

THE IMPACT OF CORPORATE SOCIAL RESPONSIBILITY ON FINANCIAL PERFORMANCE IN THE GHANAIAN MINING SECTOR: THE MODERATING ROLE OF CORPORATE GOVERNANCE

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Background

Sustainable work practice has become a strategic approach by which contemporary organisations enhance their reputation and image. Corporate social responsibility (CSR) represents an important vehicle by which corporations engage with and reach out to society and the environment.

Background

corporate social responsibility has become a strategic business operations tool, especially in the mining sector; and CSR activities have gained acceptances and legitimacy in societies (Andrews & Andrews, 2019; Ibrahim, 2020). CSR represents those discretionary initiatives undertaken by organisations to address social, environmental, and ethical issues without any compelling force to do so (Aryee, 2001; Ayee et al., 2011).

CSR in the mining Context

In the context of mining, CSR initiatives focus on environmental protection, community development, stakeholder engagement, and transparent reporting (Bush, 2009; Hilson & Ovadia, 2020). Given the adverse effects of mining activities on the environment, environmental-related CSR activities have become a priority for the mining sector (Andrews, 2016; Hepler & Laban, 2019).

Research Gap

•Despite the potential association between corporate social responsibility and financial performance, there has been a paucity of scientific studies conducted to confirm this link (Claessens & Yurtoglu, 2013; Hilson & Ovadia, 2020).

•Corporate social responsibility initiatives are strategic in nature and, as such, any strategic decisions taken must be consistent with the corporate governance practices of the organisation. The mining services industry in Ghana is confronted with specific obstacles pertaining to corporate governance, particularly in the domains of risk management, environmental accountability, community involvement, and anti-corruption strategies (Hilson & Ovadia, 2020; Hepler & Laban, 2019).

Research Gap

- Inadequate corporate governance can foster an environment conducive to unethical conduct, which in turn has a detrimental impact on financial performance (Duque-Grisales & Aguilera-Caracuel, 2021).
- Conversely, mining service businesses that implement international standards in corporate governance have the potential to outperform their competitors and produce superior financial results (Valenta, 2014, Standing & Hilson, 2013).

Stakeholder Theory

- Freeman (1984) stakeholders are any group or individual who can affect or is affected by the achievement of an organization’s objectives.
- Stakeholders play vital roles in the survival and development of a company.

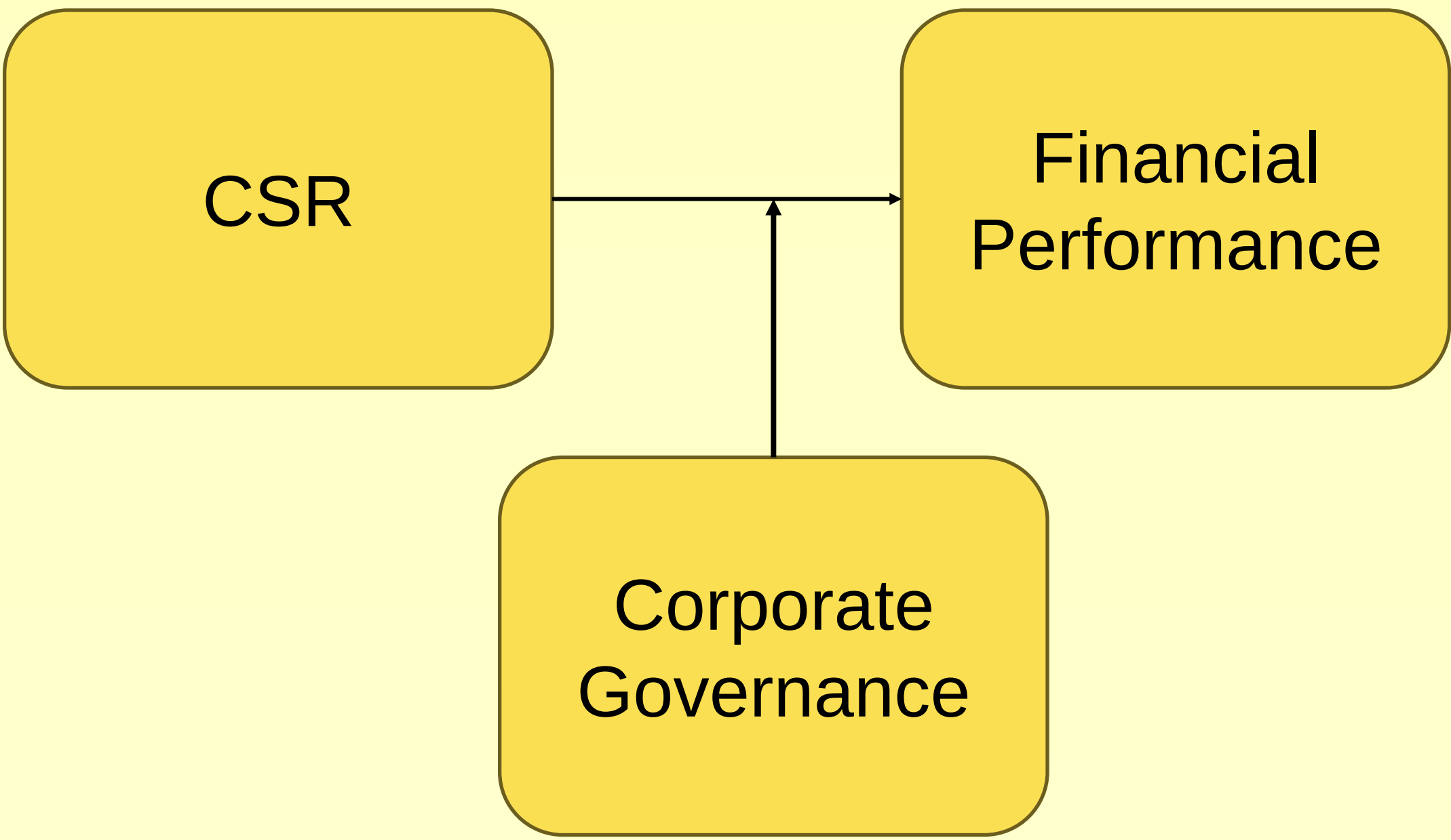
Stakeholders

- Chernatony and Harris (2000) classified stakeholders into internal and external:
- Internal stakeholders: managers, shareholders, company executives, employees and labour unions.
- External stakeholders: the public (i.e., the community and local residents), media and the government.

Objectives

- Relationship between CSR and financial performance.
- Examine the extent to which corporate governance moderate the relationship between CSR and financial performance.

Conceptual Framework



Methodology

- **Research design:** a sequential-mixed method design will be employed to investigate the complex nature of the relationship between corporate social responsibility and financial performance in the mining context.
- The qualitative and quantitative data will be collected simultaneously to address the key questions in the study.