-square test (χ^2/df), Root Mean Square Error of Approximation (RMSEA) and Standardized Root Mean Squared Residual Approximation (SRMR). In a study by Hu and Bentler (1999) the acceptable threshold or value for the various indicators are; Chi-square value must be less than 3.0, CFI and TLI must be higher than 0.90, RMSEA and SRMR should less than 0.08. **Table 4** presents the statistical values of the model-fit. RMSEA is 0.046, X^2/DF is 1.382, CFI is 0.979 and TL is 0.974. All the values fall with their acceptable thresholds or range. Therefore, the model is fit.

Table 4: Model-Fit-Analysis

Model-of-Fit	Acceptable Threshold	Value	Conclusion
SRMR (Standardized Root Mean Squared Residual Approximation)	<0.08	0.051	Good fit
RMSEA (Root Mean Square Error of Approximation)	< 0.08	0.046	Good fit
X^2/DF (Chi-square)	< 3.00	1.382	Good fit
CFI (Comparative Factor Index)	> 0.90	0.979	Good fit
TLI (Tucker-Lewis Index)	> 0.90	0.974	Good fit

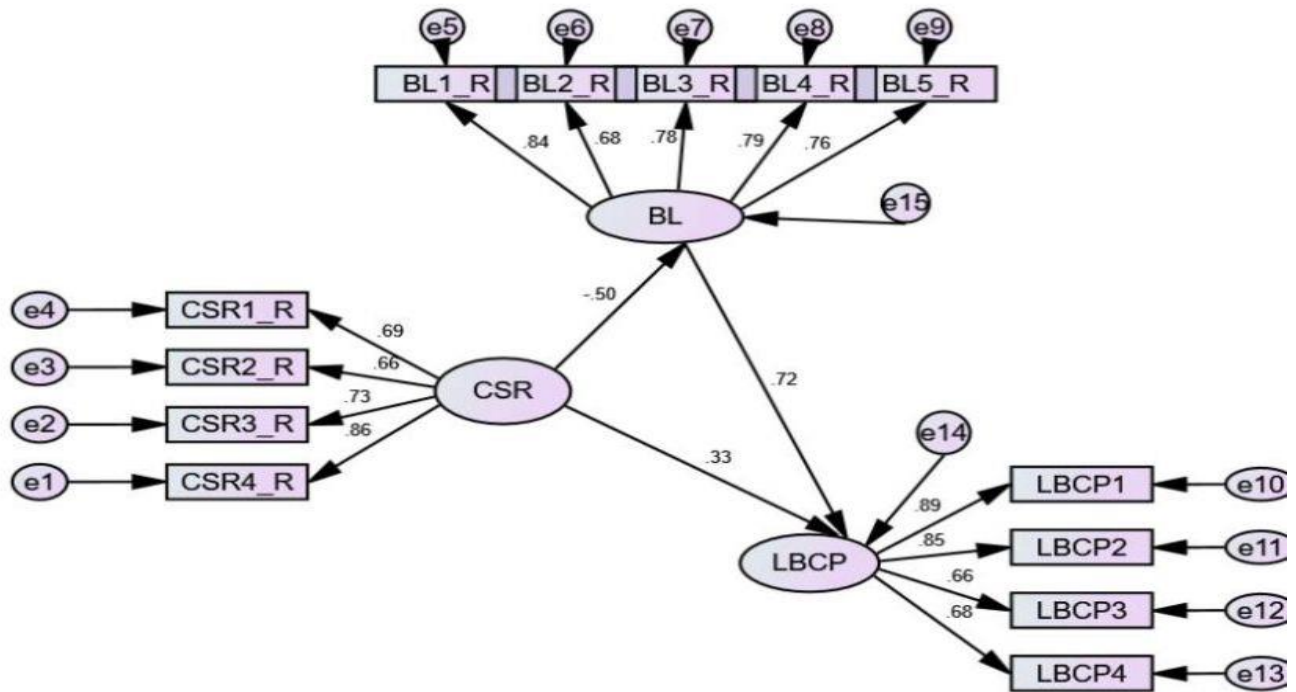
Source: Authors Construct, 2023

4.4 Assessment of Structural Model

Structural equation modeling and hypothesis testing have been assessed and the results are presented in figure 2 and table 5 respectively. The structural equation model assessed the relationship among CSR, BL and LBCP. The relationship was premised on the concept that, CSR influences Licensed Buying Companies Performance (LBCP) but the influence of the performance is positively mediated by Brand Loyalty. Path coefficient, t-value, bootstraps and direct and indirect relationships among the construct were determined. In brief the findings support the hypotheses of the study. Detailed analysis of the structural equation modeling and the hypothesis testing is discussed below.



Figure 2: Result of Structural Model Assessment



Source: Authors Construct, 2023

The results of the structural equation modelling indicates that, both CSR and BL have a positive relationship or influence on LBC Performance. From the structural model, it could be seen that the impact weight of Corporate Social Responsibility on Licensed Buying Company Performance appears less strongly even though there is positive relationship. Brand Loyalty as a mediating variable is strongly correlating with LBC Performance with a path coefficient of 0.72. All the individual factor loadings measuring the respective constructs met the acceptable threshold.

Table 5: Results of Hypothesis Testing

Hypothesis	Direct/Indirect effect	Path Coefficient	T-Value	95%Bias Corrected Confidence Interval	Supported
H ₁	CSR→LBCP	0.33	4.462	(0.282, 0.379)	YES
H ₂	CSR→BL	0.50	6.353	(0.434, 0.625)	YES
H ₃	CSR→BL→LBCP	0.72	25.614	(0.652, 0.763)	YES

Source: Authors Construct, 2023

To substantiate the study hypothesis, path analysis was performed and its values are presented in table 5. The findings supported H₁, H₂ and H₃. Corporate Social Responsibility has positive relationship with Licensed Buying Company Performance, the relationship is not strong enough considering the coefficient path (0.33) with low confidence interval as 0.282 and high confidence interval as 0.379. Brand Loyalty is strongly mediating the relationship between Corporate Social Responsibility and LBC Performance, this is established based the on the coefficient path value (0.72).

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 Summary of Findings

From the studies, it was realized that Corporate Social Responsibility has a positive influence on brand loyalty. From the findings, CSR has a considerable beneficial impact on customers loyalty. Maden et al., (2012) further posited that, CSR practices and initiatives have a beneficial impact on consumer loyalty. The study has gone further to pinpoint the underlying mechanism mediating this impact by evaluating the mediating roles of brand loyalty.

The relationship was premised on the concept that, CSR influences Licensed Buying Companies Performance (LBCP) but the influence of the performance is positively mediated by Brand Loyalty. The model fit establishes how the model is good enough for the study. There is plethora of goodness-of-fit indicators. For the purpose of this study, the model fit analysis focused on Comparative Fit Index (CFI), Tucker-Lewis Fit Index (TLI), Chi-square test (χ^2/df), Root Mean Square Error of Approximation (RMSEA) and Standardized Root Mean Squared Residual Approximation (SRMR). The assessment of model fit is very critical in SEM. The model fit establishes how the model is good enough for the study.

Licensed Buying Companies (LBC) ensure that, farmers are educated and trained on excellent agronomic methods, drying, cleaning off placenta fragments and foreign objects from beans, proper fermentation of cocoa output, and other topics, among others, through organized workshops (Owusu Ansah, Ofori, Siaw, & Manu, 2018). LBCs further embark on other activities such as

preventing bagged cocoa sacks from absorbing moisture from the ground due to the plants' hydroponics nature, provide excellent storage facilities, operational logistics and prompt payment of employees' salaries and wages.

5.2 Conclusion

The theoretical frameworks and conceptual underpinnings spelled out in the study would serve as a guide for the initiation and implementation of CSR activities in firms. The findings of this research will expose stakeholders to the possibilities of rendering quality services geared towards promoting efficient CSR services for businesses growth. The findings could be used as philosophical paradigms in business operations especially those in cocoa marketing businesses. It could also be used across multiple and other businesses that are not into buying of cocoa beans.

From the study, it was ascertained that CSR and BL positively influence the performance of firms. Globally, the relationship between CSR and brand loyalty has gradually been established. This study will contribute to the body of knowledge by addressing the direct and indirect effects of CSR and BL and how BL mediates the relationship between CSR and LBC Performance. There are studies that also share similar sentiments with this research (Tiep Le, 2021; Cha et al., 2016; Liu et al., 2019; Sánchez-Hernández & Mainardes, 2016).

With the unrestricted entry into most businesses, it has become expedient to always consolidate or solidify your gains to help you stay afloat. Market share, profitability and growth could either be maintained or improved if particular attention is paid to CSR activities and other related factors such as brand loyalty because the findings of the study has revealed to us the essence of CSR and Brand Loyalty.

5.3 Recommendations

In terms of research participants, the study focused on purchasing clerks of cocoa licensed buying companies, district and regional managers of cocoa licensed buying companies, workers of COCOBOD, marketing and brand consultants. The same research could be conducted but with different participant whose background is different from these current participants. It could be farmers.

To better comprehend the interrelatedness of CSR, BL and LBC Performance, it would be expedient another research is conducted to involve more mediating variables. This will help bring to bear all the intricacies, direct and indirect effects of the various mediating variables that could influence firm performance.

For extensiveness, another research could be done in different industry apart from cocoa licensed buying companies to ascertain if similar findings would be attained.

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APPENDIX

1. SECTION A

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2. Gender: Male [] Female []

3. Age: 18-30 years [] 31-50years [] 51-70years [] 71years and above []

4. Educational Background: Basic [] Senior High [] Bachelors [] Masters [] Above []

5. Working Experience: 1-5years [] 6-10years [] 11-15years [] 16years and above []

Note: CSR = Corporate Social Responsibility, BL = Brand Loyalty, LBCs = Licensed Buying Companies.

PART II: CSR

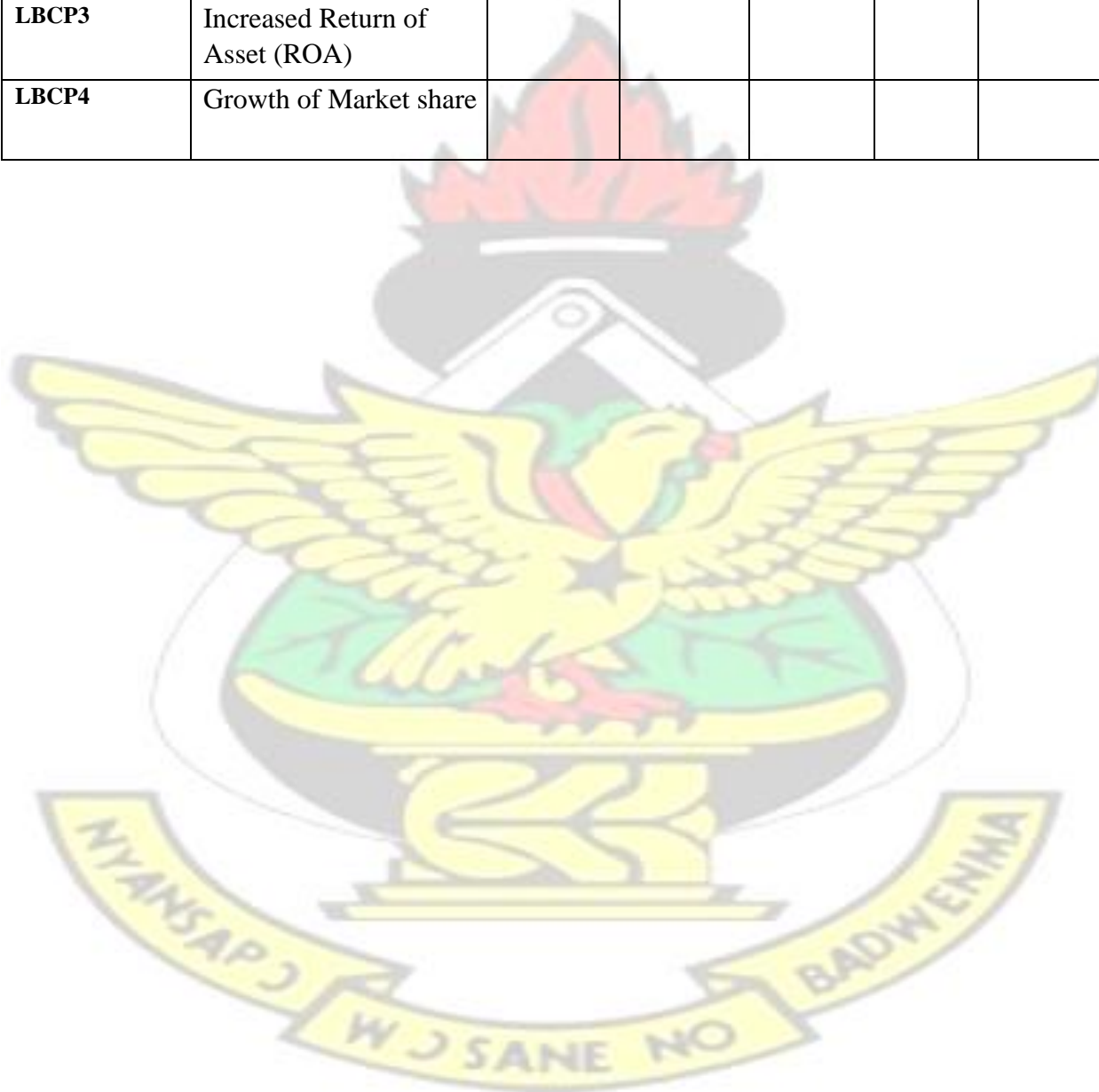
		Strongly Disagree	Disagree	Neutral	Agree	Strongly Disagree
No.	Items/ Questions	1	2	3	4	5
Corporate Social Responsibility (CSR)						
CSR1	Ethical Dimensions					

CSR2	Economic Dimensions					
CSR3	Legal Dimensions					
CSR4	Discretionary					

Brand Loyalty

		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
No.	Items/ Questions	1	2	3	4	5
BRAND LOYALTY (BL)						
BL1	Repurchase intention decided by customers on existing product or service					
BL2	Continue support of customers by making selling decisions for new services offered by firm.					
BL3	Willingness of referrals of brands product or services.					
BL4	Customers desired to maintain established relationship with the brand.					
BL5	Customers intention to represent the brand.					

LBC Performance		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
	Item/Question	1	2	3	4	5
LBCP1	Growth of Revenue					
LBCP2	Growth of Profitability					
LBCP3	Increased Return of Asset (ROA)					
LBCP4	Growth of Market share					



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