# CORPORATE SOCIAL RESPONSIBILITY EXPOSURE ACTION ON FINANCIAL INSTITUTIONS IN GHANA



**By**

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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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## DEDICATION

This study is dedicated to my parents Nana Kwesi Akrosa II and Rosina Hanson for their support and encouragement to the successful completion of my course.

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# ABSTRACT

The objective of this study was to investigate the level of corporate social responsibility reporting among the financial institutions in Ghana. The study also sought to test association between place of origin of institution, listing on the GSE and corporate social responsibility disclosure. The study also examined the impact of firm characteristics on the extent of corporate social responsibility disclosure among the CSR reporting firms in Ghana. To achieve the said objectives, data on CSR disclosure and other firm characteristics was obtained from the websites of 69 financial institutions, some of which were listed on the Ghana Stock Exchange. The results suggested that a large number of the financial institutions did not disclose their CSR information online. Among those who disclosed, the majority of the information disclosed was on their company structure and governance structures. Most of the companies failed to provide information on certain vital CSR areas such as the environment and disability. The study also found no association between place of origin and CSR disclosure and between listing on the GSE and CSR disclosure. Using a logistic regression, the study found the number of female directors to positively and significantly impact on the likelihood of CSR disclosure. The study also found that having corporate governance and majority Ghanaian owners significantly impact on the extent of CSR information disclosure. The study therefore recommended to financial institutions to provide certain vital corporate social responsibility information on their sites. For example, information on how firms deal with physically challenged persons were mission from the websites. If they information provided an a website is taken as the actual CSR activities the firms were engaged in, then financial institutions in Ghana needs to do more.

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# CHAPTER ONE

# INTRODUCTION

## 1.1 Background of the study

Corporate Social Responsibility (CSR) is a model used by entities to recover their ecological and societal presentation outside their authorized commitments. Enterprises are in existence to provide goods and services that are of greater value to the public. There has been a substantial growth in the direction of sustainability concerns in the last twenty years. The focus of most companies is to report their financial statement but there came a change that necessitated entities not only report on only the quantitative issues but to include qualitative information about their activities. Corporate Social Responsibility became known in the late 1960s and 1970s when the term stakeholders were formed by multinational corporations.

These stakeholders include shareholders, government, suppliers, customer, bankers and so on with their varying interest, though the motive of every establishment who seeks for profit is to maximize shareholders wealth by making full utilization of available resources to achieve result by being able to reduce cost of production. Researchers have noted for some time now that the issues of Corporate Social Responsibility has been a topic that require serious attention. The concept of Corporate Social Responsibility is about making decisions concerning the behavior of the entity which is moral and ethical to the corporate surroundings. The recognized international standard for Corporate Social Responsibility is ISO 26000. This recognized international standard for Corporate Social Responsibility makes business practices acceptable for businesses to integrate moral and ethical principles into management resolutions.  Corporate social responsibility can also be called corporate conscience, corporate citizenship, social performance, or sustainable responsible business.

It is how companies extend their obligation to the society in which they operate and formulating measures through which they will be implemented.

The goal of Corporate Social Responsibility is to be responsible for its actions, impact positively to the environment it operate and to the general public at large. Companies that are Corporate Social Responsibility oriented beforehand promote the interest of the public through community growth and development and also by reducing practices that are detriment to the public domain irrespective of authenticity. (Corporate Watch Report, 2006). Financial institutions core activities are to receive payments, giving way loans, offering paired facilities. Irrespective of the kinds of countries, culture and the product the bank offers to investors, financial institutions must extend their responsibility beyond its vision to the community it function. Entities that are responsible to its society presume the company has not only legal and social obligations McGuire (1963). It is as a method of interacting with the social and environmental effects of organizations" fiscal arrangements to particular concern group.

In Ghana Corporate Social Responsibility is not yet enforceable but once a company is listed on the Ghana Stock Exchange in a way becomes obligatory to fulfill it. In May 2009 the World Bank made some consultations in Accra about reviews and disclosure policies with a statement "it would disclose more types of information and much of the information would be freely available on the Bank"s external website" (see http://inc. com.gh/news/). Companies interact with stakeholders through the internet to change indigenous, state and worldwide shared potentials about corporate practices Isenmann (2006). These corporations converse their corporate social responsibility matters to users in a way to inspire judgment by leaders concerning their behaviors in relation to their organization

(APCO,2004) to better their attractiveness Porter and Kramer, 2006; Porter, (2006), to gain long-term profits for their dealings Hermann (2004), and to neutralize the increasing skepticism concerning business communications, principally establishments that overemphasize their social behavior Holme and Watts (2000). A lot of company‟s corporate websites currently assists in providing immediate and complete information serving as a hub through which organizational communications form, augment or sustain an enterprises‟ corporate image through which status is carried Rolland and Bazzoni (2009).

Communicating to a wide range of stakeholder as an advantage of using the organization‟s websites enables financial institution receive feedback within the shortest possible time for continues decision making to take place.

**1.2 Problem statement**

Globalization has made competitive player and competence emerged in the Ghanaian financial institutions which is driven by competition, the financial deregulations activities and information and communication technology and so on, as well as cost benefit criteria in rendering service. The effect has affected the behavior of clients though demand for strong and firm detail has increased the societal and environmental presentation. Now stakeholders are knowledgeable about institutions‟ corporate responsibility and so financial institutions offering services in Ghana have implemented packages vis-à-vis socio-economic expansion trials. Then it‟s of great necessity to find answers to the question "how performing Corporate Social Responsibility activities be reported on their corporate websites since it is a known fact that transferring bricks-and-mortar organizational capabilities to online environments has evidently demonstrated a challenge for most firms".

## 1.3 Research Objectives

The primary objective of this study was to investigate into corporate social responsibility exposure action on financial institutions websites in Ghana

### 1.3.1 Specific objectives

To achieve this objective, the following specific objectives shall be pursued.

i. To ascertain the level Corporate Reporting practices and the extent of Corporate Social Responsibility disclosures among financial institutions.

ii. To test for an association between place of origin and Corporate Social Responsibility reporting. iii. To test for an association between listing on GSE and Corporate Social Responsibility reporting. iv. To identify the factors that influences the likelihood of an institutions Corporate Social Responsibility reporting.

v. Identify the factors that impact on the extent of Corporate Social Responsibility reporting among the Corporate Social Responsibility reporters.

## 1.4 Research questions

The study hopes to answer the following research questions.

i. What is the extent of Corporate Reporting practices and Corporate Social Responsibility disclosures among financial institutions?

ii. Does the place of origin affect Corporate Social Responsibility reporting?

iii. Is there an association between listing on GSE and Corporate Social

Responsibility reporting? iv. Which factors can influence the likelihood of an institutions Corporate Social

Responsibility reporting?

v. What factors that impact on the extent of Corporate Social Responsibility reporting and Corporate Social Responsibility reporters.

**1.5 Relevance of the study**

Globalization and advancement in technology requires the activities of business to migrate from brick and mortar onto the internet. The internet as a means of communicating corporate information to the public as affirmed by Moreno and Capriotti (2009) that entities immensely gained from the use of virtual means of communicating its performance and purpose to the world at large. Hamid (2004) considered the disclosure of Corporate Social Responsibility information in the yearly report of financial institutions within Ghana. I realize the disclosures are usually on their products and services rather than on human resource and environment.

Corporate Social Responsibility disclosures have affirmative relationship between the age of operations, register position and size. This research is contributing to knowledge in areas such as providing information on Corporate Social Responsibility reporting exposure on financial institution‟ websites in Ghana. The analysis of Corporate Social Responsibility is for 2014 on financial institutions both listed and non-listed on the websites of Ghanaian financial institutions.

The findings will ultimately contribute to exiting theory and academic discourse on Corporate Social Responsibility. It will also go a long way to inform policy decisions both at the national level and in the financial institutions. Then it‟s a matter of greater concern and importance to find out how financial institution can manage their reporting activity on their corporate websites for both listed and non-listed financial institutions. Financial institutions have arrived at the conclusion that there is more to invest than just to check the figures that makes excellence is being associated with being socially responsible.

### 1.6 Scope/Limitation of study

I emphasized my study on banks and insurance firms website operations in Ghana. The reading extends only to the communications of Corporate Social Responsibility activities of banks and insurance firms operations and purposes on the corporate websites. There is consistent power failure by service provides of which I perceive to be the problems that might surface when collecting data from their various websites and also unstable networks by facility sources.

### 1.7 Organization of the study

This stage of the investigation is organized into five subdivisions transporting through chapter one which comprise the background of the study, problem statement, general and specific objectives, research questions, relevance or the study, scope. 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. The third chapter assesses financial institution online Corporate Social Responsibility reporting in Ghana, and detailed methods of data collection.

Data collected are discussed and analyzed to inform decisions in chapter four. Finally, the findings obtained from the discussions are concluded and recommendations drawn to test the stated objectives and questions through the evidence found to either accept or reject otherwise. . Chapter four analyzes and discusses the data collection for the study, evidence will be obtained to either support or reject the stated objectives and questions. The final chapter which is five will discuss the outcomes, inferences and approvals for addressing the problems identified in the study.

# CHAPTER TWO

# LITERATURE REVIEW

## 2.1 Introduction

The researcher in this chapter reviewed the existing literature on Corporate Social Responsibility and its exposure action on financial institutions in Ghana. As part of the work, literature is reviewed based on themes developed from the various objectives. Literature on definition of corporate social responsibility, the meaning of listed and unlisted financial companies, corporate social responsibility and online presence, disclosing online corporate social responsibility information, determinants of corporate social responsibility disclosure on websites, regulation guiding corporate social responsibility content design and corporate social responsibility reporting in Ghana have all been revised in detail.

Many researches have been conducted in different parts of the world on corporate social responsibility of organizations of which that of Ghana would be of no exception. However,

the researcher seeks to concentrate on corporate social responsibility exposure action on financial institution websites in Ghana. Corporate social responsibility exposure action on financial institutions websites in Ghana was extensively worked on both in the area of academia and professional sense of the word. Most of the works looked at had their main purpose. However, important aspects of those works that have bearing on the subject matter under study were chosen and thoroughly discussed in
detail.

**2.2 Definition of Corporate Social Responsibility**

Corporate institutions all over the world have in one way or the other evolved from the traditional profit oriented goal to socially responsible model. The thinking that profit making is the only legitimate aim of management is seen by many as one end of the continuum while at the other end people have advanced the argument that businesses are products of society and that they ought to be managed for the good of society. Campbell (2007) comprehends Corporate Social Responsibility as an area in the field of business that does not have a unified definition.

However, Bowen (1953) suggest that corporate social responsibility reiterate the fact that businesses all over the world exist because of society and that they must adapt to the rules and regulations as set by the society. This definition seeks to suggest that business since businesses survive at the pleasure of society‟s patronage; they must work in conformity with the societal rules and help the society develop. Steiner and Steiner (2000) defines societal obligation as a responsibility of corporation to create wealth by using strategic measures that avoid destruction to society and also augment the life and standard of living of the community in which the business is being done. Kolevan (2005) defines corporate social responsibility as a micro economic interpretation of a development that is widely sustainable. Others experts also define it as a function that is distinct within the field of business Votaw (1972). The commission of European communities (2003) defines corporate social responsibility as a concept whereby an enterprise is accountable and has impact on all its relevant stakeholders. It is the continuing commitment of industries to be fair and act responsibly and contribute to economy developing while at the same time maintaining good working condition of its teaming working force. Jackson and Hawker (2001) views corporate social responsibility as how best employees of organizations, shareholders and the environment are treated. This various definitions however suggest how the organization is being responsible in the treatment and management of its various stakeholders.

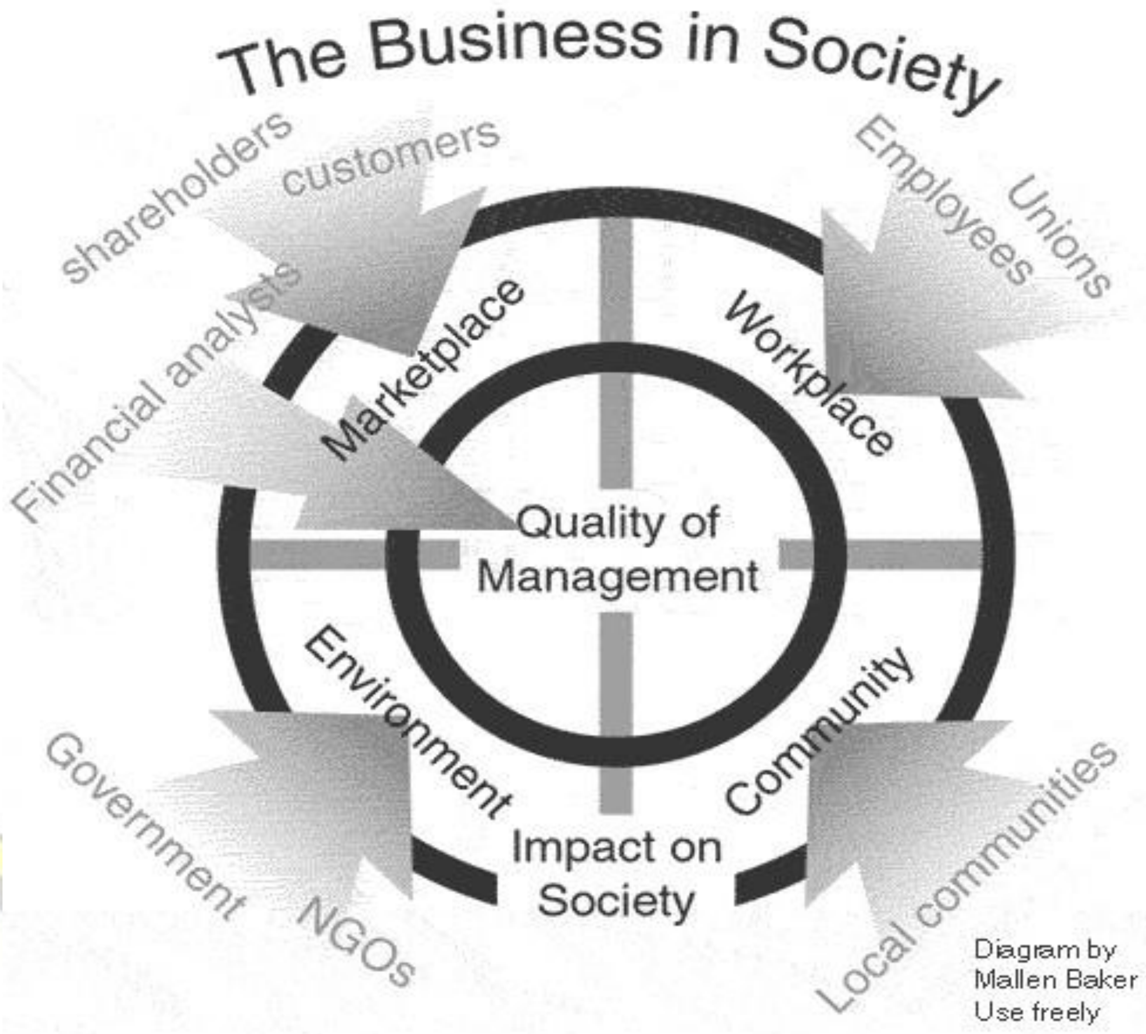


**Figure 2.1: The Business Activities in the Environment**

Source: www.mallenbaker.net

Figure 2.1 portrays that entities needs to answer certain aspects of their operations; management quality human and process terms, its nature and degree of their influence on the environment in their various areas. The activities of entities are now of interest to outside stakeholders. The outer cycle is used to measure the entities performance in terms of products and service and effect on the environment and on local community level. It is also seen as how the company has been able to train and develop its employees. In the view of the researcher however, corporate social responsibility entails the various mechanisms put in place by businesses to enhance good treatment and cordial relationship between the various stakeholders of a business and the business itself as a whole.

### 2.3 What constitutes Corporate Social Responsibility?

Historically, the core agenda of all businesses all over the world has been the maximization of profit from the given investment they make into industries. This perception has changed with time. Corporations today have incorporated the welfare of its stakeholders into its agenda and see the welfare of the communities within which they operate as integral part of its survival. Just as corporate social responsibility has no single definition, so are there no single rules followed by socially responsible corporations all over the world.

What may be a corporate social responsibility of a manufacturing industry may differ from that of a financial institution and that of a mining industry as well. There is however some core concepts that features in almost all corporate social responsibilities all over the world. It includes the organization"s ability to maintain and promote to environment, a fair employer of people within the environment within which the business is operating.

It also includes the ability of the organization to supply to its suppliers on time and promptly and lastly the ability of the organization to safeguard the safety and good health of all its employees and visitors who visits the premises of the organization. This presupposes that for a social corporate responsibility to be complete, the organization must take into consideration the interest and need of its stakeholders most especially the community within which it is operating.

Historically, the concept of corporate social responsibility has been alien to industries in developing countries of which Ghana is of no exception. Donations are made at times in the name of corporate social responsibility without understanding actually its meaning. Most organization does it simply because their competitors are doing similar things in other areas. With the introduction of the Ghana business code modeled on the United Nations global compact, it focuses on profit, planet and people. Organizations" are beginning to set clear pathway as to what becomes their strategic business shared obligation. For the emphasis of this study a change at the corporate level is viewed in two dimensions, internally and externally.

Internal dimension includes human capital investment, health and safety. It also extent to management practices in managing the natural resources in their production process. While the external dimension looks at the NGOs, customers, suppliers, government which represent the society. Entities should also incorporate in their sustainability strategy issues like economic, environment and social.

**2.4 What are listed and unlisted Financial Companies?**

Listed establishments as a duty require an authorized number of share capital offers which is reviewed periodically. As such, those entities become public companies merely by stating such. Indeed, limited companies in Ghana have their shares listed on the Ghana Stock Exchange and are often referred to as listed or quoted companies Dyson (2010). Usually, listed entities are a part-traded company on the open market or on a stock exchange market. Individuals and institutional shareholders are the owners of a limited liability company, in proportion to the percentage of total shares outstanding that they hold. So shareholders have the final say in all decisions by a public corporation and its directors, particularly through its annual general meeting. Public enterprises have access to finance than others, because they have the ability to issue more shares.

As these companies have their shares listed on the official stock exchange platform of the regulator, they must meet some specifications and registration requirements of the exchange framework where the shares are listed, and some of these requirements may include a minimum pre-determined earnings level. Specified and clearly defined standards are drafted to guide the conduct of these entities so that they comply with the laws of the Republic of Ghana and other equally relevant international frameworks. Corporate Social Responsibility policies regarding employee welfare, environmental concerns as well as the general well-being of the larger public are featured here as well. This is all to ensure that there is consistency between the laws of Ghana and Corporate Social Responsibility regulatory standards that are spelt out elsewhere.

The unlisted financial companies are direct opposites of the listed companies as they remain more private than public.

All other companies which does not make available it shares known to the public is categorized as private companies. Like public companies, private companies must also have a stated amount of authorized share capital although no minimum amount is prescribed. Otherwise, their share capital requirements are very similar to public companies. Private companies also have to warn the public that their liability is limited. They must do so by describing themselves as „limited liability companies‟ and attaching the term „limited‟ or the abbreviation, „ltd‟ after their company name Dyson (2010).

Unlisted companies are particularly important to countries and economies with less developed capital markets, such as it is in the Ghanaian situation where the vast majority of companies are not listed on the stock exchange or regulated markets. Even so, in the most developed economies, most small and medium scale enterprises (SMEs) are not listed on a regulated equity program market.

### 2.5 Corporate Social Responsibility and Online Presence

In recent decades, there has been a growing awareness of the public role of business in society. There is evidence that investors see the social and environmental information to be very important in the investment decision-making and thus adequate disclosure of such information is required. In this century, the parties do not just look at the numbers of branch expansions or merely the profit-earning company, but also the question of what is the contribution of these businesses to the larger society. To answer this question, there is the need to be socially responsible and Corporate Social Responsibility has become an agenda in many companies towards this end.

Additionally, the impact of financial scandals such as Enron, WorldCom, Parmalat, etc coupled with factors such as the impact of climate change on the environment, the tipping points that many companies were forced to a fundamental reflection of its responsibilities to its various stakeholders, made Corporate Social Responsibility policy dimensions and declarations binding on modern businesses.

Recognizing the importance of this issue, several countries are proactive in adapting the disclosure of Corporate Social Responsibility as a strategic competitive edge. Some of these countries with this agenda include Australia with its Corporate Social Responsibility reporting framework on public environment which was implemented in 2000 as well as the South African „King Report on Corporate Governance‟ (King II), founded in March 2002. Other countries, such as Norway, Denmark, Belgium, France, Holland, Japan, Hong Kong and Canada have mandatory reporting of sustainability, particularly on the natural environment. Many international public accounting firms have a division of sustainability accounting services to clients who wish to establish Corporate Social Responsibility reports, and many ministries and business groups are consciously combining their line activities with systems developed towards sustainable development.

The internet and online presence has develop overtime, into a chief channel of trade information acquisition point as well as a communication platform and making most corporate institutions adopt it as a medium for information release to the open business environments. As such, in one of their publications, Moreno and Capriotti (2009) emphasize that public establishments have gained hugely from their use of the internet as a communicating conduit to broadcast their objectives and their performance to a transnational audience. Most strategic enterprises in the views of Finch (2005) use the internet to convey their management‟s performance to their stakeholders.

The external communication of Corporate Social Responsibility accomplishments by means of the internet can assist a firm to posture an optimistic image among its stakeholders Fombrun and Shanley (1990); (Lafferty et al., 2002). Studies concerning Corporate Social Responsibility disclosure by financial institutions are scarce Hamid (2004); (Douglas et al., 2004). In a study carried out in Malaysia to analyze Corporate Social Responsibility disclosure in annual reports of some banks and finance businesses, Hamid (2004) find out that, product or service related disclosure seems to be routine than policies that relates to the environment and energy, as well as to human resource. This same survey findings again put forward that, the size and the listing status as well as the stage of development of the business entity is all positively related to Corporate Social Responsibility disclosure.

(Douglas et al. 2004) also analyze Corporate Social Responsibility disclosures in the annual reports from the period between 1998 to 2001 of six Irish banks and four international financial institutions available on their official websites in 2002. They find out in this study that, the local Irish banks and financial institutions were outperformed by their multinational counterparts when it comes to issues relating to the content and dimensions of their Corporate Social Responsibility policy disclosure.

Again, in a comparative study on stores and banks, Clarke and Gibson-Sweet (1999) contend that most financial institutions largely realized to be out to make „faceenhancing" impressions that gave them a better goodwill in the public domain. In the direct words of the authors, they were effectively "making the creation and maintenance of goodwill in the local community particularly important" Clarke and Gibson-Sweet (1999). The financial institutions however are described to have a lesser level of environmental disclosures than sectors such as chemical, mining, timber, etc. A paramount reason perhaps is attributable to the fact that, their main preoccupation did not have direct harmful implications on the environment as compared to an industry like mining or chemical production per se.

Thompson and Cowton (2004) however postulate that, the activities of modern banks or other financial institutions could be considered as an augmentation of the industrial preoccupation that may cause environmental havoc. Thus, they become an integral part of the process of causing damage to the environment by their aid efforts. They do this by granting these „destructive" sectors loans and other financial products that enhance their environmentally unfriendly endeavors and hence, “guilty by association”. In their views, banks and insurance firms could disclose their Corporate Social Responsibility policies through increased publicity that improves the environment and taking advantage of electronic media platforms, among other things.

This assertion counters Alnajjar‟s (2000) observation that, the annual reports of banks provided the main medium for the disclosure of Corporate Social Responsibility strategies. It is deduced here that, the choice of a medium for this disclosure may be largely affected by the concerned company‟s resource availability, stakeholder needs and also, its corporate strategy Sutantoputra (2009). Those responsibilities however go further to include the firm‟s indebtedness of obligations to their stakeholders.

**BANK AND INSURANCE COMPANIES ONLINE CORPORATE SOCIAL RESPONSIBILITY COMMUNICATION**

| INTERNAL DISCLOSURES | |
|---|---|
| human resource disclosure | products and customers disclosure |
| Employee health and safety<br>Employee training<br>Employee remuneration | Product quality<br>Customer complaints/satisfaction<br>Provision for physically challenged customers |
| EXTERNAL DISCLOSURES | |
| Environmental disclosure | Community involvement disclosure |
| Companies concern for the environment<br>Lending and investment policies/ claims and insurance policies<br>Conservation of energy in business operation | Charitable donations and activities<br>Support for education and health<br>Sport sponsoring recreational projects |

**Figure 2.2: Framework for Banks and Insurance company online Corporate Social Responsibility Communication**

**(SOURCE; Adopted from Branco and Rodrigues(2006))**

Below is a table comparing (Hinson et al., 2010) work and current study.

**Table 2.1: Comparison between (Hinson et al., 2010) and Current Study**

| Study | (Hinson et al., 2010) | Current study |
|---|---|---|
| **Industry of focus** | Banking industry | Financial institution |
| **Environmental disclosure** | Lending and investment policies | Lending and investment policies/ claims and insurance policies |
| **Community involvement disclosure** | Support for education | Support for education and health and safety |
| **Data analysis technique** | Tables and percentages | Tables, percentages and regression analysis (OLS) |

**2.6 Disclosing Online Corporate Social Responsibility Information**

The World Bank in May 2009 at a corporate policy disclosure and review session held in Accra stated that "it would disclose more types of information ..., and much of this information would be freely available on the Bank‟s external website" (http://inc. com.gh/news/). Most modern businesses including financial institutions communicate to their interested parties who make use of various broadcasting platforms to react to mutable homegrown, national and international societal regarding business practices Isenmann (2006). A component part of these issues of stakeholder interests must be

Corporate Social Responsibility related issues. Such firms generally communicate their respective Corporate Social Responsibility concerns to their stakeholders so as to influence attitudes, judgments and conducts with regards to their organizations in a manner that advances their competitiveness, accumulates an enduring advantage, frustrate the mounting distrust regarding corporate communications and among other things, disarm the threats of corporate competitors Holme and Watts (2000); Porter and

Kramer (2006); Porter (2006).

Corporate social responsibility is synonymously referred to as community and ecological reporting. The concept of corporate social and environmental responsibility was originally made known in the 1990s by Western global companies, but no attention was given at that time to their online presence. Environmental disasters and global warming issues mainly triggered such interventions and created an awareness and organizational commitment. Therefore, many corporations take as much responsibility for environmental issues and reflecting growing social expectations and concerns.

As the business environment continued to grow more competitive and complex, many more modern businesses are considering and implementing an online presence policy. The internet is now progressively emerging as a social platform where an entity can manage its identity and enhance its corporate reputation within control Roland and Bazzoni (2009). This study draws on the results of the findings made by Branco and Rodrigues (2006) as it appeals to a framework similar to Corporate Social Responsibility online reportage in selected Portuguese banks. The authors in this study categorized the Corporate Social Responsibility zones in the Portuguese banking system into four; environmental, human resource, products and customers as well as community involvement.

Correspondingly, a survey carried out in Malaysia on the obligation to disclose a company‟s Corporate Social Responsibility program attracted attention not only in the regulatory financial market, but also became of interest to most scientific disciplines such as Economics, Management, Law and even Philosophy to explore this area. The research responding to the levels of Corporate Social Responsibility policy exposition in Malaysia brought about Corporate Social Responsibility regulatory framework. They examined the level of corporate social disclosure among listed companies in Malaysia during the period of her financial recession. In the study, it was discovered that, the disclosure of Corporate Social Responsibility information initiatives were mainly featured in the Chairman"s reports on performance. The results further showed that, the highest level of this display was in 1998 where the areas pertaining to Corporate Social Responsibility commitments to human resource obtained the largest attention.

In a similar survey study carried out in Ghana, (Hinson et al., 2010), investigate the origins, size and shareholder composition of listed financial institutions. They further recategorized the initial sectors outlined by Branco and Rodrigues into internal and external dimensions.

Data from this study suggests that most of the financial institutions interviewed are more preoccupied with product quality, customer expectations as well as community involvement efforts. This result is consistent with the arguments of Ze'ghal and Ahmed (1990), which state that, because firms cater for the interests of a wider audience, including consumers, it is natural for companies to advertise and be preoccupied with consumer products rather than information relating to environmental exposures.

**2.7 Determinants of Corporate Social Responsibility Disclosure on Websites** The vast and the ever increasing coverage of users of the internet has been the major advantage that it has over the print media. The benefits of the internet to the corporate world stretches beyond it coverage. In the last three decades the internet has been part of the building blocks for corporate strategy. The most difficult matter is what makes firms disclose Corporate Social Responsibility information online.

(Cormier et al., 2004) assess the extent of web-based disclosure of corporate social responsibility as well as its determinants and to compare the determinants of print- and web-based environmental reporting. The results from their study revealed that in most organizations the level of media exposure, the firm‟s proprietary cost, and information cost are the key determinants of both print- and web-based environmental disclosure. The study also revealed that environmental disclosure by larger banks in terms of assets and physical structures will be more than smaller banks, as this will help them achieve market acceptability and this plays a role in explaining both print and web environmental disclosure.

Another major theory that can be used to explain the factors that determines the level of disclosure online is the stakeholder theory. According to Freeman (1984) stakeholders are "any group or individual who can affect or is affected by the achievement of the firm's objectives". The stakeholders of an organization include shareholders, creditors, employees, customers, suppliers, public interest groups, and government agencies. The term "stakeholder theory" in defining the objectives of the firm. According to Hinson et al. (2010), the stakeholder and legitimacy theories suggest that, financial institutions with a greater number of branches will disclose more social responsibility information than financial institutions with a fewer number of branches due to their visibility and brand image. Also, listed financial institutions are expected to disclose more social responsibility information than unlisted financial institutions because listed financial institutions are more visible than unlisted financial institutions. Archel (2003) says that listed financial institutions receive more attention and are subject to extensive media coverage than the unlisted financial institutions. This is also in tune with the fact that international financial institutions are expected to disclose more of their Corporate Social Responsibility information than local financial institutions since they have a much wider visibility than local financial institutions. This may also hinder on the fact that international financial institutions must meet more regulatory actions.

### 2.8 Regulations Guiding Corporate Social Responsibility

The formulation and implementation of Corporate Social Responsibility policies and programs has been one of the biggest driving forces for development in some parts of the world. Several manufactures and service providers who's activities affect the environment have come to understand that profitability to some extent may depend on their ability to implement the needed Corporate Social Responsibility. On the global scale, the United Nations Global Compact has served as a reference for countries when it comes to putting in place policies to regulate the Corporate Social Responsibility of firms. The United Nations Global Compact was established in July 26, 2000 and has ten principles which are meant to cover the areas of human rights, labour, the environment and anti-corruption.

In Ghana, the Global Compact was established in July 2002 by the former Vice President Alhaji Aliu Mahama. The platform serves as the means for coordinating, communicating and structuring policies regarding Corporate Social Responsibility among members. In the year 2006, the Ghana Business Code (GHBC) was launched. It took the collaborative efforts of the Ghana National Chamber of Commerce & Industry (GNCCI), Ghana Employers Association (GEA) and the Association of Ghana Industries (AGI). The sole purpose of the GHBC is to ensure that businesses operate within the policy framework specified by them in accordance to the UN Global Compact principles and the already existing laws of the country. It should however be noted the organizations are not mandated by law to sign up to the GHBC. Organizations who apply to join the GHBC have to undergo detailed scrutiny during the certification process, as part of efforts by the GHBC to ensure that their standards are met in the required field.

In light of the fact that the GHBC operates on a voluntary membership style, the organization in its effort to maintain good standards and higher membership retention, awards certificates to it members for their good practices. Members whose operations are found to be in line with the policies that have been prescribed by the GHBC are more likely to receive the awards.

In recent times corporations have come to be regarded as very significant players in the international arena and the international law applicable to them has correspondingly grown indicating that the international legal system prescribes for States, areas of freedom of actions as well as controls over state actions (Atuguba et al., 2006). For that reason the laws that govern Corporate Social Responsibility can be derived not only in the area of municipal law of a country like Ghana but also within the context of international law. Bilateral and multilateral treaties have over the years served as the major sources of international laws governing Corporate Social Responsibility. On the international front, treaties from the OECD Guidelines for Multinational Enterprises, the ILO Tripartite Declaration on Principles Concerning Multinational Enterprises and Social Policy, and the United Nations Global Compact have championed the implementation of higher standards of Corporate Social Responsibility by firms globally.

## 2.9 Corporate Social Responsibility Reporting in Ghana

Literature on Corporate Social Responsibility in Ghana is very much underdeveloped as compared to other parts of the world. This is due to the low involvement and practice of this concept in our part of the world. The problem is owed to the socialist orientation that was portrayed by the first president of the country Dr. Kwame Nkrumah that gave the impression that rightly or wrongly that State Owned Enterprises (SOEs) were able to solve societal problems.

In a study conducted by (Ofori et al., 2007) about the Corporate Social Responsibility perspectives of leading firms in Ghana, their findings were that, even though local firms had the needed knowledge in Corporate Social Responsibility and practice it to some extent, their intentions were not befitting of the contemporary notion of the subject matter. Local Ghanaian firms unlike their foreign multinationals approached Corporate Social Responsibility in a less ethical, less moral and most predominantly in a less strategic way.

Studies about Online Corporate Social Responsibility reportage of award-winning versus non award-winning financial institutions in Ghana by Hinson (2011) are a bit disturbing. In his results it was stated that Agricultural development bank (ADB) which was adjudge the bank with the most socially responsible bank of year award for five consecutive years, in it last year of winning the award it had the weakest online

Corporate Social Responsibility reportage in the study with just one Corporate Social Responsibility report online. While Barclays Bank Ghana, Cal Bank and Standard

Chartered Bank are very active in both the performance and disclosure of Corporate Social Responsibility online.

Aside the empirical evidence discussed above, mention can be made the Ghana Club 100 index. The Ghana Club 100 (GC100) is an annual event that puts together the top 100 companies in Ghana who excelled in their business enterprises over the previous year.

The list is compiled under the auspices of the Ghana Investment Promotion Centre (GIPC). The GIPC which is a government agency which seeks to encourage, promote and facilitate investments in the numerous economic sectors of the country except mining and petroleum. The Ghana Club 100 does not only award trade excellence and profitability but also Corporate Social Responsibility performance and reportage as well. It is on these bases that one may argue that the Ghana Club 100, which is recognized worldwide, serves as an incentive for financial companies and other firms to provide quality goods and services and behave in a corporate social responsible manner as well in their operations.

### 2.9.1 Female director

There is a material effect on the Corporate Social Responsibility strategy of the institute when there are females as members on the board of directors Bernardi, Threadgill (2010). Eminent scholars notion on this topic already exist. Entities with bulky number of women directors on its board tends to have an optimistic and resilient connection with

Corporate Social Responsibility with reverence to employee"s well-being actions. There is a positive relationship and a strong relationship with Corporate Social Responsibility with respect to employee"s welfare actions, charitable sharing and donations and overall development efforts for the entire community when the organization have a large ratio of women directors on its board. The existence of number of female members in board structure also have effects towards elimination of environmental problems occurred due to organizations. Williams (1999) reveal that organizations having higher proportion of female board members engaged in more philanthropic actions and charity donation giving as compared to organization has lower number of female in boards. The proportion of female board members is positively related to corporate social responsibility vigorously.

### 2.9.2 Board composition

In situations where outside board form the large proportion of the board of directors then there is a likelihood of positive effects on better corporate social responsibility disclosure on their corporate website. The external environment dynamics are well known by the outside board members which makes them alert of the surrounding environment. In effects the interest of all stakeholders of the organization are protected by the board of directors Coffey & Wang (1998). From the findings in Ibrahim & Angelidis (1995); (Ibrahim et al., 2003) with regards to philanthropic dimension of corporate social responsibility is of very much concern of outside board members. Johnson & Greening (1999); (Zahra et al., 1993) find a positive relationship between Corporate Social Responsibility of the entity and outside directors‟ representation in the board of directors.

### 2.9.3 Board size

The conclusions of most studies indicate that if you have large board size then there is the possibility of bad coordination and communication behaviors and attitude. (Kader Sahin et al., 2011) discovered the connection amongst board structures and characteristics and corporate social responsibility behavior of the organisations. Once organizations have appropriate board size, stakeholders‟ interests are protected and there is elimination of problems which leads to a better corporate social responsibility performance. This concept similarly has been buttressed through diverse authors in their study for example Louma & Goodstein (1999); Dunn & Sainty (2009).

### 2.9.4 Corporate Governance

As originated from the Latin word „gubermare‟, „governance‟ means „to steer‟ (Salomom, 2010), suggesting that corporate governance take account of the functions of direction rather than control. Thus, the role of governance includes: (1) overseeing the executive actions, (2) satisfying legitimate expectations of accountability and (3) running of the business (Tricter, 1984). However, in the ques to define the concept „corporate governance‟ there are two models, i.e.: Stock Market and Welfare State Capitalism (Dore, 2000). The first focuses on accountability to stakeholders (La Porta, Lopez-deSilanes, Shleifer and Vishny, 2000). Indicating that corporate governance is cultures, systems, structures and processes (Keasey, Thompson and Wright, 1997) to minimize agents‟ and principal clash (Mayer, 1997). The argument is that the long term interest of shareholder is best served by bearing in mind a broad range of other stakeholders. Welfare State Capitalism takes a broader perspective of corporate governance from a broader perspective of accountability to all stakeholders (Trister, 1984; Noteboom, 1999). The definition of corporate governance by Salomon (2010), as both internal and external mechanism warrants that firms release their accountability to all their stakeholders.

### 2.10 Research framework

The illustrations in Figure 2.1 and Figure 2.2 highlight capacities covering financial institutions‟ online Corporate Social Responsibility communication respectively. This model is adopted and expanded from a model used by (Hinson et al., 2010), who studied Corporate Social Responsibility communication in Ghanaian financial institutions. In their study, (Hinson et al., 2010), categorized areas covered under Corporate Social Responsibility disclosures by Ghanaian financial institutions into internal and external disclosures. Internal disclosure looks at human resource disclosure and product and customer disclosure. External disclosure covers issues under environmental disclosure and community involvement disclosure. Human resource disclosure considers issues bordering on employee health and safety, employee training and employee remuneration.

Product and customer disclosure, on the other hand, considers issues like product quality, customer complaints and/or satisfaction and provision for physically challenged customers. 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 such areas as charitable donations and activities, support for education, sports sponsoring or recreational projects. The model demonstrates an attempt to meet the expectations of different groups of stakeholders, including employees, customers, the community and society in general.

# CHAPTER THREE

# RESEARCH METHODOLOGY AND ORGANISATION PROFILE

## 3.1 Introduction

Chapter three deals with the study area, it includes the research design, the nature and the composition of the target population with the study, sample size, sampling technique employed, and data collection sources and data analysis. It also encompasses the profile of the various areas under study.

### 3.2 Research Design

Research design entails the general idea as to how the research questions are answered. (Saunders et al., 2007), divided research design into three component parts; explanatory, descriptive and exploratory. This research work intends to assess corporate social responsibility exposure action on financial institutions websites in Ghana. The researcher used exploratory and descriptive study methods in order to obtain an in-depth understanding as well as an explanatory method in order to ascertain the relationship existing between the dependent and the independent variables.

Exploratory research is defined as the initial research into a hypothetical or theoretical idea. This is where a researcher has an idea or has observed something and seeks to understand more about it. An exploratory research project is an attempt to lay the groundwork that will lead to future studies, or to determine if what is being observed might be explained by a currently existing theory. Most often, exploratory research lays the initial groundwork for future research.

Once the groundwork is established, the newly explored field needs more information.

The next step is descriptive research, defined as attempts to explore and explain while providing additional information about a topic. This is where research is trying to describe what is happening in more detail, filling in the missing parts and expanding our understanding. This is also where as much information is collected as possible instead of making guesses or elaborate models to predict the future - the 'what' and 'how,' rather than the 'why.'

Explanatory research is defined as an attempt to connect ideas to understand cause and effect, meaning researchers want to explain what is going on. Explanatory research looks at how things come together and interact. This research does not occur until there is enough understanding to begin to predict what will come next with some accuracy.

Data generated online on the financial institutions in Ghana was used and quantitatively analyzed in the course of the discussion. This gives a strong understanding of the level of corporate social responsibility exposure action on financial institutions in Ghana.

### 3.3 Population of the Study

A research population refers to the total sum of all the matters or of all units of the issue or phenomenon used in investigating all the possible explanations of the same kind made Kumekpor (2002). The populace or the target populations for the study are listed and unlisted insurance and financial institutions operating in Ghana. The total population for the study was 69 listed and unlisted financial institutions in Ghana.

### 3.4 Sample Size

The level of confidence that a researcher needs to attain in a study depends on the sample size that is used for the study. Therefore the acquisition of the data and the margin of error the researcher can tolerate are all needed in taking the right sample size. Stutely (2003) advocate a minimum number of thirty (30) for effective statistical analysis if the characteristics of the respondents are similar, however in this study the researcher was looking at the sample size of forty-four (44) in addition to the fact that not all the institutions in the sample frame report their Corporate Social Responsibility activities.

### 3.5 Sampling Technique

For the purpose of the study, financial institutions that met the established requirements were chosen. Therefore the purposive sampling technique was used. As part of the purposive sampling techniques available, the homogeneous sampling was employed. Homogeneous sampling focuses on one particular sub-group in which all the sample members are similar. This enables the researcher to study the group in great depth. The homogeneous sampling technique was used in selecting the various units for the sample.

### 3.6 Data Collection Method

Data for this research was obtained purely from a secondary source, made available on the various websites of the sampled population. The secondary data is data that has been already collected and is readily available from a reliable source. This kind of data has the advantage of being cheaper and readily obtainable than the primary data and as such, may be available even in situations where the primary data may not be easily obtained. The justification for using this kind of data is mainly due to the convenience it provides as the information is already made available on the various websites of these companies. Further, the secondary data offers a more refined and as such, helps to improve our understanding of the research problem. Also, the secondary data is regarded as the best suited approach for this research as it provides the necessary information that is of interest to the needs of the researcher. The sources of this secondary data included information provided on company websites, annual reports, firms‟ newsletters, as well as other published articles of interest. The study employs archival records as the main data collection instrument.

The study utilizes archival record online which is analyzed to establish the level of each financial institution‟s communication of Corporate Social Responsibility information on their websites in Ghana. (Saunders et al., 2007) measure archival research data as one of the principal sources of facts that utilize administrative records and documents. Although the word "archival" may connote some form of historical impressions, it is adopted here to refer to current as well as past data credentials. The data for this study was obtained by browsing the websites of the sampled financial institutions. Special attention and priority was given to the institutions‟ website location and where necessary, online search engines like Bing, Google, Yahoo!, Wiki Answers and Ghana web, etc. aided the search.

A scoring method was developed upon access to the company‟s Corporate Social Responsibility profile where a weighted score of „1‟ is allocated for Corporate Social Responsibility reportage whereas a „0‟ is assigned if otherwise. It must be mentioned however that, quite a few experiential studies in the research area aided in determining what to consider as a socially responsible disclosure (Branco and Rodrigues, 2006; Gray et al., 1995b; Hackston and Milne, 1996: Hinson et al, 2010; Adams et al., 1998; O‟Dwyer and Gray, 1998; Williams and Pei, 1999; Campbell, 2000; Campbell et al., 2003).

**3.7 Data Analysis**

The data obtained is subjected to a critical analysis and examination and this helped to draw relationships and connections as well as variations that aided to drawing reliable conclusions and appropriate recommendations. Descriptive results are presented in frequency distribution tables, percentages and regression analysis to ascertain the reliability of the data. The data analysis is based purely on the results established from the sampled organizations that are being studied.

The qualitative data is summarized effectively in an orderly manner in the tables to present the facts and figures in rows and columns which is examined systematically. The frequency counts are translated into percentages using percentages. Regression analysis is a statistical tool for the investigation of relationship between variables to ascertain the causal effect of one variable upon another. In other word, it is used when you want to predict a continuous dependent variable from a number of independent variables. Meanings and interpretations are given to the data based on statistical tools like, the statistical mean and standard deviations, correlation, variations, among others. The study also employ regression analysis to ascertain some relatedness or otherwise of certain variables.

### 3.8 Profile of Financial Institutions in Ghana

The history of  financial institutions dates far back to 1896 when the first branch of the Bank of British West Africa was established in the then Gold Coast to help maintain and manage the business of governmental and state transactions.

Beyond this point however, several expatriate financial institutions came in to take advantage of the growing and promising colonial economy. In 1953 prior to independence, the then Bank of the Gold Coast was set up which eventually splitted to form a central bank that was responsible for defining the general regulatory standards that existing and subsequent financial institutions should adhere to; and on the other hand, the establishment of a commercial bank which was responsible for managing and having a monopoly over state and public corporations‟ accounts.

Following from the economic hardships experienced by the country in 1983, newly adopted policies were implemented on the recommendations of the International Monitory Fund (IMF), the World Bank among other such institutions. Two of these policies gave birth to import licensing and an adoption of an investment code coupled with other legislations that opened the flood gates to the advent of banking and nonbanking institutions as well as investments in securities.

Consequently, the Banking Law was enacted in 1989, enabling suitable locally incorporated bodies to file applications for licenses to operate as banking institutions. A number of corporate entities as a result, were licensed to operate as financial institutions and financial institutions. Again, the enactment of the Stock Exchange (Ghana Stock Exchange) Listing Regulations in 1990 and The Securities Industry Law 1993 serve to show how far Ghana has traveled away from the system of the planned economy and state control. Since 1993, the Ghana Stock Exchange has been facilitating the purchasing and selling of equity shares listed on the Stock Exchange. Both residents and nonresidents are allowed to trade freely in listed shares with exchange control no longer required for purchasing. The legislation also makes provision for the licensing of dealers.

The banking industry has been perceived as experiencing incredible growth pertaining to expansions in new operating nationwide. This assertion of growth was however attributed to the introduction of the universal banking license that enabled these financial firms to increase their customer base and engage in retail banking activities. A subsequent outcome of this intervention; it is observed, resulted in advent of foreign multinational banks into the otherwise, domestic financial sector. The robust implications that characterized the emergence of these foreign competitors included an intensified competition in the sector and a new fixation on the retail market as a growth source. Consequently, Corporate Social Responsibility strategies and their content management have become extremely important for internal and external stakeholders of most banks in Ghana.

The insurance firms begun obviously to serve as a body intended to offer facilities meant at safeguarding businesses in contradiction of the numerous hazard innate in their procedures. Notwithstanding the slight consideration specified by the state in the insurance business takes stayed in performance a very a very significant part in safeguarding positive step of security in industry and trade. The insurance companies have been witnessed that once they are given the obligatory consideration; they can perform a resilient harmonizing starring role to certifying progress and henceforward national economic development. The insurance firms are regulated by the insurance Act

2006, Act 724. The Act This Act fulfills meaningfully by means of the International Association of Insurance Supervisors (IAIS). It is the fundamental Values that gives and gives enhanced supervisory authorities to the National Insurance Commission. This Act surrounded by further things forbids complex insurance establishments. Altogether complex insurance firms consequently took towards isolating their existence and non-life and nonlife procedures keen on diverse concerns concluded 2007 year end.

## CHAPTER FOUR

## 4.0 ANALYSIS AND DISCUSSION OF FINDINGS

### 4.1 Introduction

This chapter analyzes the data using various statistical techniques to be able to answer the research questions. The chapter consists of the following sections. The first section discusses the characteristics of the companies whose data are used for the study. The categorical variables are presented in frequency tables while descriptive statistics is presented for the descriptive variables. The remaining sections examine association of the independent variables with CSR Reporting using various statistical tools.

### 4.2 Characteristics of Sampled Companies

This section presents the features of the firms involved in this study. In all the study used data from 69 companies. Table 4.1 presents the frequency distributions of the categorical features. First sub-section in Table 4.1 presents the distribution based on the place of origin of the companies. The results indicates that about 54 percent of the companies originated from Ghana while the remaining (46%) companies originated from other countries such as Nigeria, Togo, Ivory Coast, UK, US etc.

Concerning the ownership structure of the companies, majority of the firms in the study have Ghanaian being the majority owners. Ghanaians hold majority ownership of 52.9 percent of the companies involved in this study while foreigners hold majority ownership in 47 percent of the companies.

The companies involved in this study are large companies that have many branches. Out of the 69 companies, 59 representing 85.5 percent were not listed on the Ghana Stock

Exchange. Only 10 out of 69, representing 14.5 percent were listed on the Ghana Stock Exchange as at the time of this study.

**Table 4.1: Frequency Distribution of Categorical Features of Sampled Companies**

| Variables | Categories | Frequency | Percent |
|---|---|---|---|
| Place of Origin | Ghana | 37 | 53.6 |
| | Foreign Country | 32 | 46.4 |
| Majority Ownership | Foreign | 32 | 47.1 |
| | Domestic | 36 | 52.9 |
| Listed on GSE | No | 59 | 85.5 |
| | Yes | 10 | 14.5 |
| Corporate Governance | No | 53 | 76.8 |
| | Yes | 16 | 23.2 |
| Reports CSR | No | 25 | 36.2 |
| | Yes | 44 | 63.8 |

Table 4.1 also presents the distribution of sampled companies based on Corporate Governance. The result indicates that out of the 69 companies, 53 representing 76.8 percent were not using corporate governance at the time of this study. Only 16 out of the 69 representing 23.2 percent used corporate governance.

The subject matter of this study is corporate social responsibility and the Table 4.1 also presents the frequency distribution of the sampled companies based on their reportage of their corporate social responsibilities on their websites. Out of the 69 companies, 25 representing 36.2 percent did not report any corporate social responsibility act on their company websites. On the other hand, 44 out of the 69 companies, representing 63.8 percent have reported various CSR activities on their company website.

The actual number or types of CSR information provided on their websites differ among the companies. A score for the kinds of information provided has been generated and a descriptive summary of this score is presented in Table 4.2.

**Table 4.2: Descriptive Summary of Quantitative Variables**

| | N | Minimum | Maximum | Mean | Std. Deviation |
|---|---|---|---|---|---|
| CSR Score | 44 | 3 | 10 | 5.363 | 1.6718 |
| Number of Branches | 69 | 1 | 160 | 18.01 | 29.744 |
| Female Director | 69 | 0 | 6 | 1.23 | 1.330 |
| Board Size | 69 | 0 | 16 | 6.71 | 4.059 |
| Board Composition | 69 | 0 | 13 | 2.46 | 2.953 |
| Age of Institution | 69 | 2 | 119 | 22.71 | 22.145 |

Table 4.2 shows that the average CSR score was 5.36. In other words, the companies that have reported on their CSR activities have reported on five areas of corporate social responsibility on their websites on the average. The result also shows the minimum score to be 3 while the maximum score was 10. The CSR scores can take values varying from 1 to 16. This is because sixteen different areas of corporate social responsibility were used in the construction of the score. A company that provide information on all sixteen areas will have a score of 16 while a company that provide information on only one area will have a score of 1.

The number of branches of a financial institution have is an indication of the size of the institutions. The results showed that the number of branches for the sampled companies range from a minimum of 1 to a maximum of 160. On the average, the 69 institution have 18 branches in Ghana.

The number of female directors was also examined. Some of the institution did not have any female director as the minimum value was zero. Some however have as much as six as the maximum number of female directors was six. On the average, these institutions have about 1 female director. Table 4.2 also indicates the average board size to be 6.7, the average board composition to be 2.5 and the age of the financial institutions to be about 23 years.

### 4.3 Corporate Reporting Practices and the Extent of CSR Disclosure among Institutions

The first objective of the study was to examine the corporate reporting practices and the extent of corporate social responsibility reporting among the institutions. Various aspects of corporate social responsibility were considered. The study examines sixteen aspects of corporate social responsibility. These aspects are presented and Table 4.3 below. The areas are then coded alphabetically from A to Q and the codes then used in the construction of the scores in Table 4.4.

**Table 4.3: Areas of Corporate Social Responsibility Considered in the Study**

| CSR VARIABLES | CSR VARIABLES | CODE |
|---|---|---|
| 1 | Employee health & safety | A |
| 2 | Employee training | B |

| | | |
|---|---|---|
| 3 | Employee remuneration | C |
| 4 | Product Quality | D |
| 5 | Customer complaints Satisfaction | E |
| 6 | Provision for physically | F |
| 7 | Challenge customers | G |
| 8 | Concern for environment | H |
| 9 | Claims & insurance Policies | I |
| 10 | Conservation of energy in business | J |
| 11 | Charitable donations & Activities | K |
| 12 | Support for education & health | L |
| 13 | Sport sponsoring & recreational projects | M |
| 14 | Female Directors | N |
| 15 | Board Size | O |
| 16 | Non-Executives | P |
| 17 | Corporate Governance | Q |

Source: Author"s Construct (2015)

As indicated in Table 4.3, some of the areas of CSR considered in this study consist of CSR on employee health and safety, employee training, remuneration, product quality, concern of the environment, support for education and health, sports sponsoring, etc. Table 4.4 presents the information provided by these institutions on all the aspects represented by alphabets A – Q. The character (*) is given if the institution provide a particular information about CSR on their website. The number of (*) is then summed to get the CSR scores. A descriptive summary of the CSR can be found in Table 4.2 above.

The different CSR, female directors, board size, board composition, corporate governance issues communicated by the banks and insurance companies on their websites are depicted in Figure 4.4. The findings suggest that there is scanty information on CSR communicated on the websites of both banks and insurance companies. The banks that had a score of 4 are Cal, Sahel Sahara, UBA, NIB, Prudential, SG-SSB and
Access bank.

Those with score of 5 are ADB, Fidelity, UBA and HFC bank. Standard Chartered had a score of 8, UT bank had a score of 10, whilst Barclays and Ecobank had the same score of 7. GCB and Unibank also had 6 as their scores. That of the insurance indicate that GLICO and Donewell scored 3 each, Provident, Ghana Life, Equity, Saham, NEM, Allianz, Transnational and Int‟l energy had 4 scores each. Seven of the insurance companies had 5 scores each, five of them had 6 scores each, and only UT Life had 7 scores.

Two insurance companies had 8 scores each and finally Enterprise and Vanguard insurance had a score of 9 each. Therefore from the banks perspective UT bank had the highest score and Cal, Sahel Sahara, UBA, NIB, Prudential, SG-SSB and Access bank had the least scores of 4. Concerning the insurance companies Enterprise and Vanguard insurance had the highest scores and the least scored insurance companies are GLICO (3) and Donewell (3).

**Table 4.4: Extent of CSR Disclosure**

| Institutions | A B C D E F G H I J | K L M N O P Q | CSR Score |
|---|---|---|---|
| STAND. CHARTERED | * * | * * * * * * | 8 |
| AGRIC DEV. BANK | | * * * * * | 5 |
| ECOBANK | * | * * * * * * | 7 |
| UNIBANK | * | * * * * * | 6 |
| CAL BANK | | * * * * | 4 |
| SAHEL SAHARA | * * | * * | 4 |
| UT BANK | * * * * | * * * * * * | 10 |
| FIDELITY BANK | | * * * * * | 5 |
| UBA | * | * * * * | 5 |
| ENTERPRISE | * * * | * * * * * * | 9 |
| SIC | * | * * * * * * * | 8 |
| METROPOLITAN | * | * * * * * * * | 8 |
| PHOENIX | * * | * * * * | 6 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| PROVIDENT | | * | | | | * | * * | 4 |
| STAR ASSURANCE | * | | | * * | | * | * * | 6 |
| VANGUARD | | * * | * | * * | * | * | * * | 9 |
| UT LIFE | * * | | | * * | | * | * * | 7 |
| GLICO | * | | | | * | | * | 3 |
| KEK | | * | | * * | | * | * * | 6 |
| GHANA UNION | | * | * | | | * | * * | 5 |
| MILLEUNIM | | * | * | | | * | * * | 5 |
| WAPIC | | * * | | | | * | * * * | 6 |
| DONEWELL | | * | | | | * | * | 3 |
| GHANA LIFE | * | | | | | * | * * | 4 |
| EQUITY ASSURANCE | * | | | | | * | * * | 4 |
| REGENCY ALLIANCE | | * | | * * | | | * * | 5 |
| SAHAM | | | | * * | | * | * | 4 |
| NEM | * | | | | | * | * * | 4 |
| ALLIANZ | | * | | | | * | * * | 4 |
| SHIELD | | * * | | | | * | * * | 5 |
| HORIZON | * | * | * | | | | * * | 5 |
| SAVIOR | | * * | * | | | | * * | 5 |
| MARINE& GEN | | * | * | * | * | | * * | 6 |
| TRANS NAT"L | | * | | | | * | * * | 4 |
| PROGRESSIVE | * | | * | * * | | | * | 5 |

Provident insurance, Ghana Union Assurance and Ghana Life insurance, although having Source: Author‟s Construct (2015) been in operation for more than three decades, have only a score of 4 concerning its online CSR information reportage. Enterprise, Metropolitan, Regency Alliance, Progressive and Wapic are foreign insurance companies, with diverse operations and branches across the borders of Ghana, depict a fair amount of online CSR information. Phoenix insurance communicates product and customer information and environmental and community involvement information online. Both Enterprise insurance and Vanguard assurance communicate on all the four dimensions of corporate social responsibility information on their websites, i.e. human resource information, product and customer information, environmental information and community involvement information.

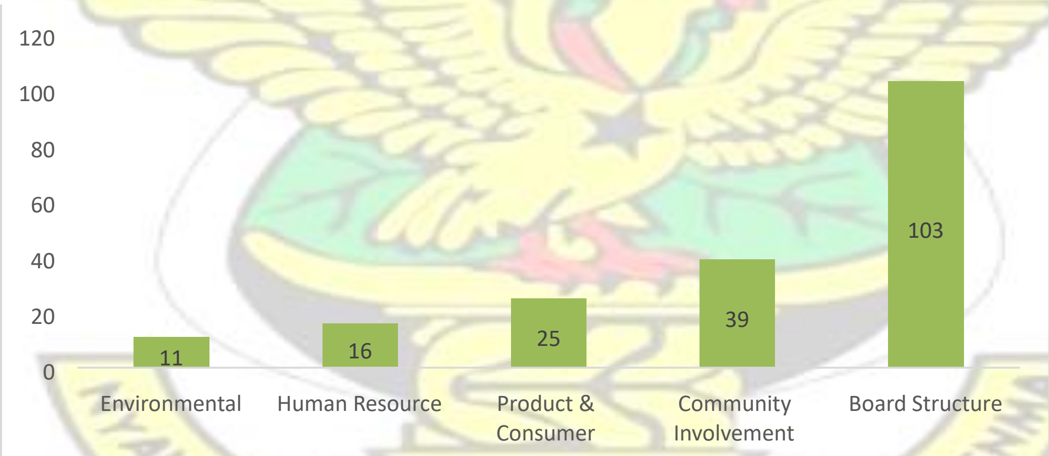


**Figure 4.1: CSR Dimensions and the level of Disclosure**

Figure 4.1 organizes the CSR dimensions based on the number of information provided. The CSR dimensions with the highest number of disclosures board structure with 103 points followed by community involvement disclosure with 28 points, followed by product and customer disclosure with 39 points followed by Product & Consumer, then human resource disclosure. The disclosure with the lowest number of reports is environment disclosure with 11 points.

Figure 4.2 presents the frequency of CSR information provided by the 44 financial institutions that have reported 1 or more information about CSR on the institution‟s website. Figure 4.2 covers the specific aspects of CSR.

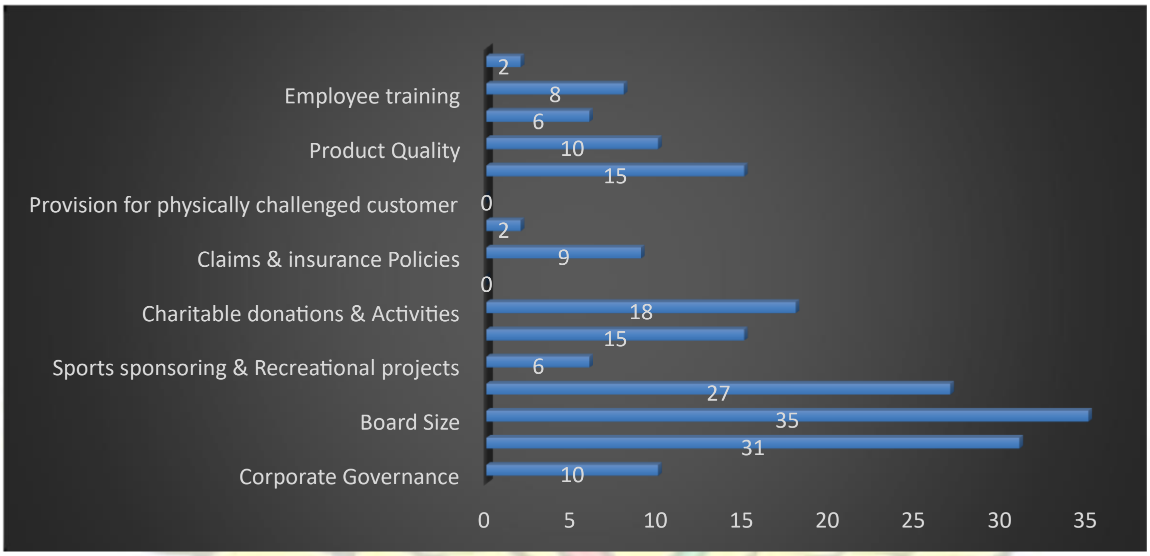


**Figure 4.2: Frequency of CSR Information provided on Websites**

Figure 4.2 indicates that none of the 44 financial institutions reported information on their provision for the physically challenged consumers and on conservation of energy in business. Large numbers of this institutions provided information on their board size (35 out of 44), the non-executive – that their board composition (31 out of 44), and the number of their female directors (27 out of 44). Fifteen out of 44 provided information on their customer complaints satisfactions, and other 15 out of 44 provided information on support for education and health. Other 18 out of 44 provided information on their charitable donations and activities. Only 2 out of 44 provided information on their employees‟ health and safety, only 2 out of 44 provides information on environmental conservation.

## 4.4 Association between Place of Origin and CSR Reporting

This section examines the relationship between the place of origin of the institutions and their reportage of corporate social responsibility activities on their websites. Given that CSR reportage is a categorical variable and the place of origin is also a categorical variable, the association between these two variables was tested using the Pearson Chi – Square test of association. Table 4.5 below presents the contingency table and the test of association results.

**Table 4.5: Chi-Square Test Result for Association between CSR Reporting and Place of Origin**

| | | Place of Origin | | Total |
|---|---|---|---|---|
| | | **Ghana** | **Outside Ghana** | |
| **Reports CSR on Website** | **No** | 11 | 14 | 25 |
| | **Yes** | 26 | 18 | 44 |
| **Total** | | 37 | 32 | 69 |
| | | **Statistic** | | **P-value** |
| **Pearson Chi-Square** | | 1.460 | | 0.316 |
| **Fisher's Exact Test** | | - | | 0.136 |

The Chi – square test the null hypothesis independence between the two categorical variables. By rejecting this null hypothesis is a confirmation of the presence of an association between the two variables. Table 4.5 presents the association test results and the chi –square statistics was 1.460 and its corresponding p-value was 0.316. Given that this p-value is not less than 0.005, we cannot reject the null hypothesis of independence.

This therefore implies that, there was no association between the place of origin and reporting Corporate Social Responsibility on their website. The Fisher‟s Exact P – value (p-value = 0.136 > 0.05) was also computed and this value confirms the result of the Pearson Chi – square test of association that there was no relationship between the place of origin of an institution and their reportage on CSR on their website.

### 4.4 Association between Listing on the GSE and CSR Reporting

This section also used the chi –square test to test for the existence of an association between the listing on the Ghana Stock Exchange and CSR reporting.

**Table 4.6: Chi – Square Test Result of Association between CSR Reporting and Listing on GSE**

| | | Listed on GSE | | Total |
|---|---|---|---|---|
| | | **No** | **Yes** | |
| **Reports CSR on Website** | **No** | 24 | 1 | 25 |
| | **Yes** | 35 | 9 | 44 |
| **Total** | | 59 | 10 | 69 |
| | | **Statistic** | | **P-value** |
| **Pearson Chi-Square** | | 3.483 | | 0.062 |
| **Fisher's Exact Test** | | - | | 0.081 |

The Pearson Chi – Square statistic of 3.482 was not significant at the 5 percent level of significance. However, given that Pearson Chi – square test assume that all the cell counts will be at least five, the results may not be reliable. Because the Chi–square test pvalue is an approximation of the exact p-value, the Fishers exact test p-value being higher than 0.05 is a confirmation of the results of the chi – square test. These results imply that, the decision to report corporate social responsibility activities on website is independent of being listed on the Ghana stock exchange.

**4.5 Identifying the Variables that Influence the Likelihood of CSR Reporting** The study sought to identify the factors or variables that impact on a firms likelihood of reporting their corporate social responsibility activities on their websites. To achieve this objectives, a logistic regression was conducted given that the dependent variable CSR Reporting was a dummy variable coded 1 if an institution reports on CSR and 0 if not. The independent variables was the place of origin (dummy variable), number of branches, the majority ownership structure, listing on the Ghana Stock Exchange (dummy variable), number of female directors, board size, board composition and corporate governance (dummy variable). Table 4.5 presents the logistic regression results.

**Table 4.7: Logistic Regression to identify factors influencing CSR Reporting**

| Variables | B | S.E. | Wald | Sig. | Exp(B) |
|---|---|---|---|---|---|
| Constant | -4.145 | 4.278 | 0.939 | 0.333 | 0.016 |
| Origin | 2.472 | 4.228 | 0.342 | 0.559 | 11.844 |
| No of Branches | -0.021 | 0.014 | 2.323 | 0.127 | 0.980 |
| Majority Ownership | 2.752 | 4.211 | 0.427 | 0.513 | 15.673 |
| Listed on GSE | 2.344 | 1.390 | 2.844 | 0.092 | 10.420 |
| Female Directors | 1.218 | 0.461 | 6.988 | 0.008 | 3.382 |
| Board Size | 0.107 | 0.121 | 0.776 | 0.378 | 1.113 |
| Board Composition | 0.230 | 0.152 | 2.299 | 0.129 | 1.259 |
| Corporate Governance | -0.605 | 1.137 | 0.284 | 0.594 | 0.546 |

| | Percentage Predicted | Cox & Snell R Square | Nagelkerke R Square |
|---|---|---|---|
| | 83.8 | 0.38 | 0.513 |

Results of the pseudo R –square values have been reported in the bottom section of Table 4.5. The values indicate that, the explained variation in the dependent variable (CSR Reporting) ranges from 38 percent to 51 percent depending on whether one refer to the Cox & Snell or the Nagelkerke R – square method. The logistic model can also be used to predict the likelihood that a given institution will report on its corporate social responsibility. The results indicates that, the estimated model can accurate predict about 84 out of 100 times companies probability of CSR reporting.

Table 4.5 also presents Wald test results that test the significance of each of the independent variables. The p – values of the Wald statistic shows that all the independent variables failed to significantly impact on the likelihood of CSR reporting except the number of female directors. The insignificance of the coefficients of Origin and Listing on GSE confirms earlier results from the chi – square test that failed to reject the independence of these variables with CSR reporting.

The number of female directors was the only significant variables and the sign of the coefficient was positive. This implies that an increase in the number of female directors will increase the probability or the likelihood that the institution will report on their CSR activities. The estimated odd ratio was 3.383. This value implies that, the odd of CSR reporting increase by about 3 times when the number of female directors increases by 1.

**4.6 Factors that impact on the extent of CSR Reporting among CSR Reporters** This section seeks to identify the factors that impact on the extent of corporate social responsibility reporting among the firms that have reported on their CSR activities on their website. Earlier descriptive summary result indicated that only 44 out of the 69 companies have reported on their CSR activities and the extent of the reportage was also shown to vary from a minimum of 3 to a maximum of 10.

This section examine how, place of origin, majority ownership, number of branches, listing on the Ghana Stock Exchange, number of female directors, board size, board composition, corporate governance and the age of the institutions, impact on the extent of information about CSR reported on their websites. The multiple regression results is presented in Table 4.6.

**Table 4.8: Regression Results to identify factors influencing the extent of CSR Reporting among CSR reporting firms**

| | Coefficient | Std. Error | t | P-value |
|---|---|---|---|---|
| **Intercept** | 2.667 | 1.349 | 1.978 | 0.056 |
| **Place of Origin** | 1.249 | 1.002 | 1.246 | 0.221 |
| **No of Branches** | -0.010 | 0.008 | -1.252 | 0.219 |
| **Majority Ownership** | 1.939 | 0.941 | 2.060 | 0.047 |
| **Listed on GSE** | 0.527 | 0.601 | 0.878 | 0.386 |
| **Female Directors** | -0.203 | 0.213 | -0.950 | 0.349 |
| **Board Size** | 0.015 | 0.107 | 0.144 | 0.886 |
| **Board Composition** | 0.058 | 0.079 | 0.731 | 0.470 |
| **Corporate Governance** | 1.831 | 0.714 | 2.563 | 0.015 |

| | | | | |
|---|---|---|---|---|
| **Bank Age** | 0.021 | 0.010 | 2.006 | 0.053 |
| | Statistic | P-value | | |
| **F-Statistics** | 3.662 | 0.003 | | |
| **R Square** | 0.500 | | | |
| **Adjusted R Square** | 0.363 | | | |

Reported in the bottom section of Table 4.6 is the F-statistic (3.662) and its corresponding p-value of 0.003. The F – statistic, test the overall significance of all the independent variables. The result indicates that, at least one of the independent variables was significantly different from zero. The adjusted R – square was 0.363, this implies that, the independent variables explains about 36.3 percent of the variation in the dependent variable – CSR reporting.

Among the coefficients, majority ownership had a significant influence on the SCR score. The coefficient was 1.94 and its p-value was 0.047 which was less than 0.005. This result implies that, companies in which Ghanaian had majority ownership had about 2 more CSR information displayed on their website than those in which foreigner are the majority owners.

Corporate governance was also positive and significant at the 5 percent level of significance. The coefficient of corporate governance was 1.831 and its p-value was 0.015 < 0.005. The implication of this result is that, institutions that have corporate governance have displayed about 2 more CSR information than those not having corporate governance.

None of the other independent variables was significant at the 5 percent level of significance. Only the age of the institution was significant at 10 percent level of significance.

# CHAPTER FIVE

## 5.0 SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

### 5.1 Introduction

This chapter briefly revisits what is set out to achieve as previously stated in chapter one of this research. It provides a summary of the study findings, provides conclusions based on the finding, and provides recommendations based on the findings and the limitations of the study.

### 5.2 Summary of findings

The main aim of the study was to examine the online disclosure of corporate social responsibility by Insurance companies and banks in Ghana. To best achieve this aim, data was gathered from the websites of 69 financial institutions that are part of the sample of the study. A review of literature shows that there have been studies conducted in the area of interest and their findings very well noted, especially that of Hinson et al (2010).

To answer the research objectives, the study used statistical tools such as descriptive tools such as frequency distributions and descriptive summary, chi-square test of association, logistic regression, and multiple regressions. A summary of the findings is presented below.

Results from the descriptive summary indicated that 44 out of the 69 financial institutions provide at least information about their corporate social responsibility (CSR) activities. This represents 63.8 percent of the sampled financial institutions. The 44 financial institutions on average provide about 5 pieces of information on their CSR activities.

The study sought to examine the extent of corporate social responsibility disclosure of the institutions. The study evaluate sixteen different aspects of financial institutions some of which are employee health and safety, employee training, product quality, provision for physically challenged customers, information on board size, number of female directors, corporate governance and others.

The study results showed that, GLICO Insurance and DONEWELL Insurance provided the least information on corporate social responsibility as they provided only 3 out of the 16 areas evaluated. The result showed the average number of information provided to be about 5 and the maximum number of information provided was 10. This was done by UT Bank. Enterprise Insurance and Vanguard Assurance also provided 9 out of the 16 areas evaluated.

One the five dimensions of CSR, the largest proportion of information provided by financial institutions were on board structure. Many of the institutions also provided information on their community involvement. On the other hand, very few of the financial institutions provided information about their environmental related corporate social responsibilities.

On the specific aspects of CSR, a larger number of the 44 firm provided CSR information on board size, board composition, number of female directors, their charitable donations and activities, their customer complaints satisfaction and their support for education and health. The areas with the least information provided were provision for the physically challenged customers and conservation of energy and concern for the environment.

The study also sought to ascertain if there was an association between the place of origin of a financial institution and CSR reporting on their websites. Pearson Chi – square test was used to test this association. Fisher‟s exact test was also used to serve as a robust checker on the Pearson Chi – square results especially in case the cell counts were less than 5.

The resultant Chi – square statistic was 1.460 and was not statistically significant at the 5 percent level of significance given that the p-value = 0.316 was higher than 0.05. This suggests an acceptance of the null hypothesis of independence between place of origin and CSR reporting. The results from the Fisher‟s exact test confirm the findings of the Pearson Chi – square test of associations.

The study also sought to test for association between listing on the Ghana Stock Exchange and CSR reporting. Pearson‟s Chi – square test and the Fisher‟s exact test was again used. The resultant chi – square statistic was 3.483 which was not statistically significant at the 5 percent level of significance (p-value = 0.062 > 0.05). The Fisher‟s exact test was 0.08

which confirms the result of the Pearson Chi – square test. The results suggested no association between listing on the GSE and CSR reporting.

The study sought to identify the factors that can influence the financial institutions" likelihood of CSR reporting. This was achieved using a logistic regression. The factors examined here were the place of origin, the number of branches, the majority ownership of the institutions, listing on the GSE, number of female directors, board size, board composition, and corporate governance. The result showed that the logistic regression model build could accurate predicts CSR reporting 83.8 percent of the time.

The results showed that except for number of female directors, none of the other independent variables were significant. The coefficient of number of female directors was positive and significant at the 5 percent level of significance. It suggests that an increase in the number of female directors increase the likelihood of CSR reporting. An estimated odd ratio of 3.38 implied that by increase the number of female directors by one, the odds of CSR reporting increase by 3.38 times.

Finally the study sought to identify the factors that impact on the extent of CSR reporting among the institutions that chose to report on the CSR activities.
To achieve this objective, a multiple regression was used. The result showed that, place of origin, number of branches, listing on the GSE, number of female directors, board size, and board composition and age of institution did not significantly impact on the extent of CSR reporting of the financial institutions.

The study however found majority ownership and corporate governance to have significant impact on the extent of CSR reporting. The result implies that companies with Ghanaian as majority shareholders have listed about 2 more CSR information that those with foreign majority shareholders. Also, companies with corporate governance have listed about 2 more information than those without corporate governance.

### 5.3 Conclusion

The primary of objective was to investing into the corporate social responsibility exposure actions of financial institutions" websites in Ghana and to further investigate the factors that influence or impact on corporate social responsibility exposure. To achieve the said objectives, the study sampled and collected the relevant data from the websites of 69 financial institutions. The data was analyzed on based on the findings; the researcher therefore makes the following conclusions in relation to the research objectives.

1. Only about 64 percent of the evaluated financial institutions have disclosed their corporate social responsibility activities. They have disclosed on average about 5 out of 16 corporate social responsibility aspects considered in the study. UT Bank, Enterprise Insurance and Vanguard Assurance disclosed the most CSR information on their websites. Glico Insurance and Donewell one the other hand have disclosed the least CSR information on their websites. A large number of the financial institutions considered have not reported on crucial CSR aspects such as the environment and the physically challenged. The areas of CSR that were disclosed by the institutions have little relevance to customers.
2. The study concludes that the place of origin of financial institutions do not impact on their disclosure of corporate social responsibility. The decision to disclose CSR

information is regardless of whether the company originates from Ghana or outside Ghana.

3. Based on the results, the researcher also concludes that, being listed on the Ghana Stock Exchange does not influence or associate with the disclosure of corporate social responsibility activities.
4. The study identified the number of female directors to significantly impact on the likelihood that a particular financial institution will disclose their CSR activities on their websites. To promote the CSR disclosure among financial institutions, supporting the appointment of female directors will be an effective tool. Factors such as place of origin, number of branches, ownership structure, and listing on the GSE, board size, board composition and corporate governance does not significantly impact on the disclosure of CSR activities.
5. The study also conclude that institutions that have Ghanaian as the majority shareholders have disclosed more CSR information on their website than those with foreign majority shareholders. Also, hiring professional management (corporate governance) significantly impact on the extent of CSR information disclose on website.

In summary, the researcher concludes that, a large proportion of financial institutions in Ghana do not disclose their corporate social responsibility activities and among those who do, majority failed to provide relevant CSR information such as CSR relating to the physically challenge and to the environment. It has also been concluded that, listing on the GSE and place of origin do not impact on CSR disclosure. Only the number of female directors was significantly associated with CSR disclosure.

## 5.4 Recommendations

Base on the findings of the study, the following recommendations are made.

i. The study recommend to financial institutions to provide certain vital corporate social responsibility information on their sites. For example, information on how firms deal with physically challenged persons was omitted from the websites. If they information provided an a website is taken as the actual CSR activities the firms were engaged in, then financial institutions in Ghana needs to do more.

ii. Future studies can adopt panel data techniques so as to capture information over time as well as for many more financial institutions.

iii. To encourage the CSR disclosure of more CSR information, increasing the number of female directors and encouraging the adoption of corporate governance could help.

## 5.5 Limitations of the study

The researcher has identified the following as the main limitation of the study.

i. A limitation of the study is that, due to the cross sectional nature of the study data – information was obtained from the websites of the financial institution at a given time – and because information on websites are updated periodically, the information captured at a point in time may not completely reflect the true behavior of the financial institutions.

ii. Also, the study sampled data from only 69 financial institutions. A larger sample size would produce results that are more reflective of the situation in the whole country.

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| Bank | Bank origin | Number of branches | Majority ownership | Listed on Ghana Stock Exchange | Female D | Board S | Board C | Corporate governance | Age of bank (years) |
|---|---|---|---|---|---|---|---|---|---|
| GCB | Ghana | 160 | Local | Yes | 2 | 10 | 2 | Yes | 62 |
| BBGL | UK | 154 | Foreign | No | 3 | 15 | 11 | Yes | 97 |
| SCB | UK | 19 | Foreign | Yes | 3 | 12 | 13 | Yes | 119 |
| EBG | Togo | 44 | Foreign | Yes | 4 | 11 | 6 | Yes | 25 |
| ADB | Ghana | 51 | Local | No | 2 | 8 | 4 | No | 49 |
| UMB | Ghana | 21 | Local | No | 1 | 8 | 0 | No | 44 |
| SG-SSB | Ghana | 29 | Foreign | No | 6 | 14 | 0 | Yes | 40 |
| HFC | Ghana | 17 | Local | Yes | 2 | 8 | 0 | No | 25 |
| CAL | Ghana | 13 | Local | Yes | 0 | 7 | 2 | No | 25 |
| PBL | Ghana | 29 | Local | No | 2 | 11 | 0 | No | 22 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Fidelity | Ghana | 51 | Local | No | 2 | 10 | 7 | No | 9 |

**Forty four financial institutions operating in Ghana which have CSR exposure on their corporate website (April and May 2015)**

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Access | Nigeria | 43 | Foreign | No | 4 | 16 | 9 | Yes | 10 |
| UBA | Nigeria | 16 | Foreign | No | 2 | 6 | 5 | Yes | 11 |
| UGL | Ghana | 20 | Local | No | 1 | 10 | 6 | No | 18 |
| UTB | Nigeria | 9 | Local | Yes | 2 | 6 | 3 | YES | 20 |
| BSIC | Libya | 7 | Foreign | Yes | 0 | 7 | 5 | No | 7 |
| NIB | Ghana | 27 | Local | No | 3 | 12 | 0 | No | 51 |
| Enterprise Insurance | UK | 12 | Foreign | Yes | 3 | 10 | 0 | YES | 91 |
| SIC Insurance | Ghana | 26 | Local | Yes | 1 | 8 | 0 | YES | 53 |
| Metropolitan Insurance | South Africa | 5 | Foreign | No | 0 | 12 | 0 | YES | 9 |
| Phoenix Insurance | Ghana | 12 | Local | No | 2 | 4 | 2 | No | 20 |
| Active Int. Insurance | Cameroon | 5 | Foreign | No | 0 | 8 | 6 | No | 6 |
| Provident Insurance | Ghana | 6 | Local | No | 1 | 5 | 4 | No | 33 |
| Star Assurance | Ghana | 17 | Local | No | 2 | 7 | 4 | No | 30 |
| Vanguard Assurance | Ghana | 14 | Local | No | 1 | 8 | 5 | No | 41 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Donewell Insurance | Ghana | 12 | Local | No | 2 | 5 | 0 | No | 22 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| UT Life Insurance | Ghana | 9 | Local | No | 2 | 5 | 3 | No | 5 |
| Gemini L77ife Insurance | Ghana | 20 | Local | No | 3 | 10 | 0 | No | 28 |
| Allianz insurance | Germany | 3 | Foreign | No | 3 | 12 | 0 | Yes | 6 |
| NEM Insurance | Nigeria | 12 | Foreign | No | 1 | 6 | 2 | No | 6 |
| Ghana Union Assurance | Ghana | 6 | Local | No | 1 | 5 | 3 | No | 43 |
| Millenium Insurance | Ghana | 3 | Local | No | 2 | 7 | 5 | No | 4 |
| Wapic Insurance | Nigeria | 9 | Local | No | 2 | 6 | 4 | Yes | 6 |
| Ghana Life Insurance | Ghana | 3 | Local | No | 1 | 4 | 4 | No | 35 |
| Colina Ghana/Saham Insurance | Togo | 3 | Foreign | No | 4 | 9 | 0 | No | 5 |
| Equity Assurance | Nigeria | 2 | Foreign | No | 1 | 6 | 3 | No | 7 |
| Regency Alliance Insurance | Nigeria | 5 | Foreign | No | 0 | 8 | 4 | No | 28 |
| Progressive Insurance | US | 5 | Foreign | No | 0 | 4 | 0 | No | 25 |
| KEK Insurance | Ghana | 7 | Local | No | 2 | 8 | 4 | No | 25 |
| Shield Insurance | Ghana | 4 | | No | 1 | 3 | 2 | No | 12 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Horizon Insurance Brokers | Ghana | 2 | Local | No | 0 | 3 | 2 | No | 11 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Saviour Insurance & Brokers | Ghana | 1 | Local | No | 0 | 3 | 2 | No | 12 |
| Marine & General Insurance | Ghana | 2 | Local | No | 0 | 6 | 4 | No | 46 |
| International Energy Insurance | Nigeria | 4 | Foreign | No | 1 | 7 | 4 | No | 12 |

| Bank | Bank origin | Number of branches | Majority ownership | Listed on Ghana Stock Exchange | Female D | Board S | Board C | Corporate governance | Age of bank (years) |
|---|---|---|---|---|---|---|---|---|---|
| SB | RSA | 13 | Foreign | No | 0 | 11 | 7 | yes | 16 |
| FAMBL | Ghana | 16 | Local | No | 1 | 15 | 6 | No | 21 |
| ING | Nigeria | 12 | Foreign | No | 2 | 8 | 0 | Yes | 9 |
| GNB | Ghana | 118 | Local | No | 2 | 7 | 0 | No | 18 |
| ABL | Nigeria | 12 | Foreign | No | 0 | 7 | 0 | No | 18 |
| TBL | Ghana | 17 | Local | Yes | 0 | 0 | 0 | No | 19 |
| FCP | Ghana | 15 | Local | No | 0 | 9 | 0 | No | 2 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| GTB | Nigeria | 28 | Foreign | No | 1 | 7 | (**April** 0 | **May** Yes **015)** | 11 |
| ICB | Malaysia | 12 | Foreign | No | 0 | 6 | 0 | No | 19 |
| Baroda | India | 1 | Foreign | No | 0 | 9 | 0 | No | 8 |
| Zenith | Nigeria | 29 | Foreign | No | 1 | 9 | 0 | No | 10 |

**enty- five financial institutions operating in Ghana which do not have any CSR reporting on their corporate websites**

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Unique insurance | UK | 9 | Foreign | No | 0 | 0 | 0 | No | 8 |
| Industrial & General Insurance | UK | 4 | Foreign | No | 0 | 0 | 0 | No | 24 |
| NSIA Ghana Insurance | Cote D"voire | 5 | Foreign | No | 0 | 0 | 0 | No | 13 |
| Express Life Insurance | Ghana | 6 | Local | No | 0 | 0 | 0 | No | 7 |
| Imperial General Assurance | Florida | 2 | Foreign | No | 0 | 0 | 0 | No | 2 |
| Akoto Risk Management | Ghana | 3 | Local | No | 0 | 0 | 0 | No | 25 |
| Tristar insurance Services Ltd | UK | 2 | Foreign | No | 0 | 0 | 0 | No | 17 |
| Beacon Insurance | UK | 2 | Foreign | No | 0 | 0 | 0 | No | 19 |
| Infinity Capital Ltd | UK | 1 | Foreign | No | 0 | 0 | 0 | No | 10 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Prime Insurance | Ghana | 2 | Local | No | 0 | 5 | 1 | No | 8 |
| Priority Insurance | Ghana | 4 | Local | No | 0 | 6 | 5 | No | 4 |
| Quality Insurance | Ghana | 8 | Local | No | 3 | 9 | 7 | No | 10 |
| Esich Life Assurance | Ghana | 2 | Local | No | 0 | 5 | 4 | No | 2 |
| Claims Int. Ghana Ltd | Ghana | 1 | Foreign | No | 0 | 0 | 0 | No | 12 |

## APPENDIX II

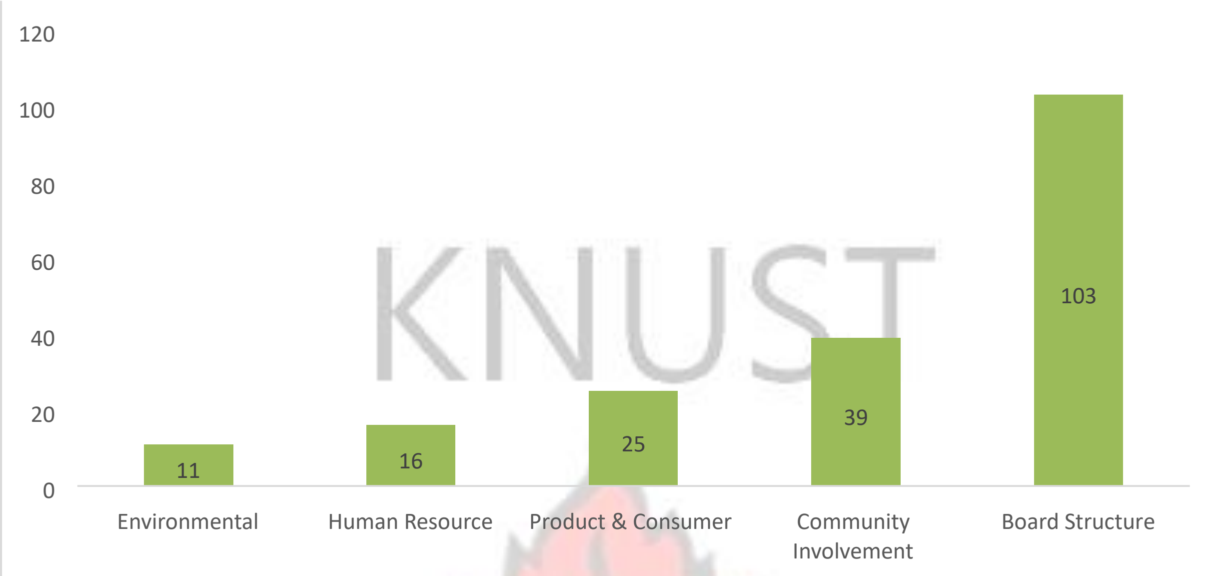


**Figure 4.1 CSR Dimensions and the level of Disclosure**

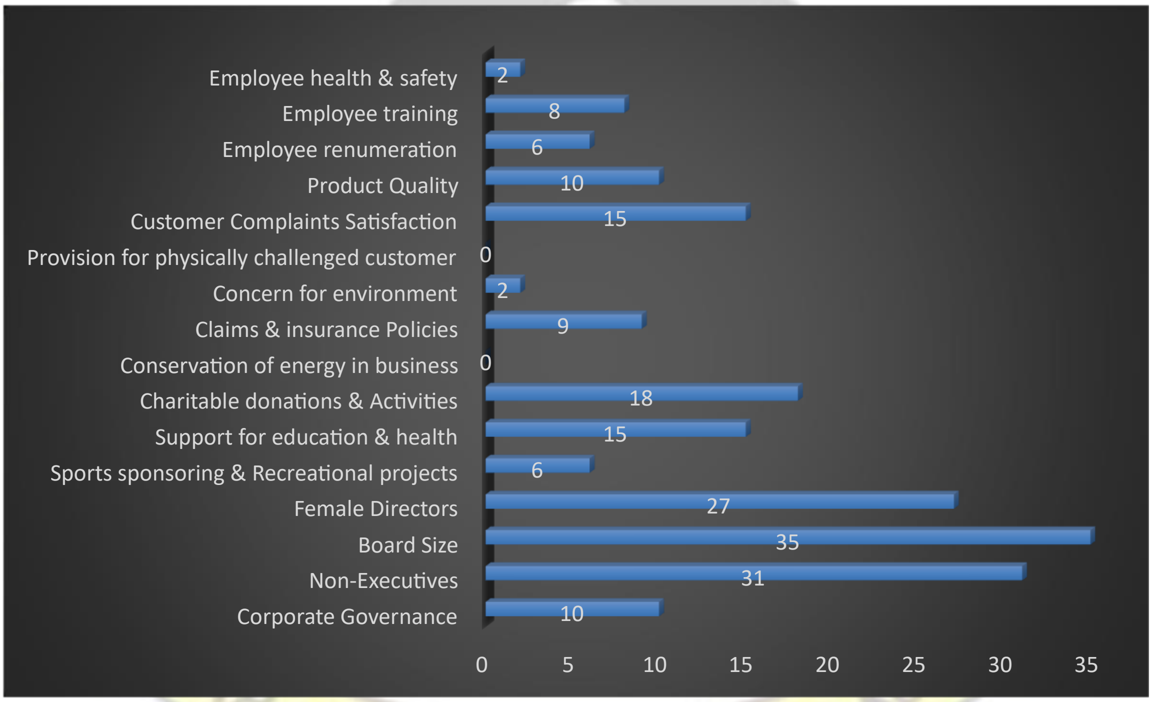


**Figure 4.2 Frequency of CSR Information provided on Websites**

## APPENDIX I

| Bank | Bank origin | Number of branches | Majority Ownership | Listed on Ghana Stock Exchange | Female D | Board S | Board C | Corporate governance | Age of bank (years) |
|---|---|---|---|---|---|---|---|---|---|
| GCB | Ghana | 160 | Local | Yes | 2 | 10 | 2 | Yes | 62 |
| BBGL | UK | 154 | Foreign | No | 3 | 15 | 11 | Yes | 97 |
| SCB | UK | 19 | Foreign | Yes | 3 | 12 | 13 | Yes | 119 |
| EBG | Togo | 44 | Foreign | Yes | 4 | 11 | 6 | Yes | 25 |
| ADB | Ghana | 51 | Local | No | 2 | 8 | 4 | No | 49 |
| SB | RSA | 13 | Foreign | No | 0 | 11 | 7 | Yes | 16 |
| UMB | Ghana | 21 | Local | No | 1 | 8 | 0 | No | 44 |
| SG-SSB | Ghana | 29 | Foreign | No | 6 | 14 | 0 | Yes | 40 |
| HFC | Ghana | 17 | Local | Yes | 2 | 8 | 0 | No | 25 |
| FAMBL | Ghana | 16 | Local | No | 1 | 15 | 6 | No | 21 |
| CAL | Ghana | 13 | Local | Yes | 0 | 7 | 2 | No | 25 |
| ING | Nigeria | 12 | Foreign | No | 2 | 8 | 0 | Yes | 9 |
| GNB | Ghana | 118 | Local | No | 2 | 7 | 0 | No | 18 |
| ABL | Nigeria | 12 | Foreign | No | 0 | 7 | 0 | No | 18 |
| PBL | Ghana | 29 | Local | No | 2 | 11 | 0 | No | 22 |
| TBL | Ghana | 17 | Local | Yes | 0 | 0 | 0 | No | 19 |
| Fidelity | Ghana | 51 | Local | No | 2 | 10 | 7 | No | 9 |
| Access | Nigeria | 43 | Foreign | No | 4 | 16 | 9 | Yes | 10 |
| UBA | Nigeria | 16 | Foreign | No | 2 | 6 | 5 | Yes | 11 |
| FCP | Ghana | 15 | Local | No | 0 | 9 | 0 | No | 2 |
| GTB | Nigeria | 28 | Foreign | No | 1 | 7 | 0 | Yes | 11 |
| ICB | Malaysia | 12 | Foreign | No | 0 | 6 | 0 | No | 19 |
| UGL | Ghana | 20 | Local | No | 1 | 10 | 6 | No | 18 |
| UTB | Nigeria | 9 | Local | Yes | 2 | 6 | 3 | YES | 20 |
| Baroda | India | 1 | Foreign | No | 0 | 9 | 0 | No | 8 |
| Zenith | Nigeria | 29 | Foreign | No | 1 | 9 | 0 | No | 10 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| BSIC | Libya | 7 | Foreign | Yes | 0 | 7 | 5 | No | 7 |
| NIB | Ghana | 27 | Local | No | 3 | 12 | 0 | No | 51 |

**Sixty nine financial institutions** operating in Ghana within the first quarter of 2015

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Enterprise Insurance | UK | 12 | Foreign | Yes | 3 | 10 | 0 | YES | 91 |
| SIC Insurance | Ghana | 26 | Local | Yes | 1 | 8 | 0 | YES | 53 |
| Metropolitan Insurance | South Africa | 5 | Foreign | No | 0 | 12 | 0 | YES | 9 |
| Phoenix Insurance | Ghana | 12 | Local | No | 2 | 4 | 2 | No | 20 |
| Active Int. Insurance | Cameroon | 5 | Foreign | No | 0 | 8 | 6 | No | 6 |
| Provident Insurance | Ghana | 6 | Local | No | 1 | 5 | 4 | No | 33 |
| Star Assurance | Ghana | 17 | Local | No | 2 | 7 | 4 | No | 30 |
| Vanguard Assurance | Ghana | 14 | Local | No | 1 | 8 | 5 | No | 41 |
| Donewell Insurance | Ghana | 12 | Local | No | 2 | 5 | 0 | No | 22 |
| Prime Insurance | Ghana | 2 | Local | No | 0 | 5 | 1 | No | 8 |
| Unique insurance | UK | 9 | Foreign | No | 0 | 0 | 0 | No | 8 |
| UT Life Insurance | Ghana | 9 | Local | No | 2 | 5 | 3 | No | 5 |
| Gemini Life Insurance | Ghana | 20 | Local | No | 3 | 10 | 0 | No | 28 |
| Allianz insurance | Germany | 3 | Foreign | No | 3 | 12 | 0 | Yes | 6 |
| Industrial & General Insurance | UK | 4 | Foreign | No | 0 | 0 | 0 | No | 24 |
| NEM Insurance | Nigeria | 12 | Foreign | No | 1 | 6 | 2 | No | 6 |
| NSIA Ghana Insurance | Cote D'voire | 5 | Foreign | No | 0 | 0 | 0 | No | 13 |
| Priority Insurance | Ghana | 4 | Local | No | 0 | 6 | 5 | No | 4 |
| Quality Insurance | Ghana | 8 | Local | No | 3 | 9 | 7 | No | 10 |
| Ghana Union Assurance | Ghana | 6 | Local | No | 1 | 5 | 3 | No | 43 |
| Millenium Insurance | Ghana | 3 | Local | No | 2 | 7 | 5 | No | 4 |
| Wapic Insurance | Nigeria | 9 | Local | No | 2 | 6 | 4 | Yes | 6 |
| Express Life Insurance | Ghana | 6 | Local | No | 0 | 0 | 0 | No | 7 |
| Ghana Life Insurance | Ghana | 3 | Local | No | 1 | 4 | 4 | No | 35 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Esich Life Assurance | Ghana | 2 | Local | No | 0 | 5 | 4 | No | 2 |
| Colina Ghana/Saham Insurance | Togo | 3 | Foreign | No | 4 | 9 | 0 | No | 5 |
| Equity Assurance | Nigeria | 2 | Foreign | No | 1 | 6 | 3 | No | 7 |
| Imperial General Assurance | Florida | 2 | Foreign | No | 0 | 0 | 0 | No | 2 |
| Regency Alliance Insurance | Nigeria | 5 | Foreign | No | 0 | 8 | 4 | No | 28 |
| Progressive Insurance | US | 5 | Foreign | No | 0 | 4 | 0 | No | 25 |
| Akoto Risk Management | Ghana | 3 | Local | No | 0 | 0 | 0 | No | 25 |
| KEK Insurance | Ghana | 7 | Local | No | 2 | 8 | 4 | No | 25 |
| Tristar insurance Services Ltd | UK | 2 | Foreign | No | 0 | 0 | 0 | No | 17 |
| Beacon Insurance | UK | 2 | Foreign | No | 0 | 0 | 0 | No | 19 |
| Shield Insurance | Ghana | 4 | | No | 1 | 3 | 2 | No | 12 |
| Infinity Capital Ltd | UK | 1 | Foreign | No | 0 | 0 | 0 | No | 10 |
| Horizon Insurance Brokers | Ghana | 2 | Local | No | 0 | 3 | 2 | No | 11 |
| Saviour Insurance & Brokers | Ghana | 1 | Local | No | 0 | 3 | 2 | No | 12 |
| Marine & General Insurance | Ghana | 2 | Local | No | 0 | 6 | 4 | No | 46 |
| Claims Int. Ghana Ltd | Ghana | 1 | Foreign | No | 0 | 0 | 0 | No | 12 |
| Transnational Insurance Brokers | Ghana | 1 | Local | No | 0 | 0 | 0 | No | 23 |
| International Energy Insurance | Nigeria | 4 | Foreign | No | 1 | 7 | 4 | No | 12 |

**Forty four financial institutions operating in Ghana which have CSR exposure on their corporate website (April and May 2015)**

| Bank | Bank origin | Number of branches | Majority ownership | Listed on Ghana Stock Exchange | Female D | Board S | Board C | Corporate governance | Age of bank (years) |
|---|---|---|---|---|---|---|---|---|---|
| GCB | Ghana | 160 | Local | Yes | 2 | 10 | 2 | Yes | 62 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| BBGL | UK | 154 | Foreign | No | 3 | 15 | 11 | Yes | 97 |
| SCB | UK | 19 | Foreign | Yes | 3 | 12 | 13 | Yes | 119 |
| EBG | Togo | 44 | Foreign | Yes | 4 | 11 | 6 | Yes | 25 |
| ADB | Ghana | 51 | Local | No | 2 | 8 | 4 | No | 49 |
| UMB | Ghana | 21 | Local | No | 1 | 8 | 0 | No | 44 |
| SG-SSB | Ghana | 29 | Foreign | No | 6 | 14 | 0 | Yes | 40 |
| HFC | Ghana | 17 | Local | Yes | 2 | 8 | 0 | No | 25 |
| CAL | Ghana | 13 | Local | Yes | 0 | 7 | 2 | No | 25 |
| PBL | Ghana | 29 | Local | No | 2 | 11 | 0 | No | 22 |
| Fidelity | Ghana | 51 | Local | No | 2 | 10 | 7 | No | 9 |
| Access | Nigeria | 43 | Foreign | No | 4 | 16 | 9 | Yes | 10 |
| UBA | Nigeria | 16 | Foreign | No | 2 | 6 | 5 | Yes | 11 |
| UGL | Ghana | 20 | Local | No | 1 | 10 | 6 | No | 18 |
| UTB | Nigeria | 9 | Local | Yes | 2 | 6 | 3 | YES | 20 |
| BSIC | Libya | 7 | Foreign | Yes | 0 | 7 | 5 | No | 7 |
| NIB | Ghana | 27 | Local | No | 3 | 12 | 0 | No | 51 |
| Enterprise Insurance | UK | 12 | Foreign | Yes | 3 | 10 | 0 | YES | 91 |
| SIC Insurance | Ghana | 26 | Local | Yes | 1 | 8 | 0 | YES | 53 |
| Metropolitan Insurance | South Africa | 5 | Foreign | No | 0 | 12 | 0 | YES | 9 |
| Phoenix Insurance | Ghana | 12 | Local | No | 2 | 4 | 2 | No | 20 |
| Active Int. Insurance | Cameroon | 5 | Foreign | No | 0 | 8 | 6 | No | 6 |
| Provident Insurance | Ghana | 6 | Local | No | 1 | 5 | 4 | No | 33 |
| Star Assurance | Ghana | 17 | Local | No | 2 | 7 | 4 | No | 30 |
| Vanguard Assurance | Ghana | 14 | Local | No | 1 | 8 | 5 | No | 41 |
| Donewell Insurance | Ghana | 12 | Local | No | 2 | 5 | 0 | No | 22 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| UT Life Insurance | Ghana | 9 | Local | No | 2 | 5 | 3 | No | 5 |
| Gemini L77ife Insurance | Ghana | 20 | Local | No | 3 | 10 | 0 | No | 28 |
| Allianz insurance | Germany | 3 | Foreign | No | 3 | 12 | 0 | Yes | 6 |
| NEM Insurance | Nigeria | 12 | Foreign | No | 1 | 6 | 2 | No | 6 |
| Ghana Union Assurance | Ghana | 6 | Local | No | 1 | 5 | 3 | No | 43 |
| Millenium Insurance | Ghana | 3 | Local | No | 2 | 7 | 5 | No | 4 |
| Wapic Insurance | Nigeria | 9 | Local | No | 2 | 6 | 4 | Yes | 6 |
| Ghana Life Insurance | Ghana | 3 | Local | No | 1 | 4 | 4 | No | 35 |
| Colina Ghana/Saham Insurance | Togo | 3 | Foreign | No | 4 | 9 | 0 | No | 5 |
| Equity Assurance | Nigeria | 2 | Foreign | No | 1 | 6 | 3 | No | 7 |
| Regency Alliance Insurance | Nigeria | 5 | Foreign | No | 0 | 8 | 4 | No | 28 |
| Progressive Insurance | US | 5 | Foreign | No | 0 | 4 | 0 | No | 25 |
| KEK Insurance | Ghana | 7 | Local | No | 2 | 8 | 4 | No | 25 |
| Shield Insurance | Ghana | 4 | | No | 1 | 3 | 2 | No | 12 |
| Horizon Insurance Brokers | Ghana | 2 | Local | No | 0 | 3 | 2 | No | 11 |
| Saviour Insurance & Brokers | Ghana | 1 | Local | No | 0 | 3 | 2 | No | 12 |
| Marine & General Insurance | Ghana | 2 | Local | No | 0 | 6 | 4 | No | 46 |
| International Energy Insurance | Nigeria | 4 | Foreign | No | 1 | 7 | 4 | No | 12 |

**Twenty- five financial institutions operating in Ghana which do not have any CSR reporting on their corporate websites ( April & May 2015)**

| Bank | Bank origin | Number of branches | Majority ownership | Listed on Ghana Stock Exchange | Female D | Board S | Board C | Corporate governance | Age of bank (years) |
|---|---|---|---|---|---|---|---|---|---|
| SB | RSA | 13 | Foreign | No | 0 | 11 | 7 | yes | 16 |
| FAMBL | Ghana | 16 | Local | No | 1 | 15 | 6 | No | 21 |
| ING | Nigeria | 12 | Foreign | No | 2 | 8 | 0 | Yes | 9 |
| GNB | Ghana | 118 | Local | No | 2 | 7 | 0 | No | 18 |
| ABL | Nigeria | 12 | Foreign | No | 0 | 7 | 0 | No | 18 |
| TBL | Ghana | 17 | Local | Yes | 0 | 0 | 0 | No | 19 |
| FCP | Ghana | 15 | Local | No | 0 | 9 | 0 | No | 2 |
| GTB | Nigeria | 28 | Foreign | No | 1 | 7 | 0 | Yes | 11 |
| ICB | Malaysia | 12 | Foreign | No | 0 | 6 | 0 | No | 19 |
| Baroda | India | 1 | Foreign | No | 0 | 9 | 0 | No | 8 |
| Zenith | Nigeria | 29 | Foreign | No | 1 | 9 | 0 | No | 10 |
| Unique insurance | UK | 9 | Foreign | No | 0 | 0 | 0 | No | 8 |
| Industrial & General Insurance | UK | 4 | Foreign | No | 0 | 0 | 0 | No | 24 |
| NSIA Ghana Insurance | Cote D'voire | 5 | Foreign | No | 0 | 0 | 0 | No | 13 |
| Express Life Insurance | Ghana | 6 | Local | No | 0 | 0 | 0 | No | 7 |
| Imperial General Assurance | Florida | 2 | Foreign | No | 0 | 0 | 0 | No | 2 |
| Akoto Risk Management | Ghana | 3 | Local | No | 0 | 0 | 0 | No | 25 |
| Tristar insurance Services Ltd | UK | 2 | Foreign | No | 0 | 0 | 0 | No | 17 |
| Beacon Insurance | UK | 2 | Foreign | No | 0 | 0 | 0 | No | 19 |
| Infinity Capital Ltd | UK | 1 | Foreign | No | 0 | 0 | 0 | No | 10 |
| Prime Insurance | Ghana | 2 | Local | No | 0 | 5 | 1 | No | 8 |
| Priority Insurance | Ghana | 4 | Local | No | 0 | 6 | 5 | No | 4 |
| Quality Insurance | Ghana | 8 | Local | No | 3 | 9 | 7 | No | 10 |
| Esich Life Assurance | Ghana | 2 | Local | No | 0 | 5 | 4 | No | 2 |
| Claims Int. Ghana Ltd | Ghana | 1 | Foreign | No | 0 | 0 | 0 | No | 12 |

## APPENDIX II

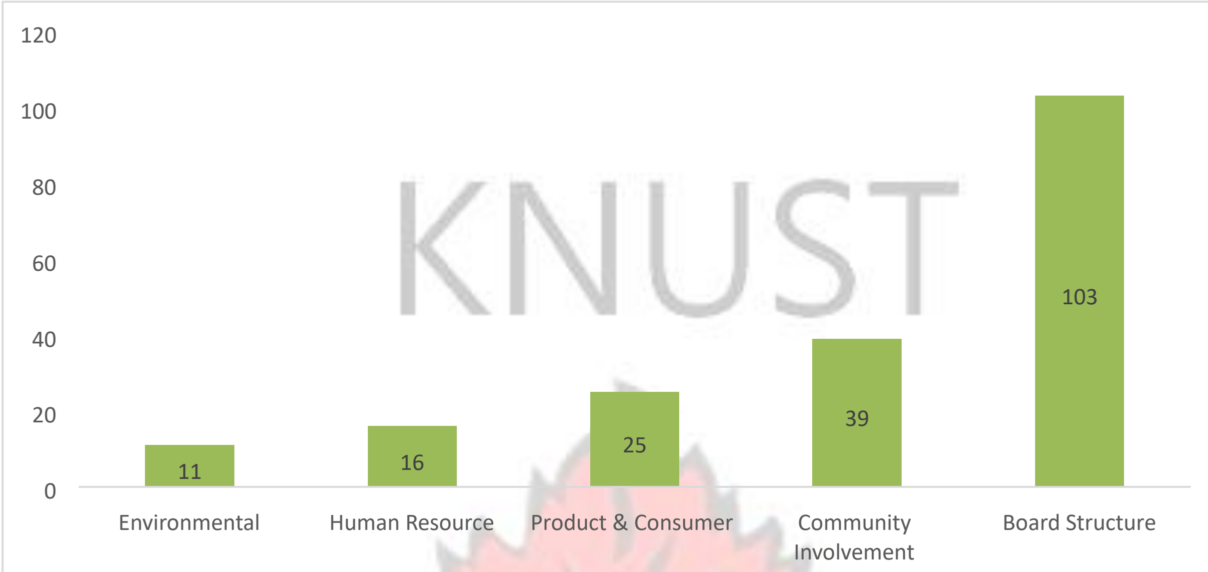


**Figure 4.1 CSR Dimensions and the level of Disclosure**

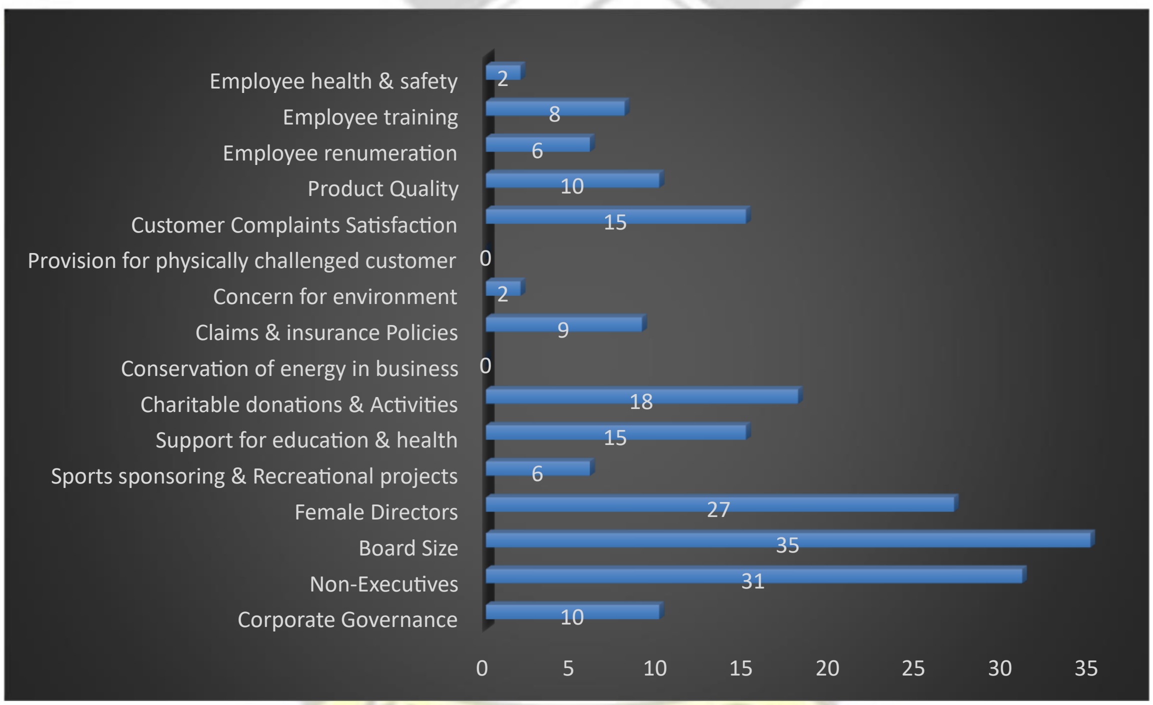


**Figure 4.2 Frequency of CSR Information provided on Websites**