
**ASSESSING THE CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES OF
ATWIMA KWAWOMAN RURAL BANK LIMITED AND ITS IMPACT ON THE
COMMUNITIES IT OPERATES**

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ABSTRACT: *Corporate Social Responsibility (CSR) is one of the pressing issues in today's business environment with the rising societal expectations from business enterprises. Since the inception of Atwima Kwanwoma Rural Bank in 1983, the bank has been fulfilling its social responsibilities through the provision of various facilities and gestures but most often, the immediate beneficiary communities do not recognize and appreciate these facilities and how they are impacting on them. This paper seeks to document or assess how the AKRB Ltd is contributing to its operating communities. A survey was conducted in Pakyi No.2 and some of its immediate environs. The survey revealed that, AKRB Ltd has been fulfilling its social obligations in its operational areas through the provision of facilities and services ranging from the educational improvement, health care, water and sanitation, electrification project, beautification of Ahowo Roundabout as well as other social interventions. It is recommended that in order to enhance positive perception of the CSR contributions of AKRB as part of its corporate social responsibility, the bank should sensitise beneficiary communities about how they are benefiting either directly or indirectly by way of organizing periodic community interface, sample their views and incorporate them in designing new initiatives.*

KEYWORDS: Corporate Social Responsibility, Atwima Kwawoma Rural Bank Limited (AKRBL), Communities, Educational Improvement, Health Care, Water And Sanitation.

BACKGROUND TO THE STUDY

Within the world of business, the main “responsibility” for corporations has historically been to make money and increase shareholder value. In other words, corporate financial responsibility has been the sole bottom-line driving force. However, in the last decade, a movement defining broader corporate responsibilities – for the environment, for local communities, for working conditions, and for ethical practices – has gathered momentum and taken hold. This new driving force is known as *corporate social responsibility* (CSR). CSR is oftentimes also described as the corporate “triple bottom line” – the totality of the corporation’s financial, social, and environmental performance in conducting its business.

While there is no universal definition of corporate social responsibility, it generally refers to transparent business practices that are based on ethical values, compliance with legal

requirements, and respect for people, communities, and the environment. Thus, beyond making profits, companies are responsible for the totality of their impact on people and the planet. "People" constitute the company's stakeholder: its employees, customers, business partners, investors, suppliers and vendors, the government, and the community. Increasingly, stakeholders expect that companies should be more environmentally and socially responsible in conducting their business. In the business community, CSR is alternatively referred to as "corporate citizenship", which essentially means that a company should be a "good neighbour" within its host community.

Social Responsibility has long been recognised since the industrial revolution. It is one of the most pressing issues in today's business environment with the rising societal expectations of the business enterprise (Mir & Kashyap, 2006). Since the late 1880s, the discussion of social responsibility has continued; and in the last decade, companies have started to take more and more social responsibility.

The Ghana Business Code was introduced against the background of trade liberalization and globalization with its challenges and opportunities. Ghana businesses, by this initiative, appreciate increased international attention on Corporate Responsibility (CR) and the 'triple bottom line' that emphasizes performance measurement of corporate, social, environmental and economic responsibilities.

The code is the product of a concerted effort by multiple stakeholders ranging from large businesses, state enterprises, small and medium-sized businesses, business schools, trade and business associations, unions, financial institutions, consumer and other relevant organizations in both the private and public sector(www.ghanabusinesscode.com).

The state of CSR activities of most organizations in Ghana is not clear as there is scanty documentation on the issue. There is, therefore, a widespread dissatisfaction with the general CSR activities of many businesses. In recent times, there has been community complaint about CSR.

In view of the above, the main problem that is addressed in this paper which was part of a larger study is: The impact of Corporate Social Responsibility Activities of Atwima Kwanwoman Rural Bank. The focus of this paper, therefore, is to assess and analyse the overall impact of the CSR activities undertaken by AKRB Ltd.

Research questions

Specifically the study sought to answer the following questions:

1. What are the main corporate social responsibilities (CSR) of AKRB Ltd?
2. What are the perceived benefits of the CSR activities to the beneficiary communities?

Significance of the study

The study is immensely significant in diverse ways to business practitioners, policy makers and stakeholders. To the management of AKRB, the findings and results that will be reported in this study will provide a more reliable scientific measure and perspective for describing and evaluating the overall CSR activities of the bank and other organizations. To policy makers like government agencies such as Environmental Protection Agency (EPA), the findings and results of this study will provide invaluable insights and a more reliable guide to monitoring

the impact of the operations of AKRB, other organizations and measuring their respective policy goals and objectives.

To stakeholders like investors, shareholders, employees, pressure groups among others, the study will provide invaluable information that will allow them to provide useful suggestions to the improvement in their CSR activities.

LITERATURE REVIEW

The Concept of Corporate Social Responsibility

The concept of Corporate Social Responsibility (CSR) has received considerable attention and debate by scholars and practitioners in the literature. Reviews of CSR literature by Carroll (1994; 1999) and Garriga & Mele (2003) reach similar conclusions regarding varieties of associated terminologies given for CSR, the most popular of which are: business ethics, corporate citizenship, sustainability or sustainable development, corporate environmental management, business and society, business and governance, business and globalization, and stakeholder management. Thus, CSR has been variously defined by different authors from different perspectives and in the words of Votaw, CSR “means something, but not always the same thing, to everybody”.

As a result, effort is made to specify and justify an operational definition for CSR as conceptualized for this study since it forms the pivot of all discussion. One of early scholars to first define the concept of CSR is Bowen (Carroll 1999), who is described by Carroll as the modern ‘Father of Corporate Social Responsibility’. According to Bowen, CSR is the obligations of businessmen “to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society’ (Carroll 1999). The author emphasized the social dimensions of CSR and argues that CSR should be focused on meeting objectives and values of the society in which the enterprise is established.

Milton Friedman whose view of CSR is still debated today, narrowly conceptualized CSR and states that: *“There is one and only one social responsibility of business – to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engage in open and free competition, without deception or fraud”* (Friedman, 2006). This definition is shareholder-focused as it sees CSR as making of profits which is the object of the business enterprise and for that matter shareholder interest.

Turner (2008), therefore, defines CSR, “as corporate behaviours that aims to affect stakeholders positively and that go beyond its economic interest”. In this study, our conceptual framework for this study adopts Turner’s (2008) definition on CSR as the operational definition.

Theories of Corporate Social Responsibility

In this section, theories of CSR are reviewed to enhance understanding of CSR and its dimensions. Several theoretical models of CSR have developed over the past century, each with a unique conceptualization of CSR and its dimensions. These theories can be broadly divided into two: The Classical Theories and Stakeholder Theories.

The Classical Theories of CSR

The classical theories which can also be termed traditional view of CSR have their root in the profit-maximizing object of an enterprise. Since the industrial revolution where business

organizations needed to make profit to survive, many economists have taken a skeptical view of CSR and its viability in a competitive environment despite the apparent acceptance of CSR by businesses (Hernández-Murillo & Martinek, 2009). Milton Friedman, one of the leading proponents of the classical view in particular, doubted that CSR was socially desirable at all. He maintained that: *“There is one and only one social responsibility of business – to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engage in open and free competition, without deception or fraud”* (Friedman, 1970).

Stakeholder Theories of CSR

Some scholars and practitioners strongly position that profit making is only one object of the business enterprise and that the CSR of the enterprise should extend beyond its economic reason for existence (Panayiotou et al., 2009). The business organization has obligations to all stakeholders whose interest are directly or indirectly affected by the operations of the enterprise (Turner, 2006). Contemporary research suggests that in order to justify the existence of businesses as a powerful institution controlling bulk of society’s resources, businesses must look beyond the narrow focus on their responsibility and take the emerging social concern into consideration in the strategic management decision process (Quazi and O’Brien, 2000). In 1991, Carroll first represented his model by a four dimensional pyramid (see Figure 1) indicating four responsibilities of the business enterprise including economic, legal, ethical, and discretionary or philanthropic responsibilities (Carroll, 1991).



Figure 1: The Pyramid of Corporate Social Responsibility (Carroll, 1991)

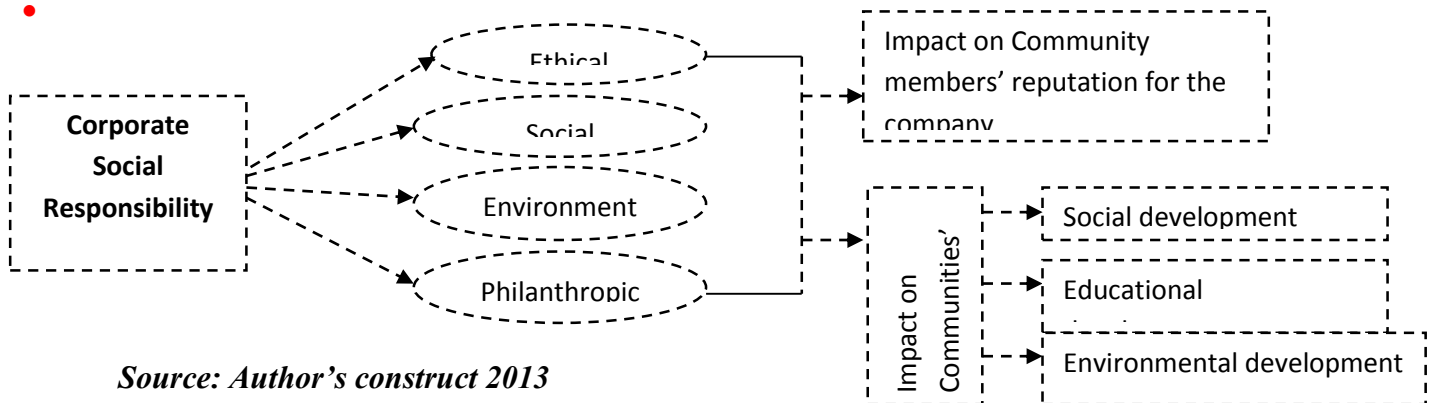
These responsibilities are defined as follows:

- Economic responsibilities are to produce goods and services of value to society so that the firm may repay its creditors and stockholders.
- Legal responsibilities are defined by government in laws are expected to be obeyed.
- Ethical responsibilities are to follow the generally held beliefs about how one should act in a society. For example, society generally expects firms to work with the employees and the community in planning for layoffs, even though there may be no law requiring this. The affected people can get very upset if an organization’s management fails to act according to generally prevailing ethical values.

- Discretionary or philanthropic responsibilities are the purely voluntary obligations a corporation assumes, for example, philanthropic contributions, training the hard-core unemployed, and providing day care centres.

CONCEPTUAL FRAMEWORK FOR THE STUDY

From the literature reviewed, the following explains and justifies the conceptual framework designed to find answers for this study and the selection of theoretical models for instrument development. The following diagram (Figure 2) displays the conceptual framework for this study:



Source: Author's construct 2013

RESEARCH METHODOLOGY

The study employed a structured interview which was appropriate for seeking opinion of the target population about a phenomenon (Babbie, 2005). As a result of the qualitative nature of the study, the researcher conveniently selected Pakyi No.2 community members and its leaders for the population. Since a complete survey could not be undertaken due to time and financial constraints, a purposive sampling method was used to select the actual participants based on their availability and ability to share freely their feelings and opinions with the researcher.

In an attempt to cover the views of wide age groups, the study was sub-divided into three age cohort namely; children, active and the aged. To ensure that the sample selected from each group was proportional to its size in the population, thirty percent (30%) each were selected for the children and the aged respectively while the active population constitute forty percent (40). For a more details refer to the table below:

Table 1: Sampling Procedures

Age grouping	Percentage selected	Sample
Children (Below 15 years)	30	24
Active (15 – 60 years)	40	32
Aged (60 years and above)	30	24
Total	100	80

Source: author's construct, 2013

In all, 80 respondents were purposively selected from the community (chiefs, elders and citizens). The reason behind this is that, according to Patton (Saunders, M., Lewis, P. & Thornhill, A. (2007) the sample size for non-probability sampling in business research is

dependent on the research questions and objectives in particular, what is needed to find out, what will be useful, what will have credibility and what can be done with available resources.

Data collection method and instrument

The use of structured interview, face-to-face and observation for primary data on the CSR activities and the community's perception of the impact of such CSR gestures by AKRB. Secondary data was also collected from the management in the form of CSR reports and brochures. Since the community members are of different groups of beneficiaries, some of whom are students, children, and adults, the sample of 80 was divided into different beneficiary groups conveniently.

3.1.1 Interview

In this study, interview was personal since the researcher wanted to develop rapport with the respondents and to ask follow – up questions when responses given seem unclear as supported in the work of Yin (1994).

Telephone interview was also adopted by the researcher as a way of asking respondents to clarify answers given on the questionnaires. This strategy was mainly employed to sample the views of stakeholder and the institutional survey.

ANALYSES OF RESULTS

From the survey, it was revealed that, AKRB Ltd has been fulfilling their corporate social responsibilities to the people and communities in their operations. The following are the main CSR initiative undertaken by AKRB.

Provision of Treated Water

The provision of water services has enormous ramification for the health, social and economic wellbeing of the people. The people initially were relying on water sources from Streams and Wells which were not all year round in supply and residents used to struggle before accessing water for their daily activities. This situation had some adverse effects on their health and economic life since residents had to spend enough time in search of water. Water is life and that is why AKRB Ltd have taken to construct a water treatment plant as well as the provision of five (5) boreholes to cater for the water needs of the community. This project started from 2005 and completed in 2013. The water projects are located in the central part of the community.

A pictorial view of the water reservoir as well as one of the boreholes is indicated below:



Figure 1: Water reservoir at Pakyi No.2

Source: Field Survey 2013



Figure 2: One of the Boreholes at

Source: Field Survey 2013

The construction of the treatment plant to supply water to the community and its environs has eased them from the water struggle. The main benefits of this gesture are of two folds: Good health and Economical.

Good Health: Water borne diseases are limited and hence the healths conditions of the community are improved since most sickness resulting from contaminated and untreated water are dealt with. Healthy resource personnel are thus available for the good of the community.

Economical: The community has enough time to go about their economic activities since they do not waste time searching for portable water.

With reference to the water supply, the main beneficiaries were the community folks as whole. Community members were interviewed on their perceived benefits of the water project.

According to the Assemblywoman of the community, *“the provision of water by Atwima Kwanwoma Rural Bank has helped the community so much that our water born diseases which we used to experience as a result of unclean water is now a thing of the past”*.

Educational Improvement Projects

The objectives of the educational project is to provide access to basic education and improve the teaching and learning environment and consequently to motivate teachers to give out their best to the community. Some of the assistance and strategies adopted by AKRB Ltd to improve education in the community include Full scholarship awards to 30 brilliant but needy students to Senior High School every academic year; Provision of school desk in each classroom; Construction of a library complex for the Pakyi No.2 community; and Senior High School facility (under construction).

Below is a picture of some of the educational infrastructure by the bank.

Figure 3: The Community Library (under construction)

Source: Field Survey 2013

Figure 4: The Senior High School (under construction)

Source: Field Survey 2013

The main beneficiaries of the education projects were the students, teachers, and educational institutions. For example, according to one student, this is what she said *“my future is now bright as a result of this project. I encourage all students to make good use of this facility to enable us become responsible leaders and help our motherland Ghana”*. Another student (school prefect) expressed his joy this way *“I’m short of words, May the Almighty God bless the bank for their assistance. With these facilities, I entreat every student in this community to strive hard to learn seriously because we may have no excuse if we do not pass our exams”*. As a result of this intervention, one teacher said *“we are motivated and thus the standard of teaching has tremendously improved. This accounts for an increase in enrolment at the beginning of each academic year. Most of them proceed to the Senior High Schools, Vocational and Technical institutes for further education. Successful candidates from the Senior High School proceed to the Universities, Polytechnics and Training Colleges”*. The headmaster also gave remarks about the Library, *“the provision of a library by the bank was a good omen and this has checked the movement of students especially during the night. It has improved the standard of education of the students in the community as they are always seen using the facility. Thank you Atwima Kwanwoma Rural Bank”*.

Health Improvement Projects

AKRB Ltd has adopted Dominase government hospital and is providing for its upkeep so as to cater for the first aid and basic health needs of the communities around the facility. The bank has assisted the hospital by constructing hospital block, accommodation for nurses, providing the hospital with television, provision of waiting seat for patients, embarking on routine repair works as well as the provision of beds (hospital beds) to the facility.

The facility caters for at least 100 patients a day and serious cases are referred by the medical officers. The hospital provides an important role in the communities, providing uncompensated health care to the people, engaging in a broad range of medical, education and training programmes as well as sponsoring and supporting various public health initiatives and services.

They seriously fulfil their responsibilities as a firm and believe in the institution's mission and core values so as to satisfy all clients in all spheres. A daily service starts from 0700 hrs to 2200 hrs. The sick are treated and discharged while some are detained for observation. With regards to the hospital facilities a medical officer said *"I can only say a big thanks to AKRB Ltd for such an assistant as this has really relieved us a lot. As Oliver Twist, we are still asking for more"*. A patient I met during my research also said, *"we used to stand we came here but now we can sit comfortably and wait for a doctor. We appreciate your kind gesture and continue to help us"*. Thank you.

Below is a picture of patients at Dominase hospital sitting comfortably and watching TV while waiting for their turn.

Figure 5: Patients at Dominase Hospital



Source: Field Survey 2013

Beautification of the Ahodwo Roundabout (Ponko Roundabout)

The bank has undertaken some beautification projects at the Ahodwo Roundabout in Kumasi. The existence of the project has direct benefit for both the bank and the general public at large. The project serves as a publicity tool as well as enhancing the corporate image of the bank while also serving people to navigate their ways around unfamiliar environments. This development welcomes, orient and guide visitors and makes it easy to locate destination as the project is so popular in the Kumasi metropolis because of its symbol "the horse" and as a result of it, people used it as a focal point to direct strangers. The project is well-planned, clear, easy-to-read and help solve the challenges of reading directories and has also improved traffic flow by directing and informing the general public especially drivers.

This intervention is also an initiative to ease the pressure from the Kumasi Metropolitan Assembly (KMA) as they are responsible to undertake developmental projects especially the sensitive one, so the adoption of the roundabout by the bank is a way of facilitating the assembly to channel their resources towards another all important course. The image below is the pictorial view of the project in space. A passer-by looking at Ahodwo Roundabout said *"if all businesses are to adopt at least one roundabout in the Kumasi Metropolis and beautify it as we see here I believe Kumasi would have been one of the most beautiful cities in Africa"*.

Figure 6: Ahodwo Roundabout beautification project



Source: Field Survey 2013

Provision of Electricity

The lack of electricity previously in the community inhibited their access to information from the outside world through the use of modern educational tools, such as radio or computers. The intervention by the bank to connect the community to the national grid has increased the amount of time that children use to study thereby improving their educational performance. The main goal of the facility is to provide opportunities and benefits for the community members to be happy, build family unity, eliminate loneliness, reduce crime, create avenues for a healthy lifestyle, increase community pride, strengthen the Community's Economic avenues, improve the Quality of Life (AKRB Brochure, 2010).

An opinion leader in the community expressed his joy this way *“how can I thank AKRB Ltd, now I can see my president on television as I used to see him only when I visited my children in the city to have access to electricity”*.

Figure 7: electrification project by the bank at Pakyi No.2



Source: Field Survey 2013

A teacher who handles ICT said “*the use of innovative teaching strategies through information and communication technologies (ICT) have been credited with improved test scores and other learning benefits in the community*”. The bank has also provided street lights at the main principal street of the township. An Assemblyman said “*the provision of electricity has greatly improved exogenous and endogenous flows which have resulted in upgrading of the community to the status of a town. The power supply has played an important role in empowering the people, linking isolated communities to the rest of the community and giving the communities greater access and influence our political and local decision-making processes*”. Rural infrastructure services such as electricity have improved communications and enhanced poor people’s access to life empowerment facilities. Below is the picture of the electrification project,

SUMMARY OF FINDINGS AND CONCLUSIONS

This paper sought to assess and analyse the impact of CSR activities of AKRB at Pakyi No.2 and its environs. The main findings are that the bank has put up facilities and provided services ranging from the construction of Senior High School, nurses quarters, Educational facility, drinking water, electricity and other social interventions. Specifically, the main CSR activities of AKRB include: Provision of treated water for supply, Educational Improvement Projects such as Construction of Library facility, Construction of a Senior High School, Scholarship package for brilliant but needy students, Health Improvement Projects, Building of hospital block at Dominase SDA Hospital. It has also undertaken construction of a Nurses Quarters for the Dominase Hospital, beautification of the Ahodwo Roundabout, provision of electricity for the Pakyi No.2 Township.

The study also found that more than 23.8 percent of the respondents were not aware of the benefits derived from the provision of facilities/services by AKRB Ltd. Again, about 48.8 percent of the respondents in the community further expect AKRB Ltd to improve upon the quality of the community roads by grading the surface periodically while 20 percent wants extension of the street lighting project. Another contribution by the management of AKRB Ltd is that, the company together with the traditional authorities and the KMA is in charge of the management and sustainability of the facilities provided.

CONCLUSIONS

In summary, it is worth mentioning that AKRB Ltd has contributed immensely to the socio-economic advancement of the Pakyi No.2 community and its surrounding towns. In a rapidly growing and developing country like Ghana, the issue of CSR has taken a critical centre resource including Gold, Timber, and Cocoa, Bauxite, Diamond and recently the discovery of the Oil field etc. Most institutions have totally ignored their part of CSR by continually exploiting community resources leaving these communities to live in abject poverty. It is high time stringent measures are instituted to prosecute culpable organisations who neglect their part of corporate responsibility. AKRB Ltd needs commendation however, there are a lot more they can do to improve the wellbeing of the community. The adoption and implementation of the policy recommendations of this study would in no doubt affect the lives of the people and the community positively.

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