

GHANA INSTITUTE OF JOURNALISM

ACCRA, GHANA, WEST AFRICA



SCHOOL OF GRADUATE STUDIES AND RESEARCH

(SoG SaR)

**Doing Good or Doing Well? : The Relationship Between Corporate Social
Performance and Corporate Financial Performance in Tullow Oil Ghana.**

BY

MAXWELL BADU-NYARKO

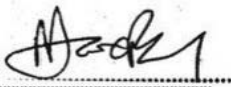
**A DISSERTATION PRESENTED TO THE GHANA INSTITUTE OF JOURNALISM, IN
PARTIAL FULFILLMENT OF THE REQUIREMENT FOR THE AWARD OF A MASTER
OF ARTS DEGREE IN PUBLIC RELATIONS**

November, 2021

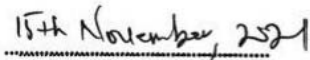
DECLARATION

Student's Declaration

I, Maxwell Badu-Nyarko, do hereby declare that the work presented in this dissertation is my own work and findings, except where indicated. All sources used have been duly acknowledged. This work was supervised by Dr. Rosemary Obeng-Hinnech of the Ghana Institute of Journalism. I further declare that this project has not been presented to any other institution of higher learning for the purposes leading to an award of Certificate, Master of Arts in Public Relations.



Maxwell Badu-Nyarko



Date

Supervisors' Declaration

I hereby declare that I have supervised this student in undertaking this study in accordance with the rules and regulations laid down by the Ghana Institute of Journalism (GIJ).



DR. ROSEMARY OBENG-HINNEH



Date

DEDICATION

I dedicate this work to my parents who have sponsored my education and supported me throughout the journey. I also dedicate it to all MA Public Relations (Weekend) classmates especially my group (Group 7) who have been supportive and great academic colleagues.

ACKNOWLEDGEMENTS

First and foremost, I would like to thank God for the guidance and for granting me good health, determination and strength to carry out this study; to my parents for their unconditional love and support; my siblings for all the encouragement and unwavering support.

To my supervisor Dr. Rosemary Obeng-Hinnech, for her continued guidance, assistance, patience and wise counsel throughout this study: I am truly grateful, God bless you.

I would also like to acknowledge and thank the staff of Tullow Oil Gh PLC, especially respondents who contributed towards the successful completion of this research.

Finally, I say a big thank you to all lecturers and staff of the Ghana Institute of Journalism.

Table of Contents

DECLARATION	ii
DEDICATION	iii
ACKNOWLEDGEMENTS	iv
TABLE OF FIGURES	vi
ABSTRACT	vii
CHAPTER ONE	1
BACKGROUND OF THE STUDY	1
1.0 Background Statement	1
1.2 Research Problem	4
1.3 Research Objective	4
1.4 Research Question	5
1.5 Scope of Study	5
1.6 SIGNIFICANCE OF STUDY	5
1.7 ORGANIZATION OF THE STUDY	6
1.8 Chapter Summary	7
CHAPTER TWO	8
LITERATURE REVIEW	8
2.0 INTRODUCTION	8
2.1 CONCEPTS OF COPORATE SOCIAL RESPONSIBILITY	8
2.2 Theoretical Framework	21
2.3 Chapter Summary	30
CHAPTER THREE	31
RESEARCH METHODOLOGY	31
3.0 Introduction	31
3.1 Research Design	31
3.2 Study Area	32
3.3 Sampling Technique	34
3.4 Sample Size	34
3.5 METHODS OF DATA COLLECTION	35
3.6 Data Collection Instrument	36
3.7 Sources of Data	36
3.8 Data Analysis & Management	37

3.9	Thematic Analysis.....	38
4.0	ETHICAL CONSIDERATION	39
4.1	CONCLUSION.....	40
CHAPTER FOUR.....		41
DISCUSSION OF FINDINGS.....		41
5.0	INTRODUCTION.....	41
5.1	CSR CULTURE OF TULLOW.....	41
5.2	COPORATE SOCIAL PERFORMANCE AND STRATEGIC APPROACH	43
5.3	CORPORATE FINANCIAL PERFORMANCE.....	44
5.4	FINANCIAL PERFORMANCE & SOCIAL PERFORMANCE.....	45
5.5	DISCUSSION.....	47
5.6	CONCLUSION.....	50
CHAPTER FIVE.....		51
SUMMARY, CONCLUSION AND RECOMMENDATION.....		51
6.0	INTRODUCTION.....	51
6.1	SUMMARY OF FINDINGS.....	51
6.2	CONCLUSION.....	52
6.3	RECOMMENDATION	54
6.4	LIMITATION.....	55
References.....		56
APENPICES		59
Interview Guide.....		59
CODING FRAME FOR DATA ANALYSIS		61

TABLE OF FIGURES

Figure 1: Adapted from Archie Carroll's concept of CSR.....	11
Figure 2 The relationship between a firm and its stakeholders	22
Figure 3 Grunig's Organizational Linkage Model.....	24

ABSTRACT

There has been numerous academic researches on whether Corporate Social Responsibility (CSR) is financially beneficial to firms, with mixed findings. The objective of this study was to identify how strong the correlation between CSR and profit is, and how companies behave in the periods they have losses, whether they continue to do CSR activities, reduce the activities, or they give them up. Thus, CSR is attributed to the concept of “doing good” and profit to the expression of “doing well” from which a “positive business” can be built. The research design was largely qualitative. Data was gathered from two sources, in-depth interviews from a sample of five participants from Tullow Oil Gh and data from Tullow Oil Gh’s annual sustainability report as the primary and secondary data sources respectively. Analyzed data revealed that there is a strong relationship between a company’s CSR activities and its profit. Results of the data also showed that Tullow Oil Gh embarks on social responsibilities not only during times of profitability but also during times of low profitability. However, activities may be reduced to match the company’s financial strength.

CHAPTER ONE

BACKGROUND OF THE STUDY

1.0 Background Statement

The traditional goal of a company is to earn profit to pay its shareholders, but nowadays, there is an added primary responsibility of organizations to seek for the betterment of the environment or society in which they operate. For the business to be sustainable in the long term, a strategy of Corporate Social Responsibility activities is needed to meet stakeholder demands, respect ethical principles and give an appropriate answer to organizational stakeholders (Ingle, 2017). Sustainable companies anticipate the future needs of society (Moon, 2007) and adjust their business priorities to meet new needs, making sure they have the resources to continue doing business. Thus, in the context of corporate social responsibility awareness of companies and the sustainable development of the companies, questions arise about whether there is an altruistic intention for company's CSR activities, what is the source of financing for these activities and how they influence the performance and value of companies (Aquilani, 2017). CSR activities can be very expensive to undertake and this makes some companies reluctant to undertake CSR projects and policies especially in the case of some Ghanaian companies (Sarpong, 2017).

Arguments exist, which support the view that, firms which have solid financial performance have more resources available to invest in corporate social responsibility practices, such as employee relations, environmental or social concerns (Nnaoma, 2017). Financially strong companies can afford to invest in ways that have a more long-term strategic impact, such as providing services for the community and their employees. Those allocations may be strategically linked to a better

public image and improved relationships with the community in addition to an improved ability to attract more employees that are skilled. On the other hand, companies with financial problems usually allocate their resources in projects with a shorter horizon (Nnaoma, 2017). So, there is a lack of understanding in the Ghanaian setting, as to whether company's only undertake CSR activities only when they are "doing well" financially or they do CSR regardless the financial constraints to do "do good". Understanding this correlation is important as literature suggests that consumers' perceptions of the motives behind a firm's CSR activities influence their attitudes toward the firm and buying intentions of the products of a sponsoring firm (An, 2019).

In addition, a company's active participation in CSR activities shows how ethically responsible the company is. Investors are becoming more interested in the social and environmental impact of companies and they want to invest in companies with a good CSR performance (Ingley, 2017). CSR activities are diverse and include: community investments, philanthropy, marketing campaigns with CSR elements, workplace health and safety activities, employee training courses, company policies for the protection of human rights and the fight against corruption, transparency in the reporting of CSR activities, and environmental protection activities (energy consumption, water, emissions of waste, and amount of waste generated) (Hategan, 2018). Their measurement is sometimes difficult, so that users of information sometimes have to estimate or equate the information reported by companies, each in its own way, to be brought to a common denominator. Activities such as donations are equated with community investment and waste management costs are assimilated to environmental protection expenditures (Hategan, 2018). Thus, non-financial reporting plays an increasingly important role and aims to increase transparency and performance, as well as to encourage companies to adopt a more sustainable business strategy (Fernandes, 2015). Many scholars and researchers believe CSR should be a strategic managerial tool used for business

sustainability such that undertaking CSR activities should only be undertaken when it benefits the company financially (Tandoh, 2020). However, CSR in its original concept is understood to be the internal obligation of each business entity to account for the way its activities impact the economic, social and environmental dimensions of its environs and to ensure that its impact generates equitable and sustainable benefits and there is no harm to all the stakeholders involved (Ghosh, 2020). (Ghosh, 2020) Categorizes CSR into three (3) forms, namely Altruistic CSR, Strategic CSR and Ethical CSR. Ghosh defined altruistic CSR as the fulfilment of an organization's philanthropic responsibilities; going beyond preventing possible harms (Ethical CSR) to helping alleviate public welfare deficiencies regardless or not this will benefit the firm. It is in this definition that I associate the expression "doing good" in this study to help assess the performance of CSR activities in the Ghanaian perspective by a Ghanaian company. Also the concept of "doing well" associated to financial performance, thus, how a Ghanaian company behaves towards their CSR projects or policies in their times of high profitability and in times of losses or low profitability. Thus, CSR is attributed to the concept of "doing good" and profit to the expression of "doing well".

This study has been conducted in many European countries (Hategan, 2018) (An, 2019) but none has been conducted in Ghana. The addition that this research work will add to the Ghanaian CSR scene is very crucial to understanding how far CSR has come to be understood by firms in Ghana. The results, negative or positive will further conversations about CSR growth in the country. Sarpong (2017) States that in spite of attempts made to bring the issue of CSR to the forefront; it is significant to note that the CSR concept has not been accorded its due in Ghana. Past studies including one study conducted by World Business Council for Sustainable Development (WBCSD) in 2000, entitled 'Corporate Social Responsibility— making good business sense,' all

found that CSR did not seem high on the business agenda in Ghana. One of the reasons adduced by these studies was that CSR is thought to be too expensive.

1.2 Research Problem

Corporate Social Responsibility has recently become an integral part of strategic corporate management of many for-profit organizations. Most organizations, if not all, are embarking on corporate social responsibility projects that suit their corporate values. There has been a lot of research by many scholars on the relationship between CSR and corporate financial performance to determine if CSR is financially beneficial to organizations and if the investment is worth (Tandoh, 2020; Fernandes, 2015; Rupal Tyagi, 2013). However not much has been done on how corporate social performance of an organization is affected by a company's profit making. Thus, when a company experiences low profitability does it affect its social responsibility performance? Especially in Ghana where CSR is now gaining prominence and also the fact that it is a developing country that will need good CSR models by private organization to assist the government in making the environment sustainable for citizens. The purpose of this study was to explore the relationship between CSR and profit of Ghanaian organizations and also how Ghanaian companies behave in periods of financial losses. Do they continue to participate in CSR activities? Do they reduce the activities or they stop them all together. Hence CSR is attributed to the concept of "Doing good" and profit to the concept of "Doing well".

1.3 Research Objective

The overriding objective of the study was to examine the relationship between corporate social performance and corporate financial performance in a Ghanaian company.

Specifically, the study sought to:

1. To identify the relationship between CSR and profit making of organizations.
2. To find how Ghanaian companies behave in the periods they are performing poorly financially.
3. To determine whether non participation of CSR due to financial constraints affect corporate performance

1.4 Research Question

1. Is there a strong relationship between CSP and profit of an organization?
2. Do Ghanaian companies engage in CSR only when they are financially sound?
3. Does non participation of CSR due to financial constraints affect corporate performance?

1.5 Scope of Study

This study bordered only on Tullow Oil Gh. Participation in the study include the staff within the External Affairs department of the company.

Further, as a case study, the outcome of the study was inferred with caution owing to the methodological limitations to the selected research design.

1.6 SIGNIFICANCE OF STUDY

- Add to the CSR knowledge in Ghana. There has been other research around the world on the relationship between corporate social performance of organizations and their profits.

This research was focused on the Ghanaian perspective of this research problem to help understand the importance of financial performance of a firm on its CSR activities.

- Open further the conversation on financial reporting of Ghanaian companies. Measurement of CSR activities can sometimes be a challenge as users of information are unable to estimate or equate information reported by companies. For instance, donations are equated to community investment while waste management costs are equated to environmental protection expenditures. This research will open doors for financial reporting of the CSR activities of companies which will increase transparency and performance as well as encourage companies to adopt a more sustainable business strategy.

1.7 ORGANIZATION OF THE STUDY

The study is divided into five separate chapters as outlined below:

Chapter One: This introductory chapter explores the background of the study and outlines the statement of the problem, research objectives, research questions and, significance of the study, d

Chapter Two: This chapter presents a review of existing and relevant literature to underpin the study in an appropriate theoretical framework. Additionally, it discusses the conclusions of related research to this study.

Chapter Three: The third chapter considers the research methodology; explain data collection, data processing, and methods used in analyzing the field data among others.

Chapter Four: The chapter discusses the findings and analysis of the research.

Chapter Five: This last chapter summarizes the findings of the study and the conclusions that will be reach. It points out limitations encountered during the research and make relevant recommendations based on the findings for future research.

1.8 Chapter Summary

This chapter discussed the introduction of the study. It also captured the background of the study, statement of the problem, research objectives, and questions, significance of the study, research proposition, and the scope of the study as well as the organization of the study. The next chapter reviews related literature for the study defines the key concepts in the study as well as discusses the underpinning theories

CHAPTER TWO

LITERATURE REVIEW

2.0 INTRODUCTION

This chapter discusses the concepts of corporate social responsibility. It further discusses the theories that are relevant to the study. Literature related to similar studies is also reviewed to provide different perspectives and a wider understanding of the topic.

2.1 CONCEPTS OF CORPORATE SOCIAL RESPONSIBILITY

2.1.1 CORPORATE SOCIAL RESPONSIBILITY

The concept of Corporate Social Responsibility (CSR) began in the 1920s, however, due to the Great Depression and World War II, it failed to become a serious topic amongst business leaders until the 1950s. The 1960s marked the growth in attempts to state what Corporate Social Responsibility (CSR) meant. One of the first, and most prominent writers in this era to define CSR was Keith Davis. He set forth his definition of social responsibility by stating that “businessmen’s decision and actions taken for reasons at least partially beyond the firm’s direct economic or technical interest’ (Davis, 1960). He argued that although the idea of social responsibility was ambiguous, it should be seen in a managerial context. Afterward, many contributors defined and gave a clear understanding of what CSR was and possibly would be. After more than five decades of study and debates on CSR, there is still no single widely accepted definition of CSR in literature (Freeman, 2010). Numerous writers have sought to give an indication that CSR amplifies business’ role in society (Lea, 2002; Marsden, 2001; Pinney, 2001). CSR, at its core, also means respecting environmental values, contributing to economic growth, promoting social progress and conducting

business in a way that prevents or mitigates negative impacts and enhances or sustains positive impacts on local communities and host countries (Taylor, 2004). Early researchers complain that the phrase corporate social responsibility has been used in so many different contexts that it nearly has lost all meaning (Sethi, 1975). We cannot dismiss that criticism, as various concepts, ideas and practices e.g. corporate social performance (Wartick & Cochran, 1985; Wood, 1991), corporate social responsiveness (Ackerman, 1975) or corporate governance (Jones, 1980) emerges under the umbrella term of CSR. Starting from a narrow economic view of increasing shareholder wealth, CSR's scope of interpretation is broader nowadays, also containing the all-embracing responsibilities of a good corporate citizen (Jamali, 2008). What cuts across a number of definitions that scholars have proposed on the concept of CSR is the general belief that beyond the quest to maximize corporate profits, corporate organizations play a crucial role in solving society's problems (Masaka, 2008). Organizations are being positioned in this era to take up responsibility in ways in which their operations affects the societies and the natural environment. The inclusion of social and environmental concerns in business operations and in its interactions with stakeholders is being demonstrated as part of their responsibility (Van Marrewijk & Verre, 2003). An organization's corporate social responsibility is its obligations to protect or enhance the society in which it functions, this includes the stakeholders as well as those affected by corporate policies and practices (Mifflin, 1988). Corporate Social Responsibility consists of three elements, which are; Corporate, Social and Responsibility. The emphasis of Corporate Social Responsibility is to check the relationship between firms and society in which they operate and interact. Society is viewed in many levels, which includes all stakeholders and groups that builds interest in the operations of an organization. The stakeholders, generally comprising of the community, customers, employees, shareholders, government, suppliers and lenders. Organizations are being

positioned in this era to take up responsibility in ways in which their operations affects the societies and the natural environment. The inclusion of social and environmental concerns in business operations and in its interactions with stakeholders is being demonstrated as part of their responsibility (Van Marrewijk & Verre, 2003). Organizations have developed a variety of strategies for dealing with the intersection of their operations, based on their investment policies, corporate strategies and performances. These three elements affects, the societal needs, natural environment and corresponding business imperatives with respect to how deeply and how well they are integrating social responsibility approaches into strategies and daily operations worldwide. (Little, 2006), maintained that, the idea behind corporate social responsibility, is an idea that can lead to innovations based on the use of social, environmental, or sustainability tools to invent new products and services. In 1979, Archie B. Carroll proposed a three-part definition of corporate social responsibility which had a conceptual model of corporate social performance (CSP) (Carroll, 1979). Carroll's basic argument was, for managers or firms to engage in Corporate Social Performance they must have first, a basic definition of CSR that identified the different types of CSR businesses had; second, an understanding/enumeration of the issues for which a social responsibility existed and lastly, a specification of the philosophy(strategy) of responsiveness to the issue.



Figure 1: Adapted from Archie Carroll's concept of CSR

A definition by Carroll states that “The social responsibility of business encompasses the economic, legal, ethical, and discretionary expectations that society has of organizations at a given point in time”. (Carroll, 1979) and he also suggested the importance of a managerial approach to CSR (Carroll, 1977).

2.1.2 ROLE OF CORPORATE SOCIAL RESPONSIBILITY IN BUSINESS

Over the past few decades, the way in which companies conduct their business has changed profoundly (Scherer, 2011). In order to compete on the global stage, companies have had to continuously innovate and redefine their strategies, while contemporaneously taking into consideration their local features (Svensson, 2001). Additionally, companies cannot currently adopt unethical business practices (e.g., environmental pollution, unfair labor practices, safety concerns, etc.) without exposing themselves to a negative reaction from their markets and from

society as a whole (Windsor, 2001). To be successful, companies must be concerned not only about their profits, but also about all their stakeholders' needs (Donaldson & Preston, 1995). A responsible company should consider the social and environmental impact of its business processes, collaborate with its customers and suppliers, and be supportive of its employees (Kopnina, 2015). In particular, Corporate Social Responsibility (CSR) implies that firms do something extra for their stakeholders beyond their usual expectations and requirements (Doane, 2005). CSR has become increasingly relevant for managers at all levels and it is an attractive field of study with a number of research questions still to be answered (Aguinis & Glavas, 2012.). There are several good reasons for executives to engage in CSR. Legitimation and reputation are frequently mentioned among the main reasons for declaring and implementing such initiatives. In industries with intense competition, CSR initiatives may be a key factor in adding value to the product and directing customers' attention to important social and environmental issues that go beyond product cost (Kemper, et al., 2013,). Sustainability. While organizations' social awareness is becoming one of the most important business intangible assets in competitive environment, Corporate Social Responsibility is being considered a more essential factor for organizations performance, maintenance and survival. (Galbreath, 2009) said that, companies can build Corporate Social Responsibility into effective strategy and achieve their goals successfully. The organizations can achieve high success by improved profitability, employee morale, customer satisfaction, legal compliance and societal approval for its existence (Sharma et al, 2009), but doing these improvements depend on applying corporate social responsibility. The IBM Institute for Business Value surveyed a group of 250 business leaders worldwide and discovered that, more than two-thirds (68 percent) are focusing on corporate social responsibility activities to create new revenue streams. In addition, more than half (54 percent) of the surveyed business leaders, believed

that, their companies' Corporate Social Responsibility activities are already giving them an advantage over their top competitors. Corporate Social Responsibility is growing rapidly especially in Ghana and companies are beginning to see the importance of incorporating CSR to corporate strategy to achieve company goals. Companies are increasingly undertaking CSR activities to better align their internal processes with their economic, social and environmental goals, to carry out successful innovation initiatives, and to engage customers and employees. This change in perspective is due, in large part, to increasing societal pressure on company leaders and managers to recognize the importance of social and environmental activities. Socially responsible objectives are regarded as being among the most important CEO priorities. Many are the reasons for this prioritization: consistency between CSR goals and firms' financial interests, managers' altruism and managers' professional and/or personal reputation (Borghesi, 2014). Therefore, firms adopt CSR-oriented strategies for various reasons, but scholars have focused mainly on financial aspects, i.e., whether CSR activities enhance financial performance. Previous empirical research has addressed the impact of CSR on corporate financial performance (CFP), but the results are inconsistent (Goyal, 2013). Several studies show a positive relationship between CSR and CFP (Alshehhi, 2008), while others show the opposite (Preston & O'Bannon, 1997). Analyzing past and recent literature, as pointed out by Margolis and Walsh (Margolis & Walsh, 2003.).

2.1.3 DOING GOOD OR DOING WELL?

The idea that companies can do well by doing good has caught the attention of executives, business academics, and public officials. The annual report of virtually every large company claims its mission is to serve some larger social purpose besides making profits. Scholars have written a lot on "doing good to do well" but this work seeks to understand this relationship in a

different dimension, as to whether these “good deeds” are a result of consistent profitability. Thus, CSR is attributed to the concept of “doing good” and profit to the expression of “doing well”. (Ghosh, 2020) defines the expression of “doing good” as Altruistic CSR, where she explains it to be the fulfillment of an organization’s philanthropic responsibilities, going beyond preventing possible harms (ethical CSR) to helping alleviate public welfare deficiencies, regardless of whether or not this will benefit the business itself. Altruistic CSR is equivalent to Carroll’s (1991) philanthropic responsibilities and involves contributing to the good of various societal stakeholders, even if this sacrifices part of the business’ profitability. Archie Carroll was one of the first scholars to make a distinction between different kinds of organizational responsibilities and defined CSR as “ Corporate social responsibility encompasses the economic, legal, ethical, and discretionary (philanthropic) expectations that society has of organizations at a given point in time” (Carroll, 1991). He demonstrated this using the “pyramid of corporate social responsibility” as demonstrated in figure 1 of this chapter. The justification lies in the fact that the corporation has been entrusted with massive economic and human resources and has the power to affect many parties beyond the shareholders. Thus, there is a social contract between business and society. Philanthropic responsibilities encompass those corporate actions that are in response to society’s expectation that businesses be good corporate citizens. This includes actively engaging in acts or programs to promote human welfare or goodwill. The distinguishing feature between philanthropy and ethical responsibilities is that the former is more discretionary or voluntary on the part of businesses even though there is always the societal expectation that business provides it whereas ethical responsibilities are morally mandatory.

In a broader way, CSR represents achieving success in an ethical manner with respect to people,

Community and environment. Philosopher, Aristotle referred to good deeds as “every art and every inquiry, and similarly every action and pursuit is thought to aim at some good; and for this reason, the good has rightly been declared to be that at which all things aim”. He concentrated on this concept in accordance with its effects and consequences and not necessarily the intentions behind it. While Kant (1990) had another vision, bringing the ethics of duty into consideration. In this vision, the attitude of a company to “do good” has as its goal the long-term economic outcome, where for Kant the intention of an action is important, not its effect, when its ethical and moral value is considered. He referred to the concepts of “necessary or owed duty towards others” and “meritorious duty to others” showing that “the natural end that all beings have is their own happiness”. Therefore, from these two perspectives I seek to understand the relationship that exists between a company’s CSR activities whether they are genuinely doing “good” for altruistic reasons or because they are making profit and only doing what is ethical or for strategic reasons

2.1.4 PERFORMANCE

The intense concern on corporate social responsibility by firms can enable the capability to influence firms’ performance. Since the inception of social practices by corporations, in the early 1950’s a significant body of researchers concentrated on the subject matter over the relationship between Corporate Social Responsibility and strong financial performance (Fernandes, 2015; Tyagi, 2013). Large corporations and government agencies that are promoting social responsibility practices are of a strong opinion that, integrating a social responsibility concern to the business world will improve its financial benefits. Social responsibility is a significant means of making sustainable competitive profit and accomplishing values for all stakeholders and as well as

shareholders, which also create a win-win opportunity for the society at large (Togun & Nasieku, 2015).

The issue closely related to the interaction between CSR and financial performance is the causality between the two. One view is that, good financial performance makes available the funds with which firms can invest in ways that improve their environmental and social performance. The other option is that, good environmental and social performance will result in good financial performance due to the efficient use of resources and stakeholder commitment (QASER Laboratory University College London). Arguments exist, which support the view that, firms which have solid financial performance have more resources available to invest in corporate social responsibility practices, such as employee relations, environmental or social concerns. Financially strong companies can afford to invest in ways that have a more long-term strategic impact, such as providing services for the community and their employees. Those allocations may be strategically linked to a better public image and improved relationships with the community in addition to an improved ability to attract employees that are more skilled. On the other hand, companies with financial problems usually allocate their resources in projects with a shorter horizon. Companies are increasingly undertaking CSR activities to better align their internal processes with their economic, social and environmental goals, to carry out successful innovation initiatives, and to engage customers and employees. This change in perspective is due, in large part, to increasing societal pressure on company leaders and managers to recognize the importance of social and environmental activities. Socially responsible objectives are regarded as being among the most important CEO priorities. Many are the reasons for this prioritization: consistency between CSR goals and firms' financial interests, managers' altruism and managers' professional and/or personal reputation (Borghes, 2014). Therefore, firms adopt CSR-oriented strategies for

various reasons, but scholars have focused mainly on financial aspects, i.e., whether CSR activities enhance financial performance. Previous empirical research has addressed the impact of CSR on corporate financial performance (CFP), but the results are inconsistent (Goyal & Rahman, 2013,). Several studies show a positive relationship between CSR and CFP (Alshehhi & Nobanee, 2018), while others show the opposite. Analyzing past and recent literature, as pointed out by Margolis and Walsh (Margolis & Walsh, 2003), scholars have been devoted less attention to the relationship between CFP and CSR and even less has been the interest toward understanding how to operationalize in practice the aforementioned relationship. The availability of financial resources could be among the most important conditions for investment in CSR-innovation initiatives (Freeman, 1984). Following this assumption, the achievement of higher CFP can be considered a stimulus that boosts the implementation of socio-environmental and ethical activities geared towards enhancing CSP. Managers are more likely to use available resources on activities that are expected to be profitable in the short-term (Merchant & van der Stede, 2007) although they may sacrifice short-term performance to increase sales at a given level of return (Baumol, 1962). Consequently, in times of declining financial results, managers might not invest in CSR activities, since they generally require a longer period to positively affect a firm's financial performance (Boesso & Kumar, 2013). This is especially true if the CSR activities in question result in, or stem from, the implementation of innovative processes which themselves usually take some time to improve financial performance (Berkhout & Duin, 2007). Businesses need to create and capture value to make investments with socially responsible objectives while enhancing financial performance in the longer term. Much depends on managers' motivations and behavior. The availability of resources is not in itself enough to support the pursuit of socially responsible objectives. Resources have to be strategically allocated and invested. Therefore, also to implement

CSR activities and pursue CSP managers must strategically allocate financial resources. To this effect, this paper exposes the role innovation plays in the relationship between CFP and CSP. The amount and quality of expenditures in innovation have a strong relationship with company performance (Gobble, 2012,). According to many scholars, innovation plays a crucial role in the relationship between CFP and CSP (Martinez-Conesa & Soto-Acosta, 2017) (Blanco & Guillamón-Saorin, 2010).

2.1.5 CORPORATE SOCIAL RESPONSIBILITY IN GHANA

Corporate social responsibility (CSR) is often viewed as a necessary ingredient for the survival of organizations in contemporary business world. However, much of the studies that examine its relevance have been carried out in the developed economies like the UK and USA. The corporate environment in Ghana is very diverse. There are Limited Liability Companies; Companies Limited by Guarantee; non-Ghanaian companies registered in Ghana as External Companies; and State-Owned Corporations created by statute. There are also a whole lot of associations such as Partnerships and Co-operatives that have corporate personality. In the face of public concerns about the political, economic, social and environmental impact of the activities of corporations in societies in which they operate, there is now a proliferation of initiatives at the global level to promote CSR. Among these are three key multilateral initiatives aimed at encouraging corporations to make a positive contribution to economic and social progress, and to minimize and resolve the difficulties to which their operations may give rise (Oppong, 2018). These initiatives are the Organization For Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises, the International Labor Organization (ILO) Tripartite Declaration on Principles Concerning Multinational Enterprises and Social Policy, and the United Nations Global

Compact. In the domestic arena, there is no comprehensive or readily available document on CSR in Ghana. Non-the-less, there are a variety of policies, laws, practices and initiatives that together provide the CSR framework in Ghana. In other words, CSR in Ghana is regulated by policies, legislation, and other forms of Law. There are many government policies, such as the Ghana Land Policy document that bear directly on CSR. These policies are not named as pro-CSR initiatives but have the potential to promote or denigrate CSR. There are, in addition, specific laws regulating particular industries and sectors of the economy such as banking, insurance, mining and commerce and which have bearing on CSR. A number of International Conventions that Ghana has ratified are also applicable to Ghana and have a bearing on CSR. The concept of Corporate Social Responsibility (CSR) in Ghana has largely been canvassed by civil society (Sarpong 2010; Mensah, 2019), which initially focused on how multinational companies could contribute to solving pressing social and environmental problems by acting on a voluntary basis through partnerships with other stakeholders. In the absence of a clear CSR policy, individuals, advocacy groups and public agencies seeking to hold corporations responsible to their social responsibilities usually encounter difficulties in doing so because of the absence of a readily available source document on CSR for reference. Also, companies seeking to meet their corporate social responsibilities are not sure that they are doing what they should be doing and are unclear about the exact parameters of CSR. Concerns had been expressed in industries like mining which conspicuously were influencing negatively with their externalities on rural communities (Amponsah-Tawiah, 2010). Confronted with pollution and waste, soil erosion, deforestation and the destruction in mining areas, especially, many Ghanaians began to question the prevailing beliefs that nature was to be ruthlessly subdued and controlled in the cause of industrialization and economic growth. These concerns led to huge public disparagement and also provided the

motivation for the awareness of firms to the growing expectations from stakeholders about how they should manage their social, environmental and economic impacts (Sarpong, 2010).

In spite of attempts made to bring the issue of CSR to the forefront, it is significant to note that the CSR concept has not been accorded its due in Ghana. Past studies including one study conducted by World Business Council for Sustainable Development (WBCSD) in 2000, entitled 'Corporate Social Responsibility making good business sense,' all found that CSR did not seem high on the business agenda in Ghana. One of the reasons adduced by these studies was that CSR is thought to be too expensive. Lack of government control and involvement is also cited as a reason for CSR having a lower priority. The studies also found out that there is little outside pressure on companies to encourage them to take the CSR initiative. Recent studies (Ofori & Hinson, 2007) (Sarpong, 2010) have also concluded that CSR is far from being given its due and that a lot more ought to be done by firms to make CSR a strategic concern.

Government's responses to CSR issues in Ghana have included mandating; facilitating; partnering; and endorsing practices that are CSR friendly and condemning and discouraging those that are not. Flowing from this, public sector agencies play varied roles in providing an —enabling environment' for CSR in Ghana. In particular, the government seeks to promote CSR by putting in place legislation that defines minimum standards for business performance. Examples include requirements for environmental impact assessments (Oppong, 2018). Government also facilitates CSR by providing incentives to companies undertaking activities that promote the CSR agenda and drive social and environmental improvements. The role of the government here is basically catalytic, secondary, or supportive (Oppong, 2018). In some instances, attempts at self-regulation exist as is the case of business and professional associations such as the Ghana Chamber of Mines and the Ghana Medical Association. What currently pertains in Ghana, however, is that majority

of corporate contributions have remained dispersed and unfocused (Ofori & Hinson, 2007). It was found that indigenous firms perceive and practice Corporate Social Responsibility as corporate philanthropy aimed at addressing socio-economic development challenges in Ghana.

2.2 Theoretical Framework

The theory that underpins the study is discussed below.

2.2.1 Stakeholder Theory

This study sought to understand how companies' financial resources influence corporate social performance and profitability. The study is guided by the Stakeholder theory, which posits that the essence of business primarily lies in building relationships and creating value for all its stakeholders (Freeman, 2017). The origin of the stakeholder concept lies in the business science literature as a proposal for the strategic management of organizations in the late twentieth century by Edward Freeman, (1984). He stated that the focus of the stakeholder theory should be articulated in two questions ;

One is: What is the purpose of the firm and what responsibility does management have to the stakeholder. The first question helps to identify individuals (shareholders, employees, customers, suppliers, regulatory bodies) who have a shared interest with the company to ensure its success. The second question also aids to categorize which stakeholders are more important in terms of their interests and relationships they have with the company. But in modern practice, the Stanford Research Institute introduced the term in 1963 to generalize and expand the notion of the shareholders as the only group management needed to be sensitive towards (Jongbloed, Enders, & Salerno, 2008). Within this perspective, Freeman (1984) argued that business organizations should

be concerned about the interests of other stakeholders when taking strategic decisions. Though several researchers like (Bryson, 2004) and (Beach, 2008) contain different concepts for the term "stakeholder", the same principle holds- companies must take the needs of other stakeholders (employees, customers, the community) who impact or are impacted by its policies and operations (Frederick, Post, & Davis, 1992). Clarkson (1995) points that the stakeholder concept contains three fundamental factors: the organization, the other actors, and the nature of the company-actor relationships.

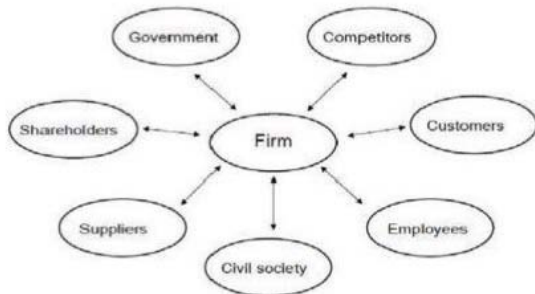


Figure 2 The relationship between a firm and its stakeholders SOURCE: The original stakeholder model (Freeman, 1984)

This representation appears to indicate a uniform relationship of stakeholders to the organization and how an organization relates to its stakeholders. Carroll stated that large corporations have multiple stakeholders who do not necessarily have the same voice thus it is important to prioritize their needs. In addition, some stakeholders have a more direct, immediate, and strong influence on a business' direction, behaviour, process, or outcome than other stakeholders. The word

"stakeholder", the way it is now used, first appeared in an internal memorandum at the Stanford Research Institute (now SRI International, Inc.), in 1963 (Freeman, 2010). The term was meant to challenge the notion that stockholders are the only group to whom management needs to be responsive. Throughout the 1980's and 1990's Freeman and other scholars shaped this vocabulary to address these three interconnected problems relating to business: (1) *The Problem of Value Creation and Trade*: In a rapidly changing and global business context, how is value created and traded? (2) *The Problem of the Ethics of Capitalism*: What are the connections between capitalism and ethics? *The Problem of Managerial Mindset*: How should managers think about management to: a) Better create value and, b) Explicitly connect business and ethics? (R. Edward Freeman, 2017). Stakeholder theory suggests that if we adopt as a unit of analysis the relationships between a business and the groups and individuals who can affect or are affected by it then we have a better chance to deal effectively with these three problems. First, from a stakeholder perspective, business can be understood as a set of relationships among groups that have a stake in the activities that make up the business (Freeman, 1984; Jones, 1995; Walsh, 2005). It is about how customers, suppliers, employees, financiers (stockholders, bondholders, banks, etc.), communities and managers interact to jointly create and trade value. To understand a business is to know how these relationships work and change over time. It is the executive's job to manage and shape these relationships to create as much value as possible for stakeholders and to manage the distribution of that value (Freeman, 1984). The linkage model was developed in 1984 by James Grunig and Todd Hunt. This model has four linkages that identify stakeholder relationships to an organization: enabling linkages, functional linkages, diffused linkages, and normative linkages. In the linkage model, stakeholders are differentiated by enabling, functional, normative, and diffused linkages in a flow chart. Enabling linkage refers to stakeholders who have authority within the running of the

organization such as government authorities. Functional linkage relates to stakeholders who have an impact on the productivity of the organization such as suppliers and people who provide labor or even the consumers. Normative linkage is associates or groups who have similar interests as the organization. Finally, diffused linkage, the most difficult to identify, are stakeholders that have no frequent interaction with the organization but become involved due to actions of the organization. Diffused linkages occur most frequently in crises. Grunig and Hunt's linkage model is useful to identify stakeholders and understand their role in an organization. To develop a meticulous understanding of stakeholders and their impact on an organization Grunig and Hunt's model needs to be used in conjunction with other models to be able to further differentiate stakeholders by their attributes, relationship to the situation, and communication strategy (Rawlins, 2006). Grunig and Hunt's linkage model is useful to identify stakeholders and understand their role in an organization.

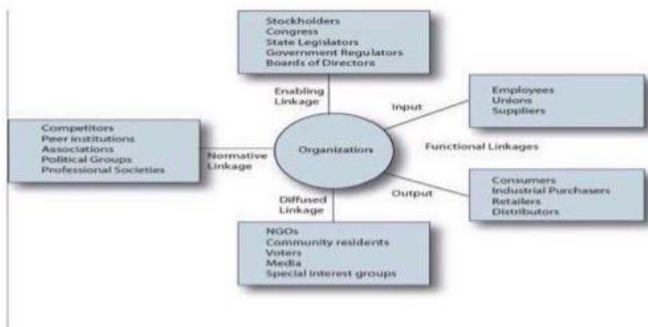


Figure 3 Grunig's Organizational Linkage Model

2.2.2 Stakeholder Theory and Corporate Social Responsibility

Whenever one talks about business ethics, either in terms of scholarship, or the discipline taught in business schools, or organizational norms applied in companies both CSR and stakeholder theory come as two major concepts. However, there has been little clarity so far in what relation CSR and stakeholder theory stand to each other. Some scholars assumed that one concept is a subset of the other (Garriga & Mele, 2004; Wood, 1991), others saw these concepts as somewhat competing views in the field (Brown & Forster, 2013; Schwartz & Carroll, 2008), and others built their arguments on the complementarity of CSR and stakeholder theory (Russo & Perrini, 2010; Jamali, 2008; Kurucz, Colbert, & Wheeler, 2008; Roberts, 1992). However, given that the body of research on CSR and stakeholder theory has considerably grown over the last decades, stakeholder theory and CSR are distinct concepts with some overlap (Freeman, 2017).

The main similarity between the two concepts is that both stakeholder theory and CSR stress the importance of incorporating societal interests into business operations. Presently, CSR approach has emerged from focusing on the shareholders to stakeholders due to the acknowledgement of the crucial roles of stakeholders in every organization (Garriga, 2004). According to Carroll, (1979), CSR is a social responsibility business must undertake in society and only deals with social activities that cater to the community at large such as charitable works (Freeman & Dmytryiev, 2017). Stakeholder management and CSR are always connected. Stakeholder theory involves critical stakeholders such as employees, suppliers, customers, media, local communities. The stakeholders are a key factor for the success of the CSR practices. Without their engagement, knowledge, skills, talent, loyalty, the organization could not achieve its objectives (Nikolova, 2017). A characteristic of CSR is the idea that the business is accountable to the various stakeholders who can be identified and have a claim, either legally mentioned or morally expected,

on the business activities that affect them. (Freeman, et al., 2010) considered that the interests of the various stakeholder groups are common and that the value creation process is best handled by managing stakeholder relations. Another fundamental aspect of stakeholder theory is to identify stakeholders and how companies interact with them. In other words, which stakeholders matter in decision-making processes, and whether they have an advantage. (Donaldson & Preston, 1995). The key priority for a socially responsible business is to develop and maintain strong and mutually beneficial relationships with stakeholders. According to Wilkerson (2001) consulting and engaging key stakeholders is key to success. Whereas Donaldson and Preston (2005) state that when corporations manage their stakeholders accordingly their performance will improve tremendously concerning their stability, growth, image, and profitability. According to Bhattacharya (2011), if companies are to benefit from corporate philanthropy activities, they must understand how stakeholders think and feel about the programs, additionally, if companies are to benefit from this initiative, they must actively involve their stakeholders in decision making. Clarkson (1995) also holds that a stakeholder management framework is more useful to the analysis and evaluation of corporate social performance than models and methodologies based on concepts of social responsibilities and responsiveness. Further, it is necessary to distinguish between stakeholder issues and social issues because corporations and their managers manage relationships with their stakeholders and not with society. Although CSR and stakeholder theory views the same issues differently, their application is interdependent (Freeman & Dmytryiev, 2017). Stakeholder theory postulates that the company has the responsibility to stakeholders, this is where CSR can be used to single out a particular group of stakeholders which is the community at large. For instance, when we want to stress the company's responsibility to local communities or society at large, we may add social to emphasize the need for social orientation of the company,

thus arriving at the term corporate social responsibility. Also, stakeholder theory posits that companies need to create value for all stakeholders thus a company engaging in CSR is as important as creating value for other stakeholders. Helping communities can make shareholders better off in many ways (more motivated and productive employees, better company reputation, bigger sales, higher corporate credit rankings) (Freeman & Dmytriiev, 2017)

2.2.3 Managerial Theory

(Secchi 2007) scrutinized on the idea of managerial theory, that emphasizes on corporate management in which Corporate Social Responsibility is approached within the corporation. Managerial theory indicates that, everything that is external to the scope of the corporation is reckoned with, when making decisions. Corporate Social Performance (CSP), theories on social accountability, auditing and reporting and social issues in international business are part of the divisions in the Managerial theory. This theory is strongly linked to political theories based on the concepts, explaining and planning it mentally, according to (Garriga and Mele, 2004), and as well as (Wood and Lodgson 2002). It elucidate the greatness and power a business should display in its involvement in the community in which it operates. Managerial theory builds up a concept in which Corporate Social Responsibility considers socio-economic variables to measure to corporations' socio-economic performance, as well as, to link social responsibility ideology to business strategy. The origin of the political power of Corporate Social Responsibility is based on Davis's (1960) idea, who proposed that business is a social institution and it must use power responsibly. It is also noted that, causes that generate the social power are from inside and outside of the corporation. Managerial theories are also covered under the integrative theories according to (Garriga and Mele, 2004). Which are the public responsibility and corporate social performance entities. Public responsibility emphasized strongly on law and public policy procedures that are

considered as a reference for social performance, while corporate social performance is hinged on social legitimacy. The analysis of managerial theory on corporate social responsibility is emphasized internally based on corporate management in the firm. Which implies that, every external activities to the firm is taken into account based on management decision making. The managerial theory on the corporate social responsibility approach, considers socio-economic variables to measure firms' socio-economic performance, in the perspective of linking corporate social performance to the concept of business strategy. The Managerial theory is divided into three basic sub-group;

1. Corporate social performance

This concept ensures that, firms have positive impact on the stakeholders involved in their operations. It measures the social variables that contribute to economic performance of firms. Management needs to consider the social and economic factors that affect the operations of their firm, because business depends on the society for growth and sustainability. There are five dimensions of corporate social performance, which includes:

- a. **The centrality measure:** This measures the compatibility of corporate social responsibility with the core goals of the firm.
- b. **Pro-active measure:** This account for the degree of reactions to external factors in the society by the firm.
- c. **Voluntarism measure:** This refers to the discretion of the firm in implementing social responsibility practices in the society in which they operate. Taking into account the environmental and social concerns of the society.

d. **Specific measure:** Is the dimension in which the benefits of social responsibility of firms can be estimated.

e. **Visibility dimension:** This refers to the extent to which the social responsibility practices of firms can be perceived by the stakeholders. Corporate social performance may also be considered as the coherent integration of approaches based on social 'responsibility' or 'responsiveness'. It focuses on the 'outcome of behavior' giving operational meaning to social responsibility (Wood 1991a).

2. Social accountability, auditing and reporting (SAAR)

This relates to accounting, auditing and reporting procedures of firms, which are used to measure the contributions of social performances. The actions of firms in performing their social responsibility practices can be accounted for with the use of SAAR, which can be embedded into their core business strategy.

3 Social responsibility for multinationals

This relates to the potential impact of Multinational companies (MNC) to the environment in which they operate in. (Donaldson 1989, cited in Secchi, 2007: 359) refers to the MNCs as 'moral agents', analyzed on the basis of the moral values when managers make decisions in their firms, going beyond profit maximization. The benefit of social responsibility practices initiative to MNCs is that, it enhances corporate reputation, increase sales revenue, financial stability, focuses on career employment of its employees, improving competitiveness, etc.

2.3 Chapter Summary

This chapter reviewed the literature on the phenomenon under study and provided insight into what other researchers have done on the topic. It also discussed relevant theories underpinning the study. The next chapter discusses the methodological processes employed in gathering and analyzing data for the study.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This chapter discusses the methodological processes that were employed in the study. This includes the research design, population of the study, sample size and sampling technique, sources of data, data collection instruments and procedures, data analysis procedures, and ethical considerations.

3.1 Research Design

The research design is the framework that shows how all components of this research fit together to address the research problem (Creswell,2014). This research adopted an exploratory research design as it sought to explore the relationship between a company's "well-being" which is its financial strength and the well-being of society as associated to the company's CSR policies, to find out how companies behave towards their CSR policies in times of increased profitability and in times of low profitability. An exploratory study is a valuable means of finding out what is happening; to seek new insights; to ask questions and assessing phenomena in a new light (Robson, 2002). Thus, exploratory design is conducted in order to determine the nature of the problem and helps the researcher to develop better understanding of the problem. Hence it deals with seeking information on the various motives of CSR practice in Ghanaian companies during either low or high profits.

This study employed the qualitative methodological approach. A qualitative design is “a way for studying and making clear the meanings individuals or groups give to a social or human problem” (Creswell, 2009:4). Qualitative research enables one to gain comprehensive information on the experiences of participants, to gather data in their settings, analyse the data inductively and for explanations of the meanings of the data (Creswell, 2009). Qualitative research uses interviews, participant observation, and case studies as it describes a particular practice. The basis is to explore and examine the influence of one variable (Corporate Social Responsibility) over another (Corporate Financial Performance) thus the design of this study is largely exploratory.

3.2 Study Area

The research adopted a case study approach with Tullow Oil Plc Ghana as the subject. This decision was based on two factors, being that, Tullow Oil Plc Ghana is listed on the Ghana Stock Exchange and it was listed on Avance Media's top 50 Social Impact Companies in Ghana 2019. The Ghana Stock Exchange was used as criteria for selection because companies listed on the stock exchange represent an important segment in any economy, and the way in which companies manage their business. Thus, such companies are well managed and ethically responsible in their dealings. Also according to the Ghana Stock Exchange website, companies listed on the stock have benefits such as easier access to long-term capital, enhanced status in the community, improvement in the financial position of the company etc. Based on these indications, a company such as Tullow which qualifies for all these specifications was selected. Also using the Avance media ranking, they are known as Africa's Leading Rating and Public Relations Agency focused on creating varied contents for the Global Market.

Tullow Oil is a leading independent oil and gas exploration and production company. The Group has interests in over 85 exploration and production licenses across 17 countries which are managed as three Business Delivery Teams: West Africa, East Africa and New Ventures. Their strategy has shown Tullow's resilience during the recent industry downturn and demonstrates their flexibility to oil price volatility. Their vision is to be the leading global independent exploration and production company. Tullow Oil plc is Africa's leading independent oil company. Their exploration-led growth strategy is focused on finding commercial light oil resources in Africa and the Atlantic Margins. They have been highly successful in the recent past opening five new oil basins since 2006. The Group has a successful track record of developing and maintaining its assets. They invest the majority of capital in their existing production portfolio in West Africa and future development projects which generate significant cash flow to fund the business. They have a prudent financial management strategy and utilize their diversified sources of debt and funding to support their operations. Their portfolio of over 130 licenses spans more than 20 countries and is organized into three regions; West and North Africa; South and East Africa; Europe, South America and Asia. They are headquartered in London and have corporate offices in Ireland, Ghana, Uganda and South Africa. Their shares are listed on the London, Irish and Ghana Stock Exchanges and the Group is a constituent of the FTSE 250 index. Tullow officially began its operations in Ghana in 2008, after being appointed as the Jubilee field Operator and set about working with the Partners and Government of Ghana on developing the field to bring Ghana its first major oil production. Major activities include oil and gas exploration and extraction, Crude petroleum production. TULLOW GHANA LIMITED has 351 employees. With so many functional departments, the External Affairs department which constitute the Communications and Investor Relations Team and the Government and Public Affairs Team is one of such departments.

This is made up of four (4) males (including the manager) and 2 females. Their role includes internal and external communications, government and other stakeholders management and investor relationship management. The manager reports to the Social Performance Director.

3.3 Sampling Technique

This study employed a purposive sampling technique, Creswell (1998) says purposive sampling allows you to select participants based on their knowledge on a particular topic. This saw to the selection of individuals within the organization who are highly or actively involved in the company's CSR activities and could provide reliable information. Upon gaining access to the employees of the company through an academic colleague who works in the company, I engaged with them explaining my mission and the purpose of my research study. Selection of participants was done on basis that anyone who works in Tullow Ghana Limited in the External Affairs department could participate in the research project.

3.4 Sample Size

A sample shows the number of respondents that have been chosen among a population to serve as a representative of the population. A total number of five research participants were interviewed for the purpose of this research. Five participants were selected because the department in charge of CSR activities (External Affairs) has six (6) officers including the head of the department. The External Affairs department constitutes the Communications and Investor Relations Team and the Government and Public Affairs Team. This is made up of four (4) males (including the manager)

and 2 females. Their role includes internal and external communications, government and other stakeholders management and investor relationship management. All employees in this department that were available and willing to participate in this research qualify to be selected due to their role and experience which is relevant to the research. Qualitative research usually requires a small number of participants, because it looks at the depth of knowledge people have about a particular issue. Sagadin (1991) asserts that, the sample size for case studies can be as small as one (1) participant. Since the research adopted a case study design, which looked at the in-depth examination of people or group, the researcher selected five (5) participants for this study. This number aside falling within the size range stipulated by Sagadin (1991) for case studies helped the researcher to have enough time to collect and analyse data efficiently since he had few interviews to handle. To add on, this number was selected because of the staff strength of the department.

3.5 METHODS OF DATA COLLECTION

In-depth interview was adopted as a method of data collection. Interviews are particularly useful for understanding participants' thoughts and experiences about a phenomenon thus, the interviewer can dig out in-depth information and gain certain responses to questions to further investigate responses. (McNamara, 1999).

An in-depth interview is a type of interview whereby a researcher aims to collect detailed information beyond initial and surface-level answers. In-depth interviews are useful when one wants a detailed information about a person's thoughts and behaviors or want to explore new issues in depth. For this reason, these interviews are often quite long. In order to explore a research participants' point of view, experiences, feelings, and perspectives, there is a need to use this

approach. Unstructured or semi-structured approach is typically used. There are three types of interview in qualitative research; Unstructured, Semi-structured and Structured interviews.

The researcher used a semi-structured interview under qualitative method of data collection. Semi-structured interview was adopted because the researcher has a particular topic for the research participants, but questions are open-ended and may not be asked in the exact same way or order to each respondent. The primary goal of this in-depth interview is to hear what respondents think is important about the topic at hand and to hear it in their own words. Interviews were conducted over phone calls with respondents individually. As a form of adhering to COVID-19 restrictions I suggested the interviews be conducted over phone calls which the participants agreed to. The interview was recorded to allow the researcher to properly engage respondents without distractions from having to write important notes and also not to miss important inputs by research participants

3.6 Data Collection Instrument

The researcher developed an interview guide as an instrument in the data collection process. The researcher adopted semi-structured interview guide to allow flexibility in a manner that helped questions to flow. Semi-structured interview guide as a tool for data collection is similar to natural conversation. Thus, it provided a great opportunity for the researcher to explore the thoughts of the participants. Each interview spanned between ten to twenty minutes.

3.7 Sources of Data

Data gathering is crucial to research as the data is meant to contribute to a better understanding of a theoretical framework that is applied in a study (Bernard, 2002). The data for this study came from two main sources; primary and secondary sources.

Primary data is data collected through firsthand experiences, studies, or research. This is where the researcher personally collects the data from the source to gather the information and make deductions or reach conclusions as necessary. It is more reliable, authentic, and objective. Unlike primary data, secondary data is data or information that has been collected from other sources that may not be directly collected by the researcher. Although less time-consuming, findings from the data may be subjective because of the secondary source.

The primary data was obtained from the interviews and compilation of audio records that were employed as the tool for data collection in this study.

The secondary data, however, encompasses information that has already been collected and available for reuse from other sources. In effect the annual report of Tullow Oil PLC Gh was retrieved from the company website. Tullow Oil's annual report on Sustainability (which contains their CSR related activities) and investor reports (which contains their financial statements) were used as a source of data. Also a variety of scholarly articles were used in the data collection process for a more informed knowledge on the topic.

3.8 Data Analysis & Management

Data analysis entails the manipulation, ordering, summarizing, and categorizing the data and describing it in more meaningful terms (Malhotra & Birks, 2010). Braun and Clarke's (2016) reflexive thematic analysis, an approach to analyzing qualitative data to answer broad or narrow

research questions about experiences, views and perceptions of a given situation was used to analyze the data gathered through the interviews that were conducted. In addition, content analysis, which is the study of documents, was used to analyze the secondary data (Tullow Oil's annual Sustainability and Investor Report).

After collecting the data, it was processed (transcribed using a computer software) and stored safely on a hard drive. The recorded interviews were transcribed verbatim. After the transcription, the first stage of data analysis was process of initial coding, where each line of the data is considered to identify keywords or phrases because they retain participants' words. When transcripts have been broken down into manageable sections; the next stage is to bring similar categories together into broader themes. Then next is to organize the themes in a meaningful order which link to an overall concept. Next is to review the themes to make sure that the themes are useful and accurate representations of the data. Here, the data set is looked into and compared to defined themes to ensure if there is anything missing anything? Are the themes really present in the data? What can be changed to make the themes work better? After finalizing on the themes, the themes are then defined. Defining themes involves formulating exactly meaning of each theme and figuring out how it helps in understand the data. Then the discussions on each theme will be used to interpret the results and give meaning to the statements made by the respondent, drawing conclusions and providing possible reasons for such statements made where necessary.

3.9 Thematic Analysis

Thematic Analysis is a method for systematically identifying, organizing, and offering insight into patterns of meaning (themes) across a data set. This method is a way of identifying what is common

to the way a topic is talked or written about and make sense of those commonalities. The patterns of meaning that Thematic Analysis allows the researcher to identify is in tandem with the objective of study. The main reason for using this type of analysis is because thematic analysis allows a lot of flexibility in interpreting the data, and allows one approach large data sets more easily by sorting them into broad themes to identify those relevant to answering a particular research question.

4.0 ETHICAL CONSIDERATION

Ethics in general terms, is an enquiry into what is right or wrong. It is a disciplined attempt to justify particular values, or set of values, and to understand what kinds of conduct embody or promote these values (Bunton and Macdonald, 2004). These require considerations of “responsibilities to the research participants, professional and academic colleague and the wider public” (Green & Thorogood, 2009, p. 63). Beauchamp and Childress (1995) developed the general ethical principles captured in the standards set for the practice of health promotion. These are the respect for autonomy (respect for the rights of individuals and their right to determine their lives), Beneficence (the commitment to do actions that are of benefits), Non-maleficence (obligations not to harm patients or clients. If there is doubt, precaution should prevail) and Justice (the obligation to act fairly when dealing with competing claims for resources or rights).

Permission to conduct this study was sought from the Tullow Oil External Affairs department members through the help of an academic colleague who works in the company, who introduced the researcher. Informed consent was obtained from all the participants before the interview was commenced. They were given consent forms to sign before the interview started.

All the participants were given pseudonyms for purposes of anonymity. Therefore, they cannot be identified in the study. The interviews were transcribed in the researcher's room alone and the information safely hidden on my personal computer which is password protected. This was done in order to ensure the confidentiality of the information.

As was explained in the informed consent form to participants, they were aware of being audio recorded. This was to ensure that the participants willing to be interviewed were not ignorant of this arrangement.

4.1 CONCLUSION

This chapter described the research methodological processes the study used to achieve the objectives of this research. Key areas such as the research design, population of the study, sample and sampling techniques, data collection instruments among others were discussed.

CHAPTER FOUR

DISCUSSION OF FINDINGS

5.0 INTRODUCTION

This chapter presents the findings of the interviews conducted amongst participants in External Affairs department of Tullow Oil Gh PLC. Data for this study was collected through in-depth interviews as the primary data source and Secondary data source from Tullow Gh Oil's website, specifically the company's annual report and sustainability report which spans from 2009 to 2020. The interviews on the other hand spanned between 10 to 20 minutes per participant. All interviews were conducted through telephone calls. A total of five interviews were held. The population included the manager of the department, and four other officers within the department. The annual report of Tullow Oil PLC which served as the secondary source of data was retrieved from the company website. Tullow Oil's annual report on Sustainability (which contains their CSR related activities) and investor reports (which contains their financial statements) were used as a source of data.

5.1 CSR CULTURE OF TULLOW

The study started off by understanding the CSR culture of Tullow Oil Gh, to understand how important CSR is to the organization and the company's strategic approach towards CSR. The researcher found out that Tullow as an oil company takes CSR as a very important aspect of their

operations. This is because the company's operations specifically involve using the country's natural resources. One research respondent explained this saying;

For Tullow as an organization, CSR is pivotal to the work we do. The reason why we find CSR as primary is because core of our work involves the use of the natural resource (oil) of the country. And so we believe that undertaking social responsibility helps maintain our social license to operate (Jeffery).

The researcher also understood that the organization pays a stipulated amount to the government as part of their social responsibilities called *Royalties*. However beyond this social responsibilities they also take the responsibility of ensuring community members within which their operations are carried out and are affected by their drilling activities are compensated in other ways. *Elizabeth* had this to say;

Our operation is such that, we operate offshore (in the ocean) but is surrounded by communities. And members of the communities are mostly fishermen, but because of our operations they're not allowed to go to certain parts of the sea. So as a result, we undertake corporate social responsibilities to give back to them what we are taking from them.

These responses were mostly reiterated by other participants emphasizing the importance of CSR to the organization. Obviously CSR is a very crucial undertaken for Tullow Oil and its operations. Explanations and comments from participants suggested that CSR important for organization as it ensures peaceful operation between the organization and the communities whom Tullow's operations affect such as Apewosika in the Nzema East Municipality of the Western Region, Shama District, Agona Nkwanta, Nkroful and Essiama in the Ellembele District. All these are communities around the Jubilee field where Tullow operates.

5.2 CORPORATE SOCIAL PERFORMANCE AND STRATEGIC APPROACH

Tullow Oil Gh undertakes a lot of CSR activities within a year. Though they do not set a target number of CSR projects that they take annually, they ensure that CSR projects that they undertake within a year or a specified time frame is in line with their CSR theme for that particular period.

Claudia explained that;

We wouldn't say that we do 10 or 20 or 30 within a year, no. We undertake projects as and when we have a budget. However, the project must be within our thematic area. For instance, if we say we're doing Livelihood Support Programme, as long as we have a budget for the program we will continue to undertake projects under livelihood support.

McDonald buttressed this point by saying: *"Our focus area in education is S.T.E.M. (Science, Technology, Engineering, Mathematics) education. So every year we dedicate a budget for this programme and continue to undertake projects like building schools, buying computers etc. to support this cause."* Tullow Oil Gh's strategic approach to CSR is to set a theme annually within which they approach their CSR projects. This makes their CSR projects focused and targeted at solving a particular social problem or championing a social cause. Tullow does not always undertake projects which is developed or organized by the company all the time but sometimes undertakes sponsorship responsibilities which helps them support social causes that fall within their thematic area. Dennis had this to say; *"Another wing of our corporate social responsibility is sponsorship and donations. So when someone requests sponsorship and it's in line with our CSR subject matter for the year, we sponsor them."* Tullow Oil Gh's strategic approach to CSR has been consistent and focused over the past 10 years consisting of Responsible Operation, Shared Prosperity, Environmental Stewardship, Equality and transparency.

5.3 CORPORATE FINANCIAL PERFORMANCE

Tullow Oil Gh Plc since they started operations in Ghana has had great financial success according to the company's annual financial report. In 2009, the company's annual report on financial performance was very positive with the CEO saying; *"A strong performance in 2009 and an excellent start to 2010 has enabled the Group to continue to create material exploration and development opportunities"* - Ramsdale

Data from Tullow Oil Gh Plc annual financial reports suggest that the company has been performing well financially. However, in 2019 the company suffered some operational and financial challenges. *"2019 ended with significant operational and financial challenges for Tullow, resulting in changes to our executive leadership and a sharp reduction in our share price. We have disappointed our shareholders and other stakeholders, but we are determined to learn from the lessons of 2019."* - Christina

2020 also proved a difficult financial year for most companies around the world and Tullow was not an exemption. The company's 2020 sustainability report stated;

"Despite the challenges of dealing with the pandemic and the significant reduction in staff numbers, Tullow worked hard to prioritise the health and wellbeing of its staff, maintain our social investment commitments to host communities..."

The company had a very challenging year in 2020 considering the fact that the previous year wasn't a successful year either. Elizabeth said;

Tullow Oil has always had good financial success as employees have always been paid well and on time. However in 2019, our investments in offshore operations did not go well leading to the

resignation of our former CEO. Unfortunately, 2020 did not begin well with the Corona virus disrupting the operations of the company and forcing oil prices to dip.

McDonald also said;

We have had successful operation over the past decades since the company began operations in Ghana. We have had some highs and lows as a company in terms of financial performance especially last year when the company had to downsize due to financial losses.

Tullow Oil Gh is known to be a well performing company with regards to financial performance and it is known as one of the leading oil companies in Africa. However the information shows that the company has been through highs and lows financially as a company just like many other companies around the world. The objective of this research is to assess how Ghanaian companies behave in times they are facing financial success and failures and this finding makes Tullow a good fit for the research.

5.4 FINANCIAL PERFORMANCE & SOCIAL PERFORMANCE

Information gathered from participants and secondary data suggests that Tullow Oil Gh is very committed to their social responsibility as a company regardless of the financial status of the company. According to the company's annual sustainability report, Tullow has spent over \$1.9b on local suppliers over the last seven years, which is a direct support for the growth of local business in the country. Also, \$3.2m financing was provided for local businesses through Invest in Africa, a non-profit organization focused on helping African business gain investors. Despite the impact of the COVID-19 pandemic which affected the company financially and operationally,

Tullow showed immense commitment to its social responsibility focused on working with local communities to develop and implement projects that not only help mitigate climate impacts but also support livelihoods. A statement from the company's sustainability report stated;

The impact of the COVID-19 pandemic and our engagements with governments have led us to continue to prioritize local content and social investment into education and skills development to enhance employability, and enterprise development including agricultural livelihoods to increase local entrepreneurship.

The statement went on to elaborate on the company's social responsibility in 2020 saying;

In 2020 we maintained our support to our partners and have helped address some of the inequalities in access to virtual education and supported entrepreneurs in building their resilience during the pandemic. This has been alongside donations of PPE for the pandemic

According to participants, social responsibility activities that the company undertook in 2020 did not involve heavy financial commitment as compared to previous years where the company made high financial gains. This means the profit of the company definitely affects the corporate social responsibility involvement of the organization. Jeffery explained this by saying;

"Talking of financial performance, we will need to look at the financial performance of one particular year. If we made a lot of profit of course it will impact a lot of everything we do"

Claudia added to it saying;

"The oil and gas environment is volatile, so if there should be a nose dive or a down turn in events or even the case where there was good business it will greatly affect our budget. But regardless we do engage in some CSR projects. For instance if we set a budget of \$20,000 for the year and

during the course of the year our balance sheet is not looking good we cut down on some projects. For example if we started building a school and found ourselves in low financial situation we will continue to build it as it is part of our companies key sustainability goals but we will cut down or stop other projects that are not priority”

In response to how the organization responds to CSR projects when they have gained high financial success during the course of the year, Claudia said; *“Yes, so in this situation, though we have our target we set out to accomplish these target first and if there is any unplanned social issue that we can assist we will definitely assist.”*

However there are other activities that does not involve heavy financial investment that equally exhibits great social responsibilities as Tullow exhibited. For instance in the year 2019 and 2020 despite the difficult financial constraints on the company undertook a lot of educational projects with the provision of world-class STEM education to brilliant, academically gifted young women from disadvantaged backgrounds from Ghana. Also, the firm continued its investment in education, from kindergarten to vocational level and entrepreneurship by the construction of dormitory accommodation at three secondary schools, 320 pupils in four kindergarten schools instructed using the active play-based pedagogy helping them acquire 21st century skills.

5.5 DISCUSSION

Corporate social responsibility poses several challenges for enterprises, including the need to define their responsibilities with respect to those of the public sector, determine the extent of their obligations in the supply chain and decide until what point in the future they should anticipate and plan for the consequences of their activities. Findings from data collected shows that Tullow Oil

Ghana takes seriously its responsibility towards its operating environment. More so, Tullow Oil Ghana has shown great interest in its stakeholders which include its suppliers, shareholders, government, employees and local communities. In order to compete on the global stage, companies have had to continuously innovate and redefine their strategies, while contemporaneously taking into consideration their local features (Svensson, 2001). To be successful, companies must be concerned not only about their profits, but also about all their stakeholders' needs (Donaldson & Preston, 1995). A responsible company should consider the social and environmental impact of its business processes, collaborate with its customers and suppliers, and be supportive of its employees (Kopinina, 2015). As such Tullow Oil has undertaken several social responsibility projects in its operating environments such as Apewosika in the Nzema East Municipality of the Western Region, Shama District, Agona Nkwanta, Nkroful and Essiama in the Ellembelle District. The stakeholders are a key factor for the success of the CSR practices. Without their engagement, knowledge, skills, talent, loyalty, the organization could not achieve its objectives (Nikolova, 2017). A characteristic of CSR is the idea that the business is accountable to the various stakeholders who can be identified and have a claim, either legally mentioned or morally expected, on the business activities that affect them. Freeman, et al. (2010) considered that the interests of the various stakeholder groups are common and that the value creation process is best handled by managing stakeholder relations. Tullow in their efforts to perform well to make profits for its shareholders and to be able to pay its employees it also continues to show good will to its external stakeholders who are the local community members who are affected by the operations of the firm. The idea that companies can do well by doing good has caught the attention of executives, business academics, and public officials. The annual report of virtually every large company claims its mission is to serve some larger social purpose besides making profits. Scholars have written a lot

on “doing good to do well” but this work seeks to understand this relationship in a different dimension, as to whether these “good deeds” are a result of consistent profitability. In the case of Tullow Oil Ghana profit has not been consistent as most companies will wish to have. However, their consistency in their corporate social responsibility projects has not dwindled. Company continues to stay committed to doing right by its external stakeholders especially the local communities even in times when the company’s financial reports are not the best. This mark of good will is what Ghosh (2020) defines as Altruistic CSR, where she explains it to be the fulfillment of an organization’s philanthropic responsibilities, going beyond preventing possible harms (ethical CSR) to helping alleviate public welfare deficiencies, regardless of whether or not this will benefit the business itself. Altruistic CSR is equivalent to Carroll’s (1991) philanthropic responsibilities and involves contributing to the good of various societal stakeholders, even if this sacrifices part of the business’ profitability. On a managerial level, Tullow Oil Ghana has a whole department that is in charge of all things pertaining to the company’s social responsibilities. The External Affairs department which is in charge of the social responsibilities is made up of two teams, the Communications and Investor Relations Team and the Government and Public Affairs Team. These two teams have been formed to manage relationships with shareholders and other stakeholders such as the Government of Ghana and the general public. Managerial theory also demands that corporations exhibit transparent social responsibility reporting and financial reporting for easy assessment of a company’s social responsibility to its stakeholders. To this effect, Tullow Oil Ghana has been reporting on its social responsibility activities called the “Sustainability report” every year since 2009 abiding by the International Petroleum Industry Environmental Conservation Association (IPIECA) Oil and Gas Industry Guidance on Voluntary Sustainability Reporting and the Sustainable Accounting Standards Board. Secchi (2007)

scrutinized the idea of managerial theory, that emphasizes on corporate management in which Corporate Social Responsibility is approached within the corporation. Managerial theory indicates that, everything that is external to the scope of the corporation is reckoned with, when making decisions, which Tullow Oil Ghana exhibits well. Corporate Social Performance (CSP), theories on social accountability, auditing and reporting and social issues in international business are part of the divisions in the Managerial theory. It elucidates the greatness and power a business should display in its involvement in the community in which it operates. Managerial theory builds up a concept in which Corporate Social Responsibility considers socio-economic variables to measure to corporations' socio-economic performance, as well as, to link social responsibility ideology to business strategy. Tullow Oil Ghana greatly exhibits these characteristics of the managerial theory.

5.6 CONCLUSION

This discussed the data gathered from the interview the researcher conducted on the study. It also discussed and analyzed the findings using the theoretical framework for the study to make meaning of data gathered.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

6.0 INTRODUCTION

This last chapter summarizes the findings of the study and the conclusions that were reached. It also points out limitations encountered during the research and relevant recommendations based on the findings for future research and organizations in Ghana.

6.1 SUMMARY OF FINDINGS

The study sought to investigate the relationship between corporate financial performance and corporate social performance of Ghanaian companies. That is, whether social responsibility activities are carried out on the moral grounds of “doing good” or just because the organizations have the financial capability to do so for strategic purposes. Primary data was gathered through a one-on-one interview with 5 participants who are directly involved in the company’s CSR activities to give context to the secondary data retrieved from the company’s website to offer a more complete picture of what happens in the organization with regards to the research topic. An indicator for financial performance was annual total profit gained by the company each year otherwise Return on Investment and the Corporate Social performance was measured by Social dimension, being donations, livelihood empowerment etc. Findings from the study showed that corporate financial performance has a strong relationship with the corporate social performance of a company. However, companies ensure to perform some reasonable degree of social responsibility regardless to their financial status. It must however be noted that, the corporate

social performance of a company may vary in terms of financial investment based of the financial status of the company within a particular year. The situation where low financial performance resulted in zero corporate social performance was non-existent. This suggests that companies continue to engage in corporate social responsibility not only for strategic purposes but also to “do good” in society and the people they are in direct relationship with. Also, the fact when an organization performs very well, more than they had projected increases or does more CSR projects than they had planned for suggest “doing good” behavior of the companies.

6.2 CONCLUSION

There are challenges and limitations faced by firms when implementing social responsibility practices. These challenges or limitations could relate to organizational concerns, political issues or cultural issues of the host communities in which they operate. Corporate Social Responsibility has assumed increasing importance in the global community, therefore, it places a demand on management of organizations to fix some social issues such as sanitation, water, building of infrastructure etc. The debate on whether Corporate Social Responsibility is financially rewarding, however, remains a contentious issue. The present study aimed at identifying how significant the correlation between CSR and profit is, and how companies behave in periods they have losses, whether they continue to do CSR activities, reduce the activities or give them up. This research basically considered firms profit after tax as a measure of performance and the company's social activities within a year as a measure of their corporate social performance.

First of all, only one company was studied. Which indicates that, this company, Tullow Oil Ghana is involved in Corporate Social Responsibility activities and settles down Corporate Social

Responsibility reports for all stakeholders to view. It depicts that, Tullow Oil Ghana has a positive interest on the stakeholders towards Corporate Social Responsibility concerns and are ready to satisfy the demands of the stakeholders. Also the data analysis reveals that, the company and stakeholders are sensitive in the issue of the company's profitability as regards to how it is being used for Corporate Social Responsibility practices.

The result obtained, also depicts that, firms are paying more attention on Corporate Social Responsibility concerns, regarding the stakeholders (employees, community, environment, etc.). Looking at the secondary data analysis for performance, it is fair to make such conclusions. Investing in socially responsible activities in Ghana, where basic amenities are limited or inadequate could be very costly, due to the neglect of responsibility by the state in providing such basic amenities. Wherefore, firms often find it difficult to attempt certain aspect of socially responsible practices, due to huge financial investment and managerial resources in providing such basic amenities as electricity, health facilities, good road networks, etc. This leads to an implication of these firms, in compromising their focus on their primary operational objectives in pursuing socially responsibility practices, which involves financial resources in addressing stakeholders' interest. As a result of this, firms ought to engage in Corporate Social Responsibility projects with reasonable caution.

As shown in the results obtained, the implication of Corporate Social Responsibility practices in all Ghanaian firms, may not have been significantly reflected, due to the use of one company used in conducting this study. The results from this study are open to alternative measures and to corrections due to omission of variables from certain years of the Tullow Oil Ghana annual sustainability report. Specifically, from 2009-2011 financial reports which did not include the full scope of the company's CSR activities. Also, the fact that the company only started its annual

sustainability report separately from the annual financial report in 2012. Due to this, information on Tullow's CSR activities and investments in those years (2009-2011) could not be properly assessed.

6.3 RECOMMENDATION

The study sought to investigate and understand the relationship between corporate financial performance and corporate social performance of Ghanaian companies. That is, whether social responsibility activities are carried out on the moral grounds of "doing good" or just because the organizations have the financial capability to do so for strategic purposes. Based on the experience and the knowledge gathered through this research process, the researcher's recommendations to Tullow Oil Ghana is that;

The company should provide separate documents detailing the CSR activities pertaining to each of the two countries it operates in thus, Ghana and Kenya instead of putting them together. Although their annual sustainability report suggests the company undertakes great CSR projects in the region and has had great success in this regard the lack of specificity in the financial statements on CSR spend makes it difficult to analyze how much money was spent on which country. Also, firms in Ghana should invest significantly in socially responsible practices, because corporate social responsibility contributes to the healthy life of the community. Also, no firm can progress in a retrogressive community.

On recommendation for future research, the researcher also suggests that, further studies that will be conducted on this topic should focus their efforts on gathering data from the community members more than the institutions that undertake the CSR activities in the communities, as the

community members will provide a more objective and representative view of the nature and benefits of CSR to their communities.

6.4 LIMITATION

The findings cannot be generalized to a larger population because each company is unique in themselves and so what goes on in one company would most likely differ from another.

References

- Aguinis, H. & Glavas, A., 2012., What We Know and Don't Know About Corporate Social Responsibility: A Review and Research Agenda. *Journal of Management* , Volume 38, p. 932–968..
- Alshehhi, A., 2008. The impact of sustainability practices on corporate financial performance: Literature trends and future research potential. *Sustainability*, Volume 10, p. 494.
- Alshehhi, A. & Nobanee, H., 2018. The impact of sustainability practices on corporate financial performance: Literature trends and future research potential. *Sustainability* , Volume 10, p. 494.
- An, M. A. J. a. D., 2019. A study on the relationship between perceived CSR motives, authenticity and company attitudes: a comparative analysis of cause promotion and cause-related marketing. *Asian Journal of Sustainability and Social Responsibility*, 4(7), pp. 1-14.
- Baumol, W., 1962. On the Theory of Expansion of the Firm.. *American Economic Review* , Volume 52, p. 1078–1087.
- Berkhout, G. & Duin, v. d., 2007. The Role of Futures Research in CIM.. In: *In The Cyclic Nature of Innovation: Connecting Hard Sciences with Soft Values*. San Diego, CA, USA: s.n., p. 71–85.
- Blanco, B. & Guillamón-Saorín, 2010. Do Non-socially Responsible Companies Achieve Legitimacy Through Socially Responsible Actions? The Mediating Effect of Innovation. *Journal of Business Ethics* 67–83, Volume 117, p. 67–83.
- Boesso, G. & Kumar, K., 2013. Descriptive, instrumental and strategic approaches to corporate social responsibility: Do they drive the financial performance of companies differently?. *Account. Audit. Account. Journal*, Volume 26 , p. 399–422.
- Borghes, 2014. Corporate socially responsible investments: CEO altruism, reputation and shareholder interests. *Journal of Corporate Finance*., Volume 26, p. 164–181.
- Borghesi, 2014. Corporate socially responsible investments: CEO altruism, reputation and shareholder interests. *Journal of Corporate Finance*, Volume 26., p. 164–181.
- Camelia-Daniela Hategan, N. S. R.-I. C.-P., 2018. Doing Well or Doing Good: The Relationship between Corporate Social Responsibility and Profit in Romanian Companies. *Sustainability*, pp. 1-23.
- Carroll, A., 1991. 'The Pyramid Of Corporate Social Responsibility: Toward The Moral Management Of Organizational Stakeholders. *Business Horizons*., pp. 39-48.
- Creswell, J. W., 2014. *Research Design: Qualitative, Quantitative and Mixed Methods Approaches (4th ed.)*. Thousand Oaks, CA: Sage Publication..
- Doane, D., 2005. The myth of CSR-The problem with assuming that companies can do well also doing good is that markets do not really work that way. *Stanford Social Innovation Review*, p. 21–29..

Donaldson, T. & Preston, L., 1995. *The Stakeholder Theory of the Corporation: Concepts, Evidence and Implications*. [Online] Available at: <http://www.jstor.org/stable/258887> [Accessed 2018].

Donaldson, T. & Preston, L., 1995. The Stakeholder Theory of the Corporation: Concepts, Evidence, and Implications.. *Acad. Manag. Rev.*, Volume 20, p. 65–91..

Fernandes, M. R., 2015. Social responsibility and financial performance: The role of good corporate governance. *Business Article Quarterly*, 4 September, pp. 19, 137-151.

Freeman, E. et al., 2010. *Stakeholder Theory. The State of the Art*. New York: Cambridge University Press.

Freeman, H. W. P. a. D., 2010. *Stakeholder Theory: The State of the Art*. Cambridge, UK: Cambridge University Press.

Freeman, R., 1984. *Strategic Management: A Stakeholder Approach*. Boston, MA, USA: Pitman

Garriga, E. M. D., 2004. Corporate Social Responsibility Theories: Mapping the Territory. *Journal of Business Ethics*, pp. 53(1/2), 51-71..

Ghosh, S., 2020. *ALTRUISTIC CSR*, s.l.: Research Gate.

Gobble, M., 2012, . Innovation and strategy.. *Resource Technology. Management*, Volume 55, p. 63–67..

Goyal, P., 2013. Corporate sustainability performance and firm performance research. Literature review and future research agenda. *Journal of Management Review*, Volume 51., p. 361–379..

Goyal, P. & Rahman, Z., 2013, . Corporate sustainability performance and firm performance research Literature review and future research agenda.. *Management Decision*, Volume 51, p. 361–379.

Ingle, G. A. a. C., 2017. *Corporate Behavior and*. New York: Routledge.

Kemper, J. et al., 2013, . Competition-motivated corporate social responsibility.. *Journal of Business Review*, Volume 66, p. 1954–1963.

Kopnina, H., 2015. Sustainability: New strategic thinking for business.. *Environmental Development. Sustainability.*, Volume 19, p. 27–43..

Kwesi Amponsah-Tawiah, P. K. D.-B., 2010. Coporate Social Responsibility In Ghana. *International Journal of Business and Social Science*, Volume Vol. 2 , p. No. 17.

Margolis, J. & Walsh, J., 2003.. Misery loves companies: Rethinking social initiatives by business. Volume 48, p. 268–305.

- Margolis, J. & Walsh, J., 2003. Misery loves companies: Rethinking social initiatives by business.. Volume 48, p. 268–305.
- Martinez-Conesa, I. & Soto-Acosta, 2017. Corporate social responsibility and its effect on innovation and firm performance: An empirical research in SMEs.. Volume 142, p. 2374–2383.
- Mensah, M. A., 2019. Research on Corporate Social Responsibility in Ghana. *European Journal of Business Management*, 11(2222-2839).
- Merchant, K. & van der Stede, W., 2007. *Management Control Systems. In Performance Measurements Evaluation and Incentives*. 2nd ed. London, UK: Pearson .
- Nnaoma, F. C., 2017. Impact of Corporate Social Responsibility Cost on Investment Policy and Performance in Nigeria. *European Journal of Business and Management* , Volume 9.
- Preston, L. & O'Bannon, D., 1997. The corporate social-financial performance relationship: A typology and analysis.. *Business Society* , Volume 36,, p. 419–429..
- R. Edward Freeman, S. D., 2017. Corporate Social Responsibility and Stakeholder Theory: Learning From Each Other. *Emerging Issues in Management*, Volume 2, pp. 7-15.
- Rupal Tyagi, A. K. S., 2013. Corporate Performance and Corporate Financial Performance: A Link For the Indian Firms. *Social And Environmental Accounting*, Volume 7, pp. 4-29.
- Sarpong, S., 2017. *Corporate Social Responsibility In Ghana; Issues and Concerns*, Accra: Research Gate.
- Scherer, A. P. G., 2011. The New Political Role of Business in a Globalized World: A Review of a New Perspective on CSR and its Implications for the Firm, Governance, and Democracy. *J. Manag. Stud*, Volume 48, p. 899–931.
- Svensson, G., 2001. 'Glocalization' of business activities: A 'glocal strategy' approach. *Management Decision*, Volume 39, pp. 6-18.
- Tandoh, I., 2020. *Relationship Between Corporate Social Responsibility Practice*, Accra: s.n.
- Ventsislava Nikolova, S. A., 2017. THE STAKEHOLDER APPROACH IN CORPORATE SOCIAL RESPONSIBILITY. *Engineering Management*, 1(3), pp. 24-35.
- Windsor, D., 2001. The Future of Corporate Social Responsibility. *Internal Journal Org. Anal* 225–256, Volume 9, p. 225–256.

APENDICES

Interview Guide

Doing Good or Doing Well? : The Relationship between Corporate Social Performance and Corporate Financial Performance in a Ghanaian Company.

Objectives

4. To identify the relationship between CSR and profit making of organizations.
5. To find how Ghanaian companies behave in the periods they are performing poorly financially.
6. To determine whether non participation of CSR due to financial constraints affect corporate performance

Questions

1. What entails CSR at Tullow
 - I. When did the company start undertaking CSR projects
 - II. How important is CSR to Tullow?
 - III. Will you say management are very committed to CSR projects?
 - IV. What drives CSR activities?
 - V. What kind of CSR do you undertake?
 - VI. How do you come up with CSR projects to undertake?
2. Corporate Social Performance & Strategic Approach
 - I. How often do you undertake CSR projects annually?
 - II. How do you measure the effects of your CSR activities.

- III. What is your corporate strategy towards CSR
 - IV. How do you select or decide on CSR projects to undertake?
 - V. How do you measure the impact of your CSR projects
3. Financial state of the company
- I. Is your organization financially stable?
 - II. How often does the organization suffer losses?
 - III. What are some of the effects of financial losses on the organization?
4. Social Investments
- I. In terms of finances, how committed is your organization to CSR projects?
 - II. Does low financial performance affect CSR projects?
 - III. Is there an increase in CSR projects when there is high financial performance?

Interview questions will not be limited by the questions listed above. Other relevant questions will be asked as and when issues arise during the interview.

CODING FRAME FOR DATA ANALYSIS

Inductive coding was adopted to develop the coding frame. Also called the open coding, the inductive coding approach is where codes are derived from data collected instead of a preconceived code.

Codes	Category	Theme	Description
Important Responsibility to local communities. Shared prosperity. Compensation	Behavior towards CSR	CSR Culture of Tullow	This is the culmination of shared goals, attitudes and beliefs and ethics.
Number of CSR activities. Defined theme/area of interest for CSR projects. Kind of activities	Practice of CSR	Strategic Approach and CSP	This involves how the company approaches and undertakes its CSR activities
Strong performance Reduction in prices	Finance	Financial Performance	This is a complete evaluation of the company's overall standing in categories

<p>Considerable amount of success</p> <p>Financial Success</p> <p>Highs and lows</p>			<p>such as expenses, revenue etc.</p>
<p>Money spent on social activity</p> <p>Donations</p> <p>Effects of finance on social activity</p> <p>Commitment to society</p>	<p>Social Investment</p>	<p>Social Performance and Financial performance</p>	<p>This explains the company's investment behavior towards CSR.</p>

Doing Good or Doing Well? : The Relationship between Corporate Social Performance and Corporate Financial Performance in a Ghanaian Company.

CONSENT TO TAKE PART IN RESEARCH PROJECT WORK

(Kindly fill the spaces to complete the form)

- I..... voluntarily agree to participate in this research study.
- I understand that even if I agree to participate now, I can withdraw at any time or refuse to answer any question without any consequences of any kind.
- I understand that I can withdraw permission to use data from my interview within two weeks after the interview, in which case the material will be deleted.
- I have had the purpose and nature of the study explained to me in writing and I have had the opportunity to ask questions about the study.
- I understand that participation involve being honest about answering questions.
- I understand that I will not benefit directly from participating in this research.
- I agree to my interview being audio-recorded.
- I understand that all information I provide for this study will be treated confidentially.
- I understand that in any report on the results of this research my identity will remain anonymous. This will be done by changing my name and disguising any details of my interview which may reveal my identity or the identity of people I speak about.

- I understand that disguised extracts from my interview may be quoted in dissertation, conference presentation, published papers etc.]

Maxwell Badu-Nyarko, MA Public Relations. Ghana Institute of Journalism

Signature of research participant

Date

.....

(sign here)

Signature of researcher

I believe the participant is giving informed consent to participate in this study

.....

(Signature of researcher)

Date

Maxwell Badu-Nyarko, MA Public Relations. Ghana Institute of Journalism.