

**CORPORATE SOCIAL RESPONSIBILITY ACTIVITY REPORTAGE ON RURAL
AND COMMUNITY BANKS WEBSITES IN GHANA**

BY

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(ACCOUNTING)**

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DECLARATION

I hereby declare that this submission is my own work towards Masters of Business Administration (Accounting) and that, to the best of my knowledge, it contains no materials previously published by another person nor materials which has been accepted for the award of any other degree of the university, except where due acknowledgement has been made in the paper.

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ABSTRACT

This study sought to evaluate the corporate social responsibility activity reportage among rural and community banks in Ghana. Twenty two (22) available websites of rural and community banks in Ghana served as the sample size for the study. A scorecard on CSR reportage used by Hinson et al (2010) was adopted for the study. The scorecard enabled the researcher to ascertain the rate of CSR reportage among rural and community banks through the disclosure of their internal CSR activities and external CSR activities on their websites. Our findings revealed that rural and community banks mostly reported their external CSR activities such as community involvement activities which include charitable donations, sports and education as well as environmental disclosure activities which include lending and investment policies and company's concern for the environment. On the other hand, internal CSR activities such as employee health and safety, employee remuneration, employee training, customer satisfaction and provision for physically challenged customers were either not reported at all or under reported on the websites of rural and community banks in Ghana. The study therefore recommended that there is the need for rural and community banks to be much concerned in communicating both their internal and external CSR activities on their websites in order to create a good corporate image in the eyes of consumers.

DEDICATION

This study is dedicated to my loving wife, Mrs. Victoria Kodom, daughter, Adelaide Nyarko Kodom and son, Christian Obeng Kodom for their support and encouragement to the successful completion of my course.

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CHAPTER ONE

INTRODUCTION

1.1 Background of the study

Lots of theories have been proposed to explain the objective of businesses and organizations. However, the generally accepted objective of most firms is to maximize the wealth of its investors or shareholders. In other words, it is to increase the value of shareholders' investment in a company. Some firms in achieving their main objective have woefully failed to be aware that there are other stakeholders whose interest need to be considered when achieving the objectives of the organizations. This has raised lots of concerns and debates and one of the results of such concerns and debates is the issue of Corporate Social Responsibility.

Corporate Social Responsibility (CSR) is a concept used by firms to commit to improve their environmental and social performance beyond legal obligations. A commercial enterprise is established mainly to create value by producing goods and services which society demands. Corporate social responsibility (CSR) in the modern conception denotes that companies willingly integrate social and environmental concerns in their operations and interaction with stakeholders. The conception of CSR is one of moral and ethical issues surrounding corporate decision making and behavior. The purpose of all profit oriented organizations is to maximize profit and in turn reduce cost to its minimum, through optimal employment of obtainable scarce resources to achieve the optimum outcomes.

CSR is by a means of discussing the degree of responsibilities a firm has towards its immediate society and a way of suggesting strategies on how those obligations can be met, as well as a tool by which the benefits to a business for meeting those obligations can be identified (CSR Guide, 2012). Some of the incentives to engage in Corporate Social

Responsibilities are; globalization, response to market forces, consumer and civil society pressures, corporate objectives, and the others. The actions of these businesses are therefore visible because of their global reach. Through CSR reporting, there is a greater enticement to protect the products and investment of organizations as such. In this technological world where the internet has made the whole world a global village, where the internet, the news media and the information revolution shed light on business practices around the world, companies are judged more frequently on the foundation of their ecological stewardship. Therefore, all the stakeholders of an organisation want to know what is happening in an organisation.

Businesses therefore communicate to their stakeholders using various media to respond to changing local, national and global societal expectations concerning business practices (Isenmann, 2006). Majority of organizations usually communicate corporate social responsibility (CSR) issues to their stakeholders in order to influence opinion leaders' behaviours regarding their entity (APCO, 2004), to increase their competitiveness (Porter and Kramer, 2006; Porter, 2006), to accumulate long-term benefits for their businesses (Hermann, 2004), and to respond to the rising uncertainty regarding corporate communications, predominantly companies that exaggerate their social behaviour (Holme and Watts, 2000). For many businesses, the corporate website currently serves as an instant and complete information center through which organisational messages that shape, enhance or maintain a company's corporate image and through which reputation is conveyed (Rolland and Bazzoni, 2009).

The importance of the internet for communicating or revealing information to stakeholders is therefore cannot be over emphasized. The internet has the capability to broadcast information, reduced amount of cost and to reveal information in a timely manner. Branco

and Rodrigues (2006), assert that the internet enables firms to provide information targeted to different stakeholders and to obtain reaction from them. The internet therefore becomes the means of fulfilling the economic, legal, ethical and philanthropic responsibilities expected by its stakeholders (Thorne et al., 2008). Given the importance of stakeholders to CSR practice, it is worthy to note that the stakeholder approach to CSR has focused on the primary CSR concept (Bowmann-Larsen and Wiggen, 2004; Murray and Vogel, 1997), social responsibility communication (Moreno and Capriotti, 2009; Gray et al., 1996; Porter and Kramer, 2002, 2003, 2006), and social responsibility disclosures by the corporate websites of Banks in Ghana (Hinson et al 2010). CSR reporting by corporate institutions have been establish to have had a positive impact on the performance of corporate organizations.

This research draws on the online CSR communication framework originally formulated by Branco and Rodrigues (2006) cited by Hinson et al (2010) in their study of online CSR reporting by commercial banks in Ghana. This study examines online CSR reporting by rural and community banks in Ghana. This study seeks to establish the degree to which rural banks in Ghana use the internet as a means and medium for communicating their CSR activities.

1.2 Problem Statement of the Study

Ever since the premier rural bank was formed in the Central Region of Ghana, rural banking has grown and continues to grow and impact positively on the lives of the rural and community folks. Aside their core mandate of mobilizing credit for rural development through savings and the granting of credit, Akossey (2015) reported that, when it comes to corporate social responsibility, rural banks are also doing very well. This Akossey (2015) noted from various CSR that was reported for which some follows: Sekyedomase health center receiving donation of medical equipments from Sekyedomase Rural Bank of Ashanti Region with a view to improving quality health care for people in its catchment area; Also a

committed total amount of GH¢140,000 into corporate social responsibility, with GH¢22,500 going into scholarships for 60 students from various cycles of education in Amansie Central district by Odotobri Rural Bank at Jacobu in Amansie Central district of Ashanti Region ; Suma Rural Bank in the Brong Ahafo Region also build a Computer Laboratory Complex for the community school at Suma Ahenkro and a lot of other CSR by rural and community banks. From the above, it is of no doubt that rural and community banks are contributing their quota towards the betterment and the improvement of the lives of the people in their various catchment areas. But then how do these rural and community banks report these CSR programmes and intentions using their corporate websites? It is against this backdrop that, there is the need to examine how online CSR is communicated by rural and community banks in Ghana.

1.3 Objective of the Study

The general objective of the study is to find out the rate at which rural and community banks in Ghana report their CSR activities on their websites. Specifically, the work seeks to find out the following:

1. To evaluate the rate at which rural and community banks in Ghana report their internal CSR activities on their corporate websites.
2. To evaluate the rate at which rural and community banks in Ghana report their external CSR activities on their corporate websites

1.4 Research Questions

2. To what extent do rural and community banks in Ghana report the internal CSR activities of their banks on their websites?

3. To what extent does rural and community banks in Ghana report the external CSR activities of their banks on their websites?

1.4 Scope and Limitations of the Study

The study focuses on the websites of rural and community banks in Ghana. It is limited to how rural and community banks communicate their CSR programmes and intentions via their corporate websites in Ghana.

The major limitation that confronts this study is the difficulty in getting the website addresses of rural banks in Ghana. Further, it is found that, even though some of the rural banks have websites, at the time of retrieving relevant information from the websites regarding their CSR reportage activities, some of the websites were unavailable.

1.7 Significance of the study

The significance of the study is rooted in its contribution to research and policy. In terms of research, the findings of the study will provide in-depth information about the CSR reportage activities of rural and community banks in Ghana. In this regard, the findings of the study will serve as a good benchmark on which other researchers can dwell on as a point of reference.

In terms of policy, the findings of the study, seeks to provide key recommendations to both management and stakeholders in the rural banking industry on the need to create much more awareness on their CSR reportage activities on their websites. This is because, globalization has come to stay and one of the ways that rural banks can get very competitive is when consumers do know of both their internal and external CSR activities which goes a long way to create a positive brand image for them.

1.8 Organization of the study

This work was prepared and presented in five chapters. Chapter one covers the introduction which includes the background of the study, problem statement, objectives of the study research questions, scope and limitations and the significance of the study.

Chapter two looks at the literature review on the subject. This is a review of books, key papers, publications of earlier writers on the topic and similar topics.

Chapter three does an assessment of rural and community banks in Ghana and their online CSR operations; it discusses thoroughly the detail methods of collecting the data.

Chapter four analyzes and discusses the data collected for the study.

Finally, chapter five discusses the findings, conclusions and recommendations for addressing the problems identified in the study.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This section of the study looks in general of corporate social responsibility, arguments for and against corporate social responsibility, theories of corporate social responsibility and Online CSR communication in the Banking sector. This section also takes a look at the research framework, rural banks in Ghana and also some empirical literature on the subject matter under study.

2.1 The Concept of Corporate Social Responsibility

The concept of corporate social responsibility has been continually redefined to serve changing needs and times. While the basics of CSR continue to be the same everywhere, different emphases are found in different parts of the world because CSR issues vary in nature and importance from industry to industry and one geographical place to another geographical place.

To the European Commission, being —socially responsible implies —going beyond compliance and more investing in human capital, the environment and relations with stakeholders". The Commission places particular emphasis on the importance of integrating CSR permanently into corporate governance and establishing corresponding principles and objectives which must be carried over into strategy development, investment planning and general day-to-day activities. The World Business Council for Sustainable Development (WBCSD) clearly defined CSR as —the obligation of business to contribute to sustainable economic development, working with employees, their families, the local community and society at large to improve their quality of life of the people within which the organisation operates. According to the CACG (Commonwealth Association for Corporate Governance),

CSR refers to the unique support an organisation do to the advancement of society or mitigation of social concerns, usually through some form of investment in partnership with the community which may include the government. This view requires corporate organizations to operate in a way that exceeds the ethical, legal, commercial and public expectations that society has of the organisation.

From the above, it could be seen that, CSR (Corporate Social Responsibility) is all about the connection of organizations with the world as a whole, and the requirement for organizations to bring into line their values with societal expectations in order to reap palpable benefits and avoid conflicts.

According to Wall (2010), the traditional view of an organisation suggests that its primary responsibility is to its owners, or stockholders. However, CSR obliges corporations to adopt a broader view of its responsibilities that does not include only it stockholders, but many other constituencies as well, including employees, suppliers, customers, the local community, local, state, and federal governments, environmental groups, and other special interest groups. Wood (1991) describes CSR as a form of corporate self-regulation integrated into a business model. Accordingly, the notion of corporate social responsibility suggests that corporations have moral, ethical, and philanthropic responsibilities in addition to their responsibilities to earn a fair return for their shareholders and comply with the law. Wood (1991) suggests that the goal of CSR is to embrace responsibility for the actions of the organisation and encourage a positive influence through its actions on the environment, consumers, employees, communities and all other members of the public sphere. Collectively, the various groups affected by the actions of an organization are called "stakeholders."

Different organizations take very different perspectives on social responsibility. These diverging perspectives will also be revealed in how they manage such social responsibilities.

Foreign Affairs, Trade and Development of Canada defines Corporate Social Responsibility (CSR) as the voluntary activities undertaken by a company to operate in an economic, social and environmentally sustainable manner. Operating responsibly also plays a vital role in promoting values both locally and globally and contributes to the sustainable development of communities. Corporate Social Responsibility is a business edge to assess and take responsibility for the company's effects on the environment and impact on social welfare. Businesses also do control a lot of assets, and may have billions in cash at their disposal for socially conscious investments and programs. Some organizations may engage in sham interest in corporate responsibility, but many large corporations are devoting real time and money to environmental sustainability programs and various social welfare initiatives to benefit employees, customers, and the community at large. CSR is therefore an idea businesses use to integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis following increasingly awareness that responsible behaviour leads to sustainable business success (European Commission, 2001).

2.2 Arguments for and against corporate social responsibility

The primary aim or responsibility of every organisation is to maximize wealth creation for the investors or its shareholders. However, some organizations go beyond the primary aim to include the concern for the society and the environment in which the organisation operates. This issue has become a debate among people in managerial position, economists, intellectuals and investors.

2.2.1 Arguments for corporate social responsibility

According to Davis and Blomstrom (1971), the present ethical concepts are conditioning people to favour more responsible actions. They continued that businessmen segment the

attitudes and values of society just as they did a century ago, and they reflect today's attitudes of more responsible conduct in their actions. Oshagbemi (1984) cited in Dadzie (2008) in his article on "managerial response to social responsibility", in favour of CSR, hold the view that the concept of CSR seems to be centred on two premises. Firstly, he explain that there are some goals which society is interested in accomplishing and that business as social institutions has moral obligations to assist society of which they are a part. The second, according to him, is that businesses contribute to the problems of the society and are therefore expected to help solve these problems and make the society a better place to live.

Megginson, Trueblood and Ross (1984) cited in Dadzie (2008) oppose that there are some bases underlying the rationale for a body corporate to assume social responsibility. The first assertion is that since corporations are separate entities, just like individuals under the law, they are assumed to have the same responsibility as individuals. They describe that companies operate at the pleasure of society, so the people can take away a business' right to operate, if it is not responsive to society's need. The second assertion made is that businessmen reduce the pressure for government regulation by assuming social responsibility. This means that owners may avoid the high cost of regulations and retain more flexibility and freedom to make decisions. They further maintain that such an action will help businesses to maintain credibility with the general public.

Dadzie (2008) believes that there is an ideology associated with this concept. Businesses are view to be selfish in pursuits undertaken by private entrepreneurs in the framework of a capitalist system. Thus, the socialists would argue that the system would not make for the satisfaction of greater number of people unless businesses are socially responsible. To him the philosophy behind social responsibility doctrine therefore is a demand place on

businesses to change their social conscience and orientation from a perspective of “caveat emptor” (let the buyer beware) to that of “caveat venditor” (let the sellers beware).

Listed below are some of the summary of the arguments that justifies that organizations are supposed to embark on CSR activities that were summarised from Dadzie (2008);

- i. Obtaining a competitive advantage – community investment programmes are used to aid the awarding of concessions as companies appearing to be socially responsible are often favoured in this process (Porter, 1985; Vives, 2000; Sutherland, Hartman and Seidel, 2002 and Welford, 2003; Frynas, 2005).
- ii. Receiving and maintaining a stable working environment – CSR initiatives are occasionally initiated as a means of ‘buying’ the local communities’ agreement to allow a company to operate (Frynas, 2005).
- iii. Managing external perceptions and maintaining a good reputation – CSR initiatives are used for Public Relations purposes (Frynas, 2005).
- iv. Keeping employees happy – CSR initiatives can often make staff feel more positive about the company, and can increase motivation and efficiency (Frynas, 2005).

2.2.2 Arguments against corporate social responsibilities

Despite the enormous scholars in the subject matter who have written concisely about CSR and the reason for which organizations should adopt it, there are however some scholars in the field who have diverse perceptions about CSR. Notable among such argument are:

- i. Profit decreases with CSR, thus contradicting the actual reason for organizations’ existence. Any money an organization gives to support social activities is actually being taken from the pockets of shareholders (Friedman, 1963; Andrews, 1989:257; Davis, 1973 cited in Boachie-Mensah, 2003).

- ii. With CSR too much power is given to corporations, which is deemed to destroy the check and balances among the government, business and the general public (Davis, 1973 cited in Boachie-Mensah, 2003).
- iii. Organizations may lack the expertise to be socially responsible. Hence, activities in the area of social responsibility should be left in the hands of people more skilled in social programmes, like social workers, teachers and so forth (Davis, 1973 cited in Boachie-Mensah, 2003).
- iv. Organizations may have conflict of interest in how they spend their money (Davis, 1973 cited in Boachie-Mensah, 2003).

2.3 Theories of CSR

Garriga and Mele (2004) assert that most relevant CSR theories and related approaches are focus on one of the following aspects of social reality: economics, politics, social integration and ethics. This study shall therefore take the theories from the perspectives of Garriga and Mele (2004). The theories according to Garriga and Mele (2004) are the instrumental theories, political theories, integrative theories and ethical theories.

2.3.1 Instrumental theories

According to these theories of CSR, CSR as a strategic tool is only seen to achieve economic objectives and, ultimately, wealth creation. Friedman is of the opinion that “the only unique responsibility of business towards society is the maximization of profits to the shareholders within the legal framework and the ethical custom of the country”. Concern for profits does not exclude taking into account the interests of all who have a stake in the firm (stakeholders). Mitchel et al. (1007) cited in Garriga and Mele (2004) argue that in certain conditions the satisfaction of these interests can contribute to maximizing the shareholder value. McWilliams and Siegal (2001) also suggest that an adequate level of investment in

philanthropy and social activities is also acceptable for the sake of profits. According to Garriga and Mele (2004), several studies have been carried out to determine the correlation between CSR and corporate financial performance and of these studies, an increasing number show a positive correlation between the social responsibility and financial performance of corporations in most cases. They are however of the opinion that these findings have to be read with caution since such correlation is difficult to measure (Griffin, 2000; Rowley and Berman, 2000 cited in Garriga and Mele, 2004).

Three main groups of instrumental theories can be identify, depending on the economic objective proposed. In the first group the objective is the maximization of shareholder value, measured by the share price. Frequently, this leads to a short-term profits orientation. The second group of theories focuses on the strategic goal of achieving competitive advantages, which would produce long-term profits. In both cases, keim (1978) cited in Garriga and Mele (2004) is of the view that Corporate Social Responsibility is only a question of enlightened self-centredness since CSRs are a simple instrument for profits. The third is connected to cause-related marketing and is very close to the second. A famous approach in CSR is that which takes the direct contribution to maximizing the shareholder worth as the highest standard to assess exact corporate social activity. Without deception and fraud, any investment in social demands that would produce an increase of the shareholder value should be made interim.

In contrary, if the social demands only bring a cost on the company they should be disallowed. Friedman (1970) is clear, giving an example about investment in the local community: “it will be in the long run interest of a corporation that is a major employer in a small community to allocate resources to providing amenities to that community or to improving its government. That makes it easier to attract desirable employees, it may reduce

the wage bill or lessen losses from pilferage and sabotage or have other worthwhile effects.’’ So, the socio-economic objectives are completely separate from the economic objectives. Currently, this approach usually takes the shareholder value maximization as the supreme reference for corporate decision-making. Lately, it is quite readily accepted that shareholder value maximization is not incompatible with satisfying certain interests of people with a stake in the firm (Garriga and Mele, 2004).

The well-known Porter model on competitive advantage (Porter, 1980) was recently applied by Porter and Kramer (2002) to consider investment in areas of what they call competitive context. The authors contend that investing in philanthropic activities may be the only approach to improve the context of competitive advantage of a firm and usually creates greater social value than individual donors or government can.

2.3.2 Political theories

The political theories of CSR are a group theories and approaches that focus on interactions and connections between business and society and on the power and position of business and its inherent responsibility. Thus the political theories include both political considerations and political analysis in the CSR debate. According to Garriga and Mele (2004), two major theories can be distinguished: Corporate Constitutionalism and Corporate Citizenship although there are a variety of approaches in the political theories.

For Corporate constitutionalism, Davis (1960) is one of the first to discover the role of power that business has in society and the social impact of this power. In so doing, he introduces business power as a new element in the debate of CSR. He opined that business as a social institution and it must use power responsibly. In addition, Davis (1960) note that the causes that generate the social power of the firm are not solely interior of the firm but also exterior. Their locus is unstable and constantly shifting, from the economic to the social forum and

from there to the political forum and vice versa. As a consequence, his theory is called “Corporate Constitutionalism”.

The theory of Integrative social contract proposed by Donaldson (1982) considers the society and the business relationship from the social contract tradition, mainly from the philosophical thought of Locke. He assumes that a kind of implicit social contract between business and society exists. This social contract implies some secondary obligations of business towards society. Businesses apply deontological and teleological theories that have some limitations to overcome this approach business. Although the idea of the firm as citizen is not new (Davis, 1973) a renewed interest in this concept among practitioners has appeared recently due to certain factors that have had an impact on the business and society relationship. The corporate citizenship structure work looks to give an explanation of this new reality. (Altman & Vidaver-Cohen, 2000) introduced the term “corporate citizenship” into the business and society relationship mainly through practitioners in the 80s. This term has become more and more popular in business and increasing academic work has been carried out (Andriof & McIntosh, 2001) since the late 1990s and early 21st century.

The concept of “corporate citizenship”, and on a similar one called ‘the business citizen’, is quite recent (Matten et al, 2003) although the academic reflection, this conception always connotes a sense of belonging to a society. Perhaps for this reason it has been so popular among managers, because it is increasingly clear that business needs to take into account the community where it is operating. The word “citizenship”, in the view of political science, is at the core of the “corporate citizenship” notion. For Wood and Logsdon (2002) cited in Garriga and Mele (2004), “corporate citizenship cannot be thought equivalent to individual citizenship-instead it develops from and is secondary to individual citizenship”. This view is

accepted, theories and approaches on “corporate citizenship” are focused on rights, responsibilities and possible partnerships of business in society whether or not.

According to Dion (2001), as developed by Donaldson and Dunfee (1994, 1999) some theories on corporate citizenship are based on a social contract theory, although other approaches are also possible (Wood and Logsdon, 2002 cited in Garriga and Mele, 2004). In spite of some noteworthy differences in corporate citizenship theories, most authors generally converge on some points, such as a strong sense of business responsibility towards the local community, partnerships, which are the specific ways of formalizing the willingness to improve the local community, and for consideration for the environment.

2.3.3 Integrative theories

The integrative theories stare at the way business integrates social demands, disagreeing that businesses depend on the society for their existence, stability and growth. Social demands are generally considered to be the way in which society interacts with business and gives it a certain legitimacy and prestige. As a consequence, management of organizations should take into account social demands, and integrate them in such a way that the business operates in accordance with social values. So, the content of business responsibility is limited to the space and time of each situation depending on the values of society at that moment, and comes through the company’s functional roles (Garriga & Mele, 2004). In other words, there is no specification that management is responsible for performing throughout time and in each industry. Basically, the theories of the integrative theories group are concentrated on the detection and skimming of, and reaction to, the social demands that accomplish social legitimacy, greater social recognition and prestige. Issues management Social responsiveness, or responsiveness in the face of social issues, and processes to manage them within the organization (Garriga &Mele, 2004).

Jones (1980) term the way a social objective is spread and integrated across the organization, as “process of institutionalization”. According to Jones (1980), “corporate behaviour should not in most cases be judged by the decisions actually reached but by the process by which they are reached”. Consequently, he emphasized the idea of process rather than principles as the appropriate approach to CSR issues. The concept of “social responsiveness” is soon broadened with the concept “Issues Management”. Issue management comprises social responsiveness but stresses the procedure for making a corporate response to social issues (Garriga and Mele, 2004). Issues management has been defined by Wartick and Rude (1986) as “the processes by which the corporation can identify, evaluate and respond to those social and political issues which may impact significantly upon it”. They add that issues management attempts to minimize “surprises” which accompany social and political change by serving as an early warning system for potential environmental threats and opportunities.

The principle of public responsibility many authors have tried to give an appropriate content and substance to assists and guide the firm’s responsibility by limiting the area of the corporate responsibility. Criticise as a responsiveness approach and the purely process approach (Jones, 1980) by Preston and Post (1975, 1981) as insufficient. Rather, they propose “the principle of public responsibility”. They choose the term “public” instead of “social”, to stress the importance of the public process, rather than personal-morality views or narrow interest groups defining the scope of responsibilities. An appropriate guideline for a legitimate managerial behavior is found within the framework of relevant public policy according to Preston and Post (1975). They advance that “public policy includes not only the literal version of law and regulation but also the wide arrangement of social direction reflected in public opinion, emerging issues, formal legal requirements and enforcement or implementation practices” the values of society at that moment, and comes through the company’s functional roles (Preston and Post, 1975)

Mostly, the theories of this group are focus on the detection and scanning of, and response to, the social demands that achieve social legitimacy, greater social acceptance and prestige. Issues management Social responsiveness, or responsiveness in the face of social issues, and processes to manage them within the organization (Sethi, 1975) is an approach which arise in the 70s. In this approach it is important to consider the gap between what the organization's relevant publics expect its performance to be and the organization's actual performance.

The theory of "social responsiveness" is rapidly widen with the theory "Issues Management". The latter includes the former but emphasizes the process for making a corporate response to social issues. Wartick and Rude (1986) define Issues management as "the processes by which the corporation can identify, evaluate and respond to those social and political issues which may impact significantly upon it". They further add that issues management attempts to minimize "surprises" which complement social and political change by serving as an early warning system for potential environmental threats and opportunities. Further, it prompts more systematic and effective responses to particular issues by serving as a coordinating and integrating force within the corporation.

This lead to the study of areas relate with issues (identification, evaluation and categorization), formalization of stages of social issues and management issue response. Other factors, which have been consider, include the corporate responses to media exposure, interest group pressures and business crises, as well as organization size, top management commitment and other organizational factors. Another theory of such integrative theory approach is the standard of public responsibility. Several authors have made attempt to give an appropriate content and material to help and guide the firm's responsibility by controlling the scope of the corporate responsibility.

Preston and Post scrutinise the scope of managerial responsibility in terms of the “primary” and “secondary” involvement of the firm in its social environment. Primary involvement includes the necessary economic task of the firm, such as locating and establishing its facilities, procuring suppliers, engaging employees, carrying out its production functions and marketing products. It also includes legal requirements. Secondary involvements come as consequence of the primary. They are, e.g., career and earning opportunities for some individuals, which come from the primary activity of selection and advancement of employees. Focusing on generic responsiveness, specific issues or on the public responsibility principle, the approach called “stakeholder management” is oriented towards “stakeholders” or people who affect or are affected by corporate policies and practices. Its academic development started only at the end of 70s (see, e.g., Sturdivant, 1979) although the practice of stakeholder management is long-established. Stakeholder management tries to integrate groups with a stake in the firm into managerial decision making. Corporations have been overstretched in recent times by non-governmental organizations (NGOs) activists, communities, governments, media and other institutional forces. These groups demand what they consider to be accountable corporate practices.

In addition, this dialogue “not only enhances a company’s sensitivity to its environment but also increases the environments understanding of the dilemmas facing the organization” (Kaptein and Van Tulder, 2003). A set of theories that attempts to integrate some of the previous theories is referred to as Corporate social performance. The CSP (corporate social performance) comprises with a processes for giving appropriate responses, search for social legitimacy. Generally considered to have introduced this model (Carroll, 1979), suggest a model of “corporate performance” with three components: a basic definition of social responsibility, a specification of the philosophy of response to social issues and a listing of issues in which social responsibility exists. Carroll considers that a definition of social

responsibility, which completely addresses the whole variety of obligations business has to society, must embody the legal, ethical, economic and discretionary groupings of business performance.

2.3.4 Ethical theories

These categories of theories or approaches focus on the ethical requirements that strengthen the relationship between organizations and community. They are based on principles that express the right thing to do or the necessity to achieve a good society. As main approaches the following can be distinguished. Garriga and Mele (2004) posit that, included within the integrative theories group is normative stakeholder theory of stakeholder management because some authors consider that this form of management is a way to integrate social demands. Donaldson and Preston (1995) hold in a more precise way that the stakeholder theory has a normative core based on two major ideas (1) stakeholders are persons or groups with legitimate interests in procedural and/or substantive aspects of corporate activity and (2) the interests of all stakeholders are of intrinsic value (that is, each group of stakeholders merits consideration for its own sake and not merely because of its ability to further the interests of some other group, such as the shareowners).

A socially responsible firm entails simultaneous attention to the legitimate interests of all appropriate stakeholders following this theory, and has to balance such a multiplicity of interests and not only the interests of the firm stockholders. Embracing their 'Integrative Social Contract Theory' is Donaldson and Dunfee (1999). The normative core of which is risk management from a practical perspective, CCBE (Clarkson Centre for Business Ethics, 1999) has published a set of Principles of Stakeholder Management. In short, stockholder approach grounded in ethical theories presents a different perspective on CSR, in which ethics is central. In contemporary years, some human-rights-based approaches for corporate

responsibility have been proposed. The UN Global Compact is one of them, which comprises nine principles in the areas of the environment, human rights, and labour. This is first present by Kofi Annan- the former United Nations Secretary General in an address to The World Economic Forum in 1999. In year 2000 the Global Compact's operational phase was launched in New York at UN Headquarters. A great number of companies have since adopted it. The Global Sullivan Principles is another, previously presented and updated in 1999, which has the objective of supporting social, economic and political justice by companies where they do operate.

One other important theory of the ethical theories of CSR is the theory of sustainable development. In 1987, the term came into widespread use, when the World Commission on Environment and Development (United Nations) published a report known as "Brundtland Report". This report stated that "sustainable development" seeks to meet the needs of the present without compromising the ability to meet the future generation to meet their own needs" (World Commission on Environment and Development, 1987). Although this report originally only included the environmental factor, the concept of "sustainable development" has since expanded to include the consideration of the social dimension as being inseparable from development.

The World Business Council for Sustainable Development (2000) in their words of, sustainable development "requires the integration of environmental, social and economic considerations to make balanced decisions for the lengthy term". In spite of which, a content analysis of the main definitions suggests that sustainable development is "a process of achieving human development in an inclusive, connected, equip arable, prudent and secure manner." (Gladwin and Kennelly 1995 cited in Garriga and Mele, 2004).

The corporation has to develop the processes and implement strategies to meet the corporate challenge of corporate sustainable development when the problem comes. As have stated, Wheeler et al. (2003), sustainability is “an ideal toward which society and business can continually strive, the way we strive is by creating value, creating outcomes that are consistent with the ideal of sustainability along social environmental and economic dimensions”. Each organization should choose its own specific ambition and approach regarding corporate sustainability and maintain that corporate sustainability is a custom-made process, by Marrewijk and Werre (2003). This ought to meet the organization’s objectives and purposes, and be aligned with the organization strategy, as an appropriate response to the circumstances in which the organization operates.

This approach maintains that business, as with any other social group or individual in society, has to contribute to the common good, because it is a part of society. Forte (1996, 1999) in this respect, argues that business is an intermediate institution. Business should be neither harmful to nor a parasite on society, but purely a positive contributor to the wellbeing of the society. Business contributes to the common good indifferent ways, such as creating wealth, providing goods and services in an efficient and fair way, at the same time respecting the dignity and the in alienable and fundamental rights of the individual. Additionally organizations contribute to societal welfare and a harmonic manner of living together in just, friendly and peaceful conditions, both in the present-day and in the future (Mele, 2002).

2.4 The Online CSR communication in the Banking sector

Corporate communications through the internet has become a major medium and thus most corporate institutions use it as a medium for disclosing information to the public. Moreno and Capriotti(2009) affirm that civil organizations have benefit greatly from the internet by using it as a medium for communicating their objectives and their performance to an international

audience. Corporations use the internet to transfer their management performance to their stakeholders (Finch, 2005 cited in, 2010).

The internet can help a firm to build a positive image among its stakeholders using the external communication of CSR activities (Fombrun and Shanley, 1990 cited in Hinson et al, 2010). Mid the general public, owing to their high-street presence companies belonging to stores and banks sectors have a name that which is highly recognise, “making the creation and maintenance of goodwill in the local community particularly important”(Clarke and Gibson- Sweet, 1999 cited in Hinson et al, 2010). Banks are however, reported to have a lower level of environmental disclosures than stores (Hinson et al, 2010).

Even though the activities of banks and most importantly rural and community banks might in relative terms not have any direct adverse impact on the environment or cause any havoc to the society. Therefore it is of no wonder once some researchers and scholars exclude banks and financial companies in their studies of CSR. Despite the exclusion of the financial institutions and most importantly banks in the study of CSR, that bank “can be seen as facilitator of industrial activity which causes environmental damage”, Thompson and Cowton (2004) argue. This means that banks even though do not indulge in activities that may have a direct influence on the environment, they offer services such as industries that could cause direct havoc on the environment as well as loans to mining companies– thus creating them “guilty by association”. Some banks and most importantly rural and commercial banks may as well offer loans and other services to farmers and all other sectors of the economy that may have a debilitating effect on the environment and its inhabitants.

According to Hinson et al (2010), disclosure of banks’ CSR activities can be in the form of publicising their efforts to make the society a healthier place to live in. Also Banks may disclose their CSR activities through numerous electronic and print media, such as television

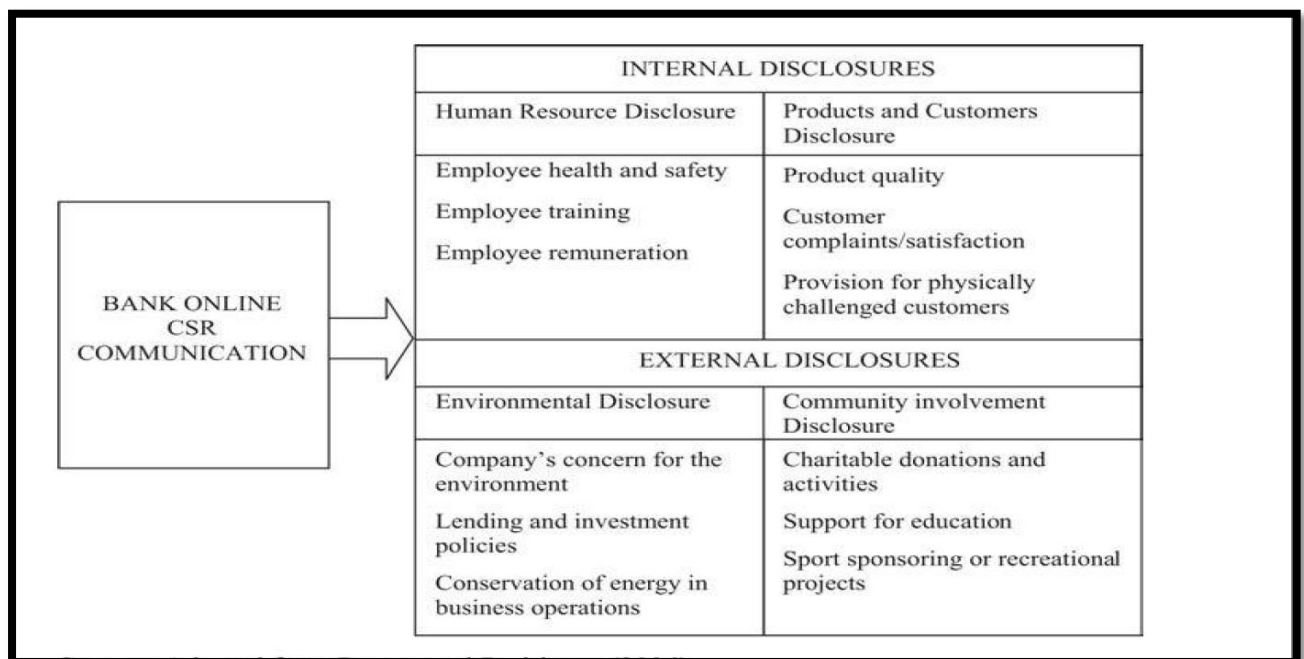
newspapers, annual reports, and journals among others. As Alnajjar (2000 cited Hinson et al, 2010) once notes, the main medium for disclosing CSR practices to stakeholders are annual reports. The choice of the medium to be use for the disclosure of the CSR by a firm may be impact on firm's strategic intentions and availability of resources to reach particular stakeholders (Sutantoputra, 2009 cited in Hinson et al, 2010) – thus, by means of undertaking CSR activities that are beneficial to the community in which the firm operates. Also Banks have responsibilities to their stakeholders, employees, and customers. There have been instances however, where some of these responsibilities have been breached, and further widen the divide between theory and practice according to Madichie (2009).

2.5 Research Framework

Figure 1 below is the model framework design to highlights areas cover in banks' online CSR communications. This model is adopt from a model use by Branco and Rodrigues (2006) cited in Hinson et al (2010), who study Corporate Social Responsibility reporting on corporate websites of commercial banks in Ghana. Branco and Rodrigues (2006) cited in Hinson et al (2006) in their study, group areas cover under CSR disclosures by Portuguese banks into four sections. These are:

- (1) Human resource disclosure;
- (2) Environmental disclosure;
- (3) Products and customers disclosure; and
- (4) Community involvement disclosure.

Figure 1. Internal and external disclosure of bank's online CSR disclosure



Source: From Branco and Rodrigues (2006) cited in Hinson et al (2010)

The model Figure 1 categorises the areas covered by banks in their CSR communication under internal and external disclosures. Internal disclosure of CSR communication starts at disclosure in terms of product and customer, and human resource. External disclosure of CSR covers areas under environmental disclosure and community involvement disclosure. Product and customer disclosure, on the other hand, considers issues like product quality, customer complaints and/or satisfaction and provision for physically challenged customers. Human resource disclosure considers issues bordering on employee health and safety, employee training and employee remuneration. Environmental disclosures include the company's concern for the environment, lending and investment policies and the conservation of energy in business. Finally, issues regarding community involvement disclosure cover areas such as support for education, charitable donations and events, sports sponsoring or recreational projects. In an attempt to meet the expectations the model demonstrates different groups of stakeholders, including employees, customers, the community and society in general.

2.6 Rural Banking in Ghana

2.6.1 History and Overview of rural banks in Ghana

The premier rural bank was established in 1976 in a farming town called Nyakrom in the Central region of Ghana. The capital for the establishment of this premier rural bank was contributed by agriculturalists in the town. The following rural bank is established in the ensuing year at Biriwa, in the Central region also a fishing community. The numerical strength of rural banks reaches 20 by the year 1980. The managers and directors of the rural banks in the country then formed the Association of Rural Banks (ARB) that was meant to promote the exchange of information and also to improve the performance of rural banks in general (Nair & Fissaha, date). The total number of rural banks in the country rise rapidly and reach a number of 106 over the period 1980-1984. This growth and the rapid increase in the number of rural banks was attributed to rising interest among rural communities in instituting their own banks and by the introducing of the Akuafo Check (Farmers' Cheque) operations in the cocoa-growing areas by the government in the year 1982. As the network of rural banks increased, it then became prudent to provide a code for establishing new rural banks. The Bank of Ghana developed and issued guidelines for the instituting of rural banks in the year 1985 (BoG, 2008).

2.6.2 Its Ownership and Governance

Rural banks are under the Companies Code of 1963 (Act 179) of Ghana incorporated as limited companies and are required to be owned by shareholders from the local community in which they exist and operate. Initially, the Bank of Ghana held up to 43 percent of shares in rural banks as preference shares. This practice however has stopped in the 1990s. In the primary years of Rural and Community Banks, an individual level for the shareholding and a corporate body were capped at 10 percent and 30 percent, respectively (Nair & Fissaha, 2010). According to Nair and Fissaha (2010), these levels have been revised by the regulatory body of

the rural and community banks to 30 percent and 50 percent for an individual and for a corporate body and an identifiable group can also own 40 percent shares in a particular bank.

The RCB governance structure comprises of a board of directors that represents shareholders within the bank and supervises the management of the bank. The Board of directors are nominated and elected by the shareholders from the communities where the banks are located. During annual general meetings (AGMs), election of board members takes place. Directors are elected on the basis of their reputation in the community and professional qualifications. The Bank of Ghana validates the individuals nominated by the shareholders before assignment is effective. The board of directors elects a chairperson and a vice chairperson from among themselves. The chief executive of the bank in many cases serves as the secretary to the board. Election for a board member is a three-year term but can be re-elect for an unlimited number of terms by the shareholders. At each AGM, one-third of the board members need to retire but are eligible for re-election, in accordance with the Companies Code of Ghana, 23., A sample analysis of Board of Directors' of Rural and Community Banks however shows that the number of years spent as a board member averagely is 11; the maximum is 32 and the minimum is 1 year.

The least size of a Board of Directors is five, and the maximum is 11. The number of directors with voting rights although cannot exceed the maximum allowed size, additional individuals can participate as co-opted members. The board of community and rural bank has three to five supervisory subcommittees covering the main aspects of managing and operating the bank. The supervisory subcommittee members are elected from the board base on specialization and interest. According to Nair and Fissha (2010), the main subcommittees and their respective responsibilities are following:

Finance and audit subcommittee: monitors the financial performance of the bank; assesses the liquidity position of the bank and makes decisions on advances; monitors the bank's investments; reviews the operational budget; ensures that accounts are prepared for audit; ensures that prudential returns are prepared and submitted; ensures provision for bad and doubtful loans; and ensures that policies and manuals are updated and implemented.

Loans subcommittee: ensures that loan approvals are in accordance with the operating policy of the bank and that loans disbursed are recovered; reviews and approves loan applications; and follows up with delinquent clients and legal cases.

Disciplinary subcommittee: manages conflict among the staff and takes disciplinary action in case of misconduct.

The boards typically meet once a month. In the course of this meeting the board approves loans above the approval threshold of the management of Rural and Commercial Banks (above GHc 2,000, or US\$1,542); examines portfolio quality; follows up on previous meeting actions; reviews monthly reports from the internal auditor; reviews reports from supervisory subcommittees of the board; and undertakes strategic decisions and guidance for management. The minutes of the meetings are recorded and submitted to the Bank of Ghana for information purposes and monitoring. Weak in rural banks are shareholder services—such as share registries that are essential to attract investors. Share registries of many rural banks are not timely up-to-date notwithstanding support provided for this purpose under RFSP.

Up to date many rural banks operate a system of equal voting rights for each shareholder irrespective of the number of shares owned, thus making no incentive for shareholders to increase their shareholding. This situation is being change to voting rights base on the number of shares. Their difficulty in attracting and retaining qualified directors, governance of rural banks is constrain, even though these positions are generally considered prestigious.

The forgone alternative for professionals with the requisite knowledge and skills to function effectively as board members of financial institutions is often higher than what most rural banks can afford to pay as sitting allowances or honoraria. Additionally, the total amount of time directors are required to spend appearing board meetings, subcommittee meetings, and other ad hoc engagements is normally higher than that in other organizations.

2.6.3 Monitoring and Supervision of Rural Banks in Ghana

The monitoring and the supervision of rural banks in Ghana and their activities is the sole prerogative of the Bank of Ghana through the (BSD) Banking Supervision Department. Under their supervision, the BSD oversees operations of rural banks through on-site and off-site inspection, issuance of administrative directives, and attendance of rural bank annual general meetings. It is obligatory for rural banks to submit monthly, quarterly, and annual returns on a variety of financial and non-financial indicators.

Rural and Community banks could be penalized by the Bank of Ghana non-submission, incomplete submission, delayed submission, or incorrect submission of any of these returns as indicated above. The Bank of Ghana is expected to conduct an on-site examination of rural banks at least once a year. Annual on-site supervision takes about five days in each rural bank. The on-site supervision reviews various aspects of a bank's operations, including books, records, and use of fixed assets. During these visits, the Bank of Ghana overseers also check physical cash, verify compliance with the liquidity reserve ratio, inspect the cash storage security system, examine customer turnaround time and check insurance policies. The rural banks are not given prior notice to before the examination is carried out.

Inspectors may also interview staff, clients, and directors as necessary in the course of the examination. The outcome of the examination is a report follow by a directive outlining actions that the bank must implement. Base on the annual returns filed by rural banks and on-

site inspections, Bank of Ghana categorizes rural banks as satisfactory or mediocre. The key performance indicators used to arrive at this classification are paid-up capital, net worth, the capital adequacy ratio, loans and advances, investments, liquidity, deposits, and total assets. The Bank of Ghana can revoke the license given to a rural bank if the capital base of the bank is significantly eroded and liabilities exceed assets—unless the shareholders are able to inject additional capital to restore the bank to normal operation within six months of the capital erosion.

To help address the challenges of supervising Rural and Community Banks, an enacted law in 2006 allows the Bank of Ghana to delegate some of its supervisory role to the Apex Bank, as follows:

1. Monitor, inspect, examine, and supervise rural and community banks in accordance with relevant rules, regulations, and policies;
2. Maintain primary cash reserves of the rural and community banks in accordance with relevant rules, regulations, and policies;
3. Provide species management and species movement services.
4. Lend to rural and community banks facing temporary liquidity problems; and

Though the ARB Apex Bank presently performs all the supervisory functions envisaged for it under the 2006 regulations, the Bank of Ghana continues to carry out both on-site and offsite supervision. The full delegation of powers is being constrain by capacity, structural, and resource constraints.

2.6.4 Functions of rural banks

The Bank of Ghana mandates the rural banks to operate all the services being provided by the commercial banks with the exception of operating foreign exchange operations (Boapeah, 2011). Thus rural banks stimulate savings among the rural dwellers, they mobilise resources

locked up in the rural areas into the banking system to facilitate development and also identify viable industries in their respective catchment areas for investment and development. In recent times, the government and private sector use rural banks for the payment of the salaries and pensions of workers both in the public and private sectors (Boapeah, 2011).

2.7 Empirical Literature

In the review of related studies, Hinson et al (2010) conducted a similar study on the subject corporate social responsibility activity reportage on bank website in Ghana. Unlike this current study that focuses on rural and community banks in Ghana, the study by Hinson et al (2010) focuses on commercial banks reportage of corporate social responsibility on their corporate websites. The study adopts a theoretical framework from existing literature which is use as the basis on content analysis of the banks in Ghana. The study adopts a qualitative research approach using data from the corporate websites of 16 banks in the Ghanaian banking industry. The study revealed that, a bank that had won the most corporate social responsibility awards in the Ghanaian banking industry awards has the poorest corporate social responsibility communication content on its corporate website. The study also distinguished that banks that had not ever won a CSR award previously seemed to have a better organised structure in respect of their CSR activities on their websites.

Amankwaa (2014) replicated the study by Hinson et al (2010) however in a different industry which is the insurance industry. The study examines the online communication of corporate social responsibility by insurance companies operating in Ghana. The study employs 33 insurance companies consisting of 2 listed and 31 unlisted insurance companies. Ordinary Least Squares regression was employed in the estimation of the effect of the predictive variables on the insurance firms' online corporate social responsibility disclosure. Results show that online corporate social responsibility disclosure is positive and significantly related to the listing status of insurance companies. The study also revealed that online corporate

social responsibility disclosure exhibits a positive but insignificant relationship with number of branches (size) and age of insurance companies in Ghana.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

Research methodology describes all the methods involved in the collection of all necessary information required for a study. Methodology refers to the overall approaches and perspectives to the research process as a whole. This chapter deals with population and sampling size, research design, research instrument, validity and reliability of data, measurement of variable, and data analysis technique.

3.1 Research Design

Burns and Grove (2003) define a research design as “a blueprint for conducting a study with maximum control over factors that may interfere with the validity of the findings”. According to Dawson (2002), a research design is defined as the conceptual structure within which research would be conducted. For this study, the researcher employs a descriptive multiple case design. The choice of this type of research design dwell on the premises that, the researcher seek to give a description of the CSR reportage activities of rural and community banks in Ghana. However, such a description is done across different rural and community banks (multiple cases).

3.2 Population and Sample Size

The sample for this study initially includes the total 143 rural banks in Ghana. However, since some of the rural banks in Ghana do not have corporate website, the study population shall be the limit to the rural and community banks in Ghana that have corporate websites. After the population of the rural and community banks with corporate website have been determine, a total of twenty seven (27) rural and community banks is chose as the research

sample. Thus, data is drawn from the corporate websites of the twenty seven (27) rural banks to serve as the sample size.

3.3 Instrument for Research

For the purpose of this study the instrument used for the gathering of data is archival online records. Archival online records are analysed in this study, to ascertain the level of rural and community banks' communication of CSR information on their corporate website in Ghana. The online archival records make use of administrative records and documents as the main source of data. Archival research is considered as a principal source of data that makes use of administrative records and documents, Saunders, Lewis and Thornhill (2007). Even though the term "archival" has historical implications, it can be used to refer to recent as well as historical documents. Data for this study are collected in April and May 2015 by browsing the websites of the rural and community banks in Ghana.

First, the sample companies' locations of the corporate websites are identified. Popular search engines such as Google, Yahoo, Business Ghana, Ghanayello and Ghanaweb, etc., are used to locate the homepage of the rural and community banks in case of unavailability of such links. When gathering the relevant data on rural and community banks' corporate websites, a scoring method is advanced in order to measure qualitatively the level of CSR online posture of the selected rural and community banks. The score card as used by Hinson et al (2010) is adopted and used for this study.

A dichotomous procedure was used to measure the reporting score. A score of 1 was awarded if an item was reported, otherwise a score of 0 was awarded. Internal disclosures consisted of human resource, product and customer disclosures. External disclosures included environmental and community involvement disclosures. Environmental disclosure comprised of those relating to company's concern for the environment for which the organisation

resides. Human resources disclosure covers such issues as employee health and safety, employee training and employee remuneration. Products and consumers disclosure involves disclosures related to product or service quality, customer complaints/satisfaction and provision for physically challenged customers. Community involvement disclosure includes disclosures relating to charitable donations, support for education, health, sports sponsoring/recreational projects, etc.

3.4 Data Analysis Technique

The statistical techniques that are employ in analysing the data collect in this study are descriptive statistics which involves the use of frequencies and percentages.

CHAPTER FOUR

DATA ANALYSIS AND PRESENTATION OF RESULTS

4.0 Introduction

This section of the study deals with the analysis of data and presentation of results. The study seeks to access the CSR reportage of rural banks in Ghana. In all websites of twenty-seven (27) rural banks were attained for data analysis purposes. However, twenty-two (22) out of the 27 could be used for analysis because as at the time the researcher scoring the data, five of the websites were not functioning. In this regard the analysis of data was done based on a response rate of 81.5%.

The researcher adopted a score card which had been previously used by Hinson et al (2010) to conduct a similar study on CSR reportage activities in the Ghanaian banking industry. The score card had five different segments which included the following: Disclosure of Human Resource, Product and Consumer Disclosure, Disclosure of Community Involvement, Environmental Disclosure and Security Disclosure. All the segments had sub-divisions which were very useful during the scoring and analysis.

The reporting score used to measure is a dichotomous procedure. A score of 1 is awarded if an item is reported on the websites of the rural banks, otherwise a score of 0 is awarded. The scores attained are further analysed using the frequencies and percentages.

4.1: Human Resource Disclosure

This section of the analysis seeks to find out whether rural banks reported their human resource activities on their websites. The following segments are however assessed: employee health condition and safety, employee training and employee remuneration (salary).

Table 4.1.1: Employee Health and Safety

Response	Frequency	Percentage (%)
Yes	0	0
No	22	100
Total	22	100

Source: Online Data, 2015

Table 4.1.1 assesses the number of websites of rural banks used for the study who had employee health and safety reported as a variable of Corporate Social Responsibility (CSR) behaviour on their websites. From table 1, none (100%) of the websites of rural and community banks used for the study reported Employee Health and Safety activities on their websites.

Table 4.1.2: Employee Training

Response	Frequency	Percentage (%)
Yes	2	9.1
No	20	90.9
Total	22	100

Source: Online Data, 2015

Table 4.1.2 assesses the number of rural and community bank websites use for the study that had reported their employee training activities on their websites. A study of the website of the rural and community banks indicated that 90.9% of the websites had no reportage of their employee training activities on their websites with the remaining minority of 9.1% having a reportage on their employee training on their websites.

Table 4.1.3: Employee Remuneration

Response	Frequency	Percentage (%)
Yes	0	0
No	22	100
Total	22	100

Source: Online Data, 2015

Table 4.1.3 assesses the number of rural and community bank websites who had a reportage of the remuneration packages of their employees on their websites. The findings of the study indicate that, all the websites of rural and community banks used for the study had no reportage of their employee remuneration packages/activities on their websites.

4.2 Products and Consumer Disclosure

This section of the analysis seeks to find out whether rural and community banks used for the study reports their product and consumers' satisfaction with their products on their websites. The product and consumer disclosure segment of CSR reportage also had the following subdivisions: product quality/superiority, customer/consumer satisfaction and provision for physically challenged customers.

Table 4.2.1: Product Quality

Response	Frequency	Percentage (%)
Yes	16	72.7
No	6	27.3
Total	22	100

Source: Online Data, 2015

Table 4.2.1 assesses the reportage of Product Quality as a variable of Corporate and Social

Responsibility on the websites of rural and community banks used for the study. The result shows that, 72.7% of the websites of rural and community banks had reportage of product quality on their websites. On the other hand, 27.3% of the rural and community banks had no reportage on their product quality as a segment of their CSR on their websites.

Table 4.2.2: Customer Satisfaction

Response	Frequency	Percentage (%)
Yes	2	9.1
No	20	90.9
Total	22	100

Source: Online Data, 2015

Table 4.2.2 assesses reportage of customer satisfaction on the websites of rural and community banks websites as a component of Corporate Social Responsibility. A study of the websites of the various banks indicates that a majority of 90.9% of the websites had no reportage of customer satisfaction as a component of Corporate Social Responsibility on the website of the banks with the remaining 9.1% having reported customer satisfaction on their websites.

Table 4.2.3: Provision for Physically Challenged Customers

Response	Frequency	Percentage (%)
Yes	0	0
No	22	100
Total	22	100

Source: Online Data, 2015

Table 4.2.3 assesses the reportage of Provision for the physically challenged customers on the websites of the banks used for the study as a component of their Corporate Social

Responsibility. According to results from the table, all the websites of the banks used for the study had no reportage of provision for the physically challenged customers on their websites.

4.3 Community Involvement Disclosure

This section of the data analysis seeks to ascertain the extent to which community involvement activities, as a component of the CSR of rural and community banks are reported on their websites. The following sub-sections are therefore assessed: charitable/benevolent donations and events, assistance/support for education as well as sports and recreational activities supporting.

Table 4.3.1: Charitable Donations and Activities

Response	Frequency	Percentage (%)
Yes	10	45.5
No	12	54.5
Total	22	100

Source: Online Data, 2015

Table 4.3.1 assesses the reportage of Charitable Donations and Activities on the websites of the banks that are used for the study. According to the results from the table, 45.5% of the rural and community banks used for the study had the reportage of Charitable Donations and Activities on their websites with the remaining 54.5% had no reportage of Charitable Donations and Activities on their websites.

Table 4.3.2: Support for Education

Response	Frequency	Percentage (%)
Yes	10	45.5
No	12	54.5
Total	22	100

Source: Online Data, 2015

Table 4.3.2 assesses the reportage of educational support on the websites of the rural and community banks used for the study. From the table, it could be deduced that, 45.5% of the banks had the reportage of support for education on their websites with the remaining 54.5% of banks having no reportage of support for education on their websites.

Table 4.3.3: Sports and Recreational Activities Sponsoring

Response	Frequency	Percentage (%)
Yes	1	4.5
No	21	95.5
Total	22	100

Source: Online Data, 2015

Table 4.3.3 assesses the reportage of Sports and Recreational Activities sponsoring on the websites of the rural and community banks used for the study. From the table, it could be inferred that, 4.5% of the websites of the banks used for the study had reportage on their websites while 95.5% of the rural and community banks used for the study had no reportage on sport Sponsoring and Recreational Activities on their websites.

4.4 Environmental Disclosure

This section of the data analysis seeks to ascertain the reportage of environmentally related activities of rural and community banks on their websites. The following segments are therefore assessed: Business's Concern for the Environment, Lending and Investment Policies and also Conversion of Energy in Business.

Table 4.4.1: Business's Concern for the Environment

Response	Frequency	Percentage (%)
Yes	5	22.7
No	17	77.3
Total	22	100

Source: Online Data, 2015

Table 4.4.1 assesses the reportage of the banks' concern for the environment on the websites of the rural and community banks used for the study. According to table 4.4.1, 22.7% which is a minority of the rural and community banks used for the study had reportage on their banks' concern for the environment while 77.3% which is the majority of the banks used for the study had no reportage of their concern for the environment on their websites.

Table 4.4.2: Lending and Investment policies

Response	Frequency	Percentage (%)
Yes	20	90.9
No	2	9.1
Total	22	100

Source: Data, 2015

Table 4.4.2 assesses the reportage of the banks' lending and investment policies on their websites. As per the analyses from table 4.4.2, majority of the banks constituting 90.9% had reportage on their websites about their lending and investment policies with the minority of

9.1% having no reportage on their websites their lending and investment policies.

Table 4.4.3: Conversion of Energy in Business

Response	Frequency	Percentage (%)
Yes	0	0
No	22	100
Total	22	100

Source: Online Data, 2015

Table 4.4.3 assesses the reportage of conversion of energy in business on the websites of rural and community banks in Ghana. As per results in table 4.4.3, all the websites used for the study had no reportage on their websites on conversion of energy in business.

4.5 Security Disclosure

This section of the data analysis seeks to ascertain the reportage of security related activities of rural and community banks on their websites. The only segment that constituted the security disclosure is donations towards the police and other security issues.

Table 4.5.1: Police and Other Security issues

Response	Frequency	Percentage %
Yes	3	13.6
No	19	86.4
Total	22	100

Source: Online Data, 2015

Table 4.5.1 assesses the reportage of police and other security issues on the websites of rural and community banks in Ghana. As per analysis in table 4.5.1, 13.6% of the websites used had reportage concerning the police and other security issues on their websites whiles 86.4% of the banks had no reportage concerning the police and other security issues on their websites.

4.6 Internal and External Perspectives differences in Corporate Social Responsibility of Rural and Community Banks in Ghana

Table 4.6.1 Table showing Perspective differences in Corporate Social Responsibility of Rural and Community Banks in Ghana

Perspective	N	Mean	SD	df	t	p
Internal	22	0.91	0.61	21	-3.467	0.002
External	22	2.23	1.60			

Source: Online Data, 2015

Table 4.6.1 assesses the differences in the external and internal perspectives of the rural and community banks reportage of corporate social responsibility on their websites. As the table, the internal disclosure had a mean score of 0.91 and the external disclosure had a mean score of 2.23. With a degree of freedom (df) of -3.467 and a level of significance of 0.002, it could be concluded that rural and community banks stand a chance of disclosing more of their external perspectives of corporate social responsibility than their internal perspectives of corporate social responsibility.

4.7 Findings discussion

This section of the study starts with discussions on the internal and external perspectives of the Corporate Social Responsibility publication on the websites of these rural and community banks used for the study. The findings are discussed along internal and external lines as adapted from Branco and Rodrigues (2006) as cited in Hinson et al (2010) as has been analysed above. In this section the findings from the research's initial propositions are also reported.

4.7.1 Internal Disclosure of CSR reportage on websites of rural and community banks in Ghana.

As demonstrated previously, disclosures from the internal perspective include human resource disclosure as well as product and customer disclosures. Human resource disclosure includes elements on employee health and safety, employee training, and employee

remuneration. Of the 22 rural banks investigated, none of them reported disclosures on variables Employee Health & Safety and Employee Remuneration. However, for Employee Training that looks at the reportage on the training of the employees of the rural banks, Odotobiri Rural Bank in the Ashanti Region and Anum Rural Bank in the Eastern Region had reportage on their respective websites on Employee Training which makes it 9.1% of the total websites used having reportage on Employee Training.

For Product and Customer disclosure, the study looked at reportage on Product Quality, Customer Complaints/Satisfaction and Provision for the Physically Challenged Customers of the rural banks. On product Quality, Six Rural Banks had reportage. Also, for customer complaints/Satisfaction, only 2 rural banks (Unity rural bank in the Volta Region and Asokore Rural Bank in the Ashanti Region) had reportage on customer complaints/Satisfaction. None of the websites of the rural banks used had reportage on their rural banks' provision for their Physically Challenged Customers.

Generally, from the researchers' perspective, rural and community banks hardly report the internal CSR activities of their banks on their websites. The researcher further argues that, the low reportage of internal CSR activities could be due to lack of importance placed on internal CSR activities of the banks.

4.7.2 External Disclosure of CSR Activities among rural and community banks

External disclosures include community involvement, Environmental and the concern for security in the immediate environment of the banks. For reportage on charitable donations and activities, 10 out of the total websites of the rural banks used for the study (Atwima Kwanwoma Rural Bank Ltd, Odotobiri Rural Bank Ltd, Amanano Rural Bank Ltd, Amansie West Rural Bank Ltd, Nwabiagya Rural Bank Ltd, Brakwa Breman Rural Bank Ltd, Afram Rural Bank Ltd, South Akim Rural Bank Ltd, Lower Pra Rural Bank Ltd and Western Rural

Bank Ltd) had reportage of charitable donations and activities reported on their websites. For support given to education such the donations given to schools and even some sponsorship to brilliant but needy students, 10 out of the total sampled websites of the rural banks had reportage on that. The 10 rural banks that had reportage on support for education are Atwima Kwanwoma Rural Bank Ltd, Odotobiri Rural Bank Ltd, Nwabiagya Rural Bank Ltd, Brakwa Breman Rural Bank Ltd, Dangbe Rural Bank Ltd, Abokobi Rural Bank Ltd, Akwapim Rural Bank Ltd, Afram Rural Bank Ltd, South Akim Rural Bank Ltd and Suma Rural Bank Ltd. The third variable under the community involvement disclosure is the reportage on the websites of rural banks about sport sponsoring or recreational activities. Out of all the websites of the rural banks used for the study, only one rural bank (Nwabiagya Rural Bank Ltd) had a reportage on sport sponsoring or recreational activities on its website.

Secondly, for Environmental Disclosure, the study assessed the reportage of the company's concern for the environment. Out of all the websites used for the study, only 5 of the websites of the rural banks used for the study had reportage about the banks' concern for the environment. The five banks that had reportage about the company's concern for the environment are: Atwima Kwanwoma Rural Bank Ltd, Odotobiri Rural Bank Ltd, Nwabiagya Rural Bank Ltd, Brakwa Breman Rural Bank Ltd and Dangbe Rural Bank Ltd. For reportage of the Lending and Investment Policies reportage on the websites of the rural banks, all the websites of the rural banks used for the study had reportages on their websites with the exception of South Birim Rural Bank and Nwabiagya Rural Bank. For the final disclosure on environmental disclosure, none of the websites used has reportage on conversion of energy in business.

Finally, a bank's concern for security issues in its immediate environment includes disclosures such as donations to security agencies such as the police service, prisons service,

the military and also the neighbourhood watch door committees. Out of the 22 websites that were used for the study, only 3 (Atwima Kwanwoma Rural Bank Ltd and Odotobiri Rural Bank Ltd both in the Ashanti Region and Brakwa Breman Rural Bank Ltd in the Central Region) representing 13.6% had disclosures on their websites on security issues.

From the researchers' dispensation, there was the rate at which rural and community banks reported their external CSR activities was scanty. However, the scanty information on the reportage of corporate social responsibility activities on the websites of the rural and community banks used for the study does not necessary imply that the rural and community banks in the country do not engage more in the corporate social responsibility, but due to either the inability of the banks to report such activities or the banks not having a corporate websites.

4.7.3 Differences between Internal and External Perspectives of Corporate Social Responsibility

The analysis also revealed that rural banks are more likely to make disclosures of external perspectives of corporate social responsibility than the internal perspectives of the corporate social responsibility. Thus, as could be seen from the analyses above, variables such as employee health and safety, employee, employee remuneration, product quality, customer complaints/satisfaction and the banks provision for the physically challenged customers are less likely to be reported on the corporate websites of the rural and community banks than variables such as charitable donations and activities, support for education, sport sponsoring or recreational activities, company's concern for the environment, lending and investment policies, conversion of energy in business and security issues such as donations towards the security agencies and the community watch door committees of their immediate environment.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Introduction

This chapter briefly revisits what is set out to achieve as previously stated in chapter one of this study. It provides an even ground into the findings, conclusion and recommendation.

5.2 Summary of Findings

This study examines the online communication of corporate social responsibility by rural banks in Ghana. In carrying out the study, relevant information is gathered. The data collected is analysed using two separate approaches. The first draws on the approach as used by Hinson et al (2010) to arrive at the findings. To ensure a more robust analysis of the data and the drawing of a relatively more reliable conclusion, a second approach based independent t-test statistics was also used to verify the perspectives (internal and external) of corporate social reasonability that the rural banks report more on their websites. From these analyses, the following were found.

Firstly, the study revealed a scanty reportage of corporate social responsibility activities on the websites of the rural and community banks that were used for the study.

However, despite the scanty of information on the reportage of corporate social responsibility activities on the websites of the rural and community banks, the study also revealed that there is a predominance of information on lending and investment policies, followed by product quality. This is also followed by reportage on charitable/benevolent donations and events, assistance/support for education, followed by disclosure on business's concern for the environment, security, customer satisfaction/complaints and employee training. However, there are no reportage on the provision for the physically challenged, employee health condition and safety, employee remuneration (salary) and conversion of energy in business.

Finally, the study reveals that rural banks report more on external perspectives of corporate social responsibility such as: community involvement disclosure (charitable donations and activities and sport for education) and environmental disclosure (lending and investment policies and company's/firm's concern for the environment) than internal perspectives of corporate social responsibility such as: disclosure of human resource (employee health and safety, training and remuneration) and product and customer disclosure (customer satisfaction/complaints and provision for the physically challenged customers).

5.3 CONCLUSION

Corporate social responsibility concept has become more and more common in business practices and customers today more or less anticipate companies to be socially responsible.

To build and sustain a competitive advantage to enhance profitability corporate bodies/groups should integrate the advance corporate social responsibility strategies into different marketing communication strategies. Customers have become very much aware and very complicated of their environment against the perception that corporate organisations make a lot of profits, it becomes imperative for these companies to put back into the society through corporate social responsibility programmes.

Furthermore, it would also be unfair to state that the rural banks are not doing much in terms of their corporate social responsibility. This is because, majority of the rural banks both with and without websites upon google search revealed several corporate social responsibility activities that were not recorded as a result of bank not having a website or the banks failure to post such activities on their websites. The internet is the window to the world for corporate entities operating in emerging market environments and a clear and structured discussion of social responsibility activities in their corporate websites can go a long way of better endearing them to their present and future potential publics.

5.4 RECOMMENDATIONS

This section recommends measures to be considered by academia, corporate organisations and stakeholders as well as customers so long as corporate social responsibility is concerned.

Corporate social responsibility deserves greater responsiveness and more commitment from corporate organizations for which rural and community banks in Ghana are no exception. This offers an opportunity to the corporate world to think out of the box and explore other potentially viable areas to improve online corporate social responsibility reportage. It is therefore proposed that rural and community banks in Ghana should improve their online corporate social responsibility communication by first conceptualising CSR issues as part of their core organisational strategies.

Secondly, rural and community banks need to think of situating the CSR function within clearly defined departments in the company and at least appoint a manager to oversee all CSR initiatives in the company.

Thirdly, rural and community banks need to recognise CSR as having internal and external stakeholder benefit for the firm. This will incite them to pay much attention to both internal and external CSR activities and its relevance to firm growth and development.

Furthermore, as the study revealed that most corporate social responsibility reported on the corporate websites of these rural and community banks are disclosures of the external perspective, rural and community banks and other corporate entities should as well take the reportage of the internal perspective such as employee health and safety, employee training, employee remuneration, customer satisfaction/complaints and provision for the physically challenged customers of the banks and other corporate entities.

The study recommends that, rural banks in the country should try and make appearance more online by having corporate websites which in the long run, could boost their corporate image. Also, not just having a corporate website that should be left dormant, but should as well endeavour to employ competent Information Technology (IT) experts who could manage and be tasked with the sole aim of updating the activities of these banks on their websites.

5.5 Direction for Future Studies

This study sought to evaluate the rate at which rural and community banks reported their internal and external CSR activities on their websites. However, future researcher can find out the extent to which organizations in other industries report their internal and external CSR activities on their websites. Specifically, future researchers can look at the concept of CSR reportage among mining companies in Ghana.

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APPENDIX

CODING AND SCORING OF RURAL AND COMMUNITY BANKS ON CSR REPORTAGE

CSR VARIABLE/ISSUES	Name of Rural/Community Bank				
	Atwima Kwanwoma Rural Bank	Asokore Rural Bank	Odotobiri Rural Bank	Amanano Rural Bank	Amansie West Rural Bank
Human Resource Disclosure					
1. Employee Health & Safety					
2. Employee Training			√		
3. Employee Remuneration					
Product and Customer Disclosure					
1. Product Quality	√	√	√		√
2. Customer Complaints/Satisfaction		√			
3. Provision for physically challenged customers					
Community Involvement Disclosure					
1. Charitable/benevolent Donations and events	√		√	√	√
2. Assistance for Education	√		√		
3. Sport Sponsoring or Recreational Activities					
Environmental Disclosure					
1. Business's concern for the Environment	√		√		
2. Lending and Investment Policies	√		√	√	√
3. Conversion of Energy in Business					
Security Disclosure					
Police and security issues	√		√		
Total Online CSR Score	6	2	7	2	3

CODING AND SCORING OF RURAL AND COMMUNITY BANKS ON CSR REPORTAGE

CSR VARIABLE/ISSUES	Name of Rural/Community Bank				
	Nwabiagya Rural Bank	Otuasekan Rural Bank	Brakwa Bremam Rural Bank	Ekumfiman Rural Bank	Akwapim Rural Bank
HR Disclosure					
1. Employee Health & Safety					
2. Employee Training					
3. Employee Remuneration					
Product and Customer Disclosure					
4. Product Quality		√		√	√
5. Customer Complaints/Satisfaction					
6. Provision for physically challenged customers					
Community Involvement Disclosure					
1. Charitable Donations and activities	√		√		
2. Support for Education	√		√		√
3. Sport Sponsoring or recreational Activities	√				
Environmental Disclosure					
3. Company's concern for the Environment	√		√		
4. Lending and Investment Policies	√	√	√	√	√
3. Conversion of Energy in Business					
Security Disclosure					
Police and security issues			√		
Total Online CSR Score	5	2	5	2	3

CODING AND SCORING OF RURAL AND COMMUNITY BANKS ON CSR REPORTAGE

CSR VARIABLE/ISSUES	Name of Rural/Community Bank				
	Anum Rural Bank	South Birim Rural Bank	Afram Rural Bank	South Akim Rural Bank	Suma Rural Bank
HR Disclosure					
1. Employee Health & Safety	√				
2. Employee Training					
3. Employee Remuneration					
Product and Customer Disclosure					
7. Product Quality		√	√	√	√
8. Customer Complaints/Satisfaction					
9. Provision for physically challenged customers					
Community Involvement Disclosure					
1. Charitable Donations and activities			√	√	
2. Support for Education			√	√	√
3. Sport Sponsoring or recreational Activities					
Environmental Disclosure					
5. Company's concern for the Environment					
6. Lending and Investment Policies	√	√	√	√	√
3. Conversion of Energy in Business					
Security Disclosure					
Police and security issues					
Total Online CSR Score	2	2	4	4	3

CODING AND SCORING OF RURAL AND COMMUNITY BANKS ON CSR REPORTAGE

CSR VARIABLE/ISSUES	Name of Rural/Community Bank				
	Dangbe Rural Bank	Abokobi Rural Bank			
HR Disclosure					
1. Employee Health & Safety					
2. Employee Training					
3. Employee Remuneration					
Product and Customer Disclosure					
10. Product Quality	√	√			
11. Customer Complaints/Satisfaction					
12. Provision for physically challenged customers					
Community Involvement Disclosure					
1. Charitable Donations and activities	√	√			
2. Support for Education		√			
3. Sport Sponsoring or recreational Activities					
Environmental Disclosure					
7. Company's concern for the Environment	√				
8. Lending and Investment Policies	√	√			
3. Conversion of Energy in Business					
Security Disclosure					
Police and security issues					
Total Online CSR Score	4	4			

CODING AND SCORING OF RURAL AND COMMUNITY BANKS ON CSR REPORTAGE

CSR VARIABLE/ISSUES	Name of Rural/Community Bank				
	Amenfiman Rural Bank	Lower Pra Rural Bank	Ahantaman Rural Bank	Unity Rural Bank	Ga Rural Bank
HR Disclosure					
1. Employee Health & Safety					
2. Employee Training					
3. Employee Remuneration					
Product and Customer Disclosure					
13. Product Quality	√	√	√	√	
14. Customer Complaints/Satisfaction				√	
15. Provision for physically challenged customers					
Community Involvement Disclosure					
1. Charitable Donations and activities		√			
2. Support for Education					
3. Sport Sponsoring or recreational Activities					
Environmental Disclosure					
9. Company's concern for the Environment					
10. Lending and Investment Policies	√	√	√	√	
3. Conversion of Energy in Business					
Security Disclosure					
Police and security issues					
Total Online CSR Score	2	3	2	3	0

APPENDIX II

LIST OF RURAL BANKS USED FOR THE STUDY AND THEIR CORPORATE WEBSITE ADDRESSES

No	Name of Bank	Region	Location	Website
1	Atwima Kwanwoma Rural Bank Ltd	Ash	Pakyi No.2	http://www.akrbank.com/
2	Juaben Rural Bank Ltd*	Ash	Juaben	http://www.juabenruralbank.com/
3	Asokore Rural Bank	Ash	Asokore	http://www.asokorebank.net/
4	Odotobiri Rural Bank Ltd	Ash	Jacobu	http://odotobribank.com/
5	Amanano Rural Bank Ltd	Ash	Nyinahin	http://amananoruralbank.com/
6	Amansie West Rural Bank Ltd	Ash	Antoakro m	http://amansiebank.com/
7	Nwabiagya Rural Bank Ltd	Ash	Barrekese	http://www.nwabiagyaruralbank.org/
8	Otuasekan Rural Bank Ltd	Ash	Kofiase	http://www.otuasekanrb.com/
9.	Brakwa Breman Rural Bank Ltd	Cen	Brrakwa	http://www.brakwabank.com.gh/management-staff.html
10.	Ekumfiman Rural Bank Ltd	Cen	Essuehyia	http://www.ekumfimanruralbank.com/
11.	Akwapim Rural Bank Ltd	Eas	Mamfe	http://www.akuapemruralbank.com/
12.	Anum Rural Bank Ltd	Eas	Anum	http://anumruralbank.com/
13.	South Birim Rural Bank	Eas	Achiase	http://www.southbirimruralbank.co

	Ltd			m/
14.	Afram Rural Bank Ltd	Eas	Tease	http://www.afamruralbank.com/
15.	South Akim Rural Bank Ltd	Eas	Nankese	http://www.southakimruralbank.com/home.html
16	Dumpong Rural Bank Ltd*	Eas	Asakraka	http://www.dumpongruralbank.com/
17.	Kintampo Rural Bank Ltd*	BA	Kintampo	http://kintamporuralbank.com/
18.	Suma Rural Bank Ltd	BA	Suma Ahenkro	http://sumaruralbank.com/history.php
19.	Amenfiman Rural Bank	W/R	Wassa-Akropong	http://www.amenfimanbank.com/
20.	Lower Pra Rural Bank Ltd	W/R	Shaman	http://www.lowerpraruralbank.com/
21.	Ahantaman Rural Bank Ltd	W/R	Agona Nkwanta	http://www.ahantamanbank.com.gh
22.	Western Rural Bank Ltd*	W/R	Secondi	http://www.westernruralbank.com
23.	North Volta Rural Bank Ltd*	VR	Guaman	www.northvoltaruralbank.com
24.	Unity Rural Bank Ltd	VR	Ziope	http://www.unityruralbank.com/
25.	Ga Rural Bank Ltd	GAR	Amasaman	http://garuralbank.com/
26	Dangbe Rural Bank Ltd	GAR	Prampram	http://www.dangmerb.com/site/
27	Abokobi Rural Bank Ltd	GAR	Abokobi	http://abokobiarearuralbank.com/

	UPPER EAST	NIL	NIL	NIL
.	Upper west	Nil	Nil	Nil
	Nothern Region	Nil	Nil	Nil

***These websites were not available during the course of the research so were left out of the analyses**