

Case study

**A COMPARATIVE ANALYSIS OF CORPORATE SOCIAL
RESPONSIBILITY PRACTICES IN THE BANKING INDUSTRY.
THE CASE OF GHANA AND CHINA**

Abstract

Corporate Social Responsibility has become the norm and among the well accepted practices of organizations in the 21st Century. Even though it's not mandatory in most countries, the society has made it morally unacceptable for institutions to overlook these aspects of their operation. However, despite the acceptance in developed economies, organizations in developing economies are yet to come into terms Corporate Social Responsibility, what really it entails and the best practices. The issue of contention has been if they (the organizations) are mandated to contribute their quota to the growth of the economy by job creation, payment of taxes and other levies to the government (which is meant for this purpose), why should they further unburden their organizations with other practices such as CSR. This study juxtaposes the practices of CSR in some selected banks in two developing economies to determine the Corporate Social Responsibility practiced. The selected banks are considered very key as it covers the area of agriculture and other sensitive parts of their economy. Two banks were examined from each country to ascertain the similarities and differences of their practices of CSR. Secondary data from the banks website and Social Responsibility Report was examined and compared. The study enlightens the stakeholders on the practices these banks and also shows the way forward for the Ghanaian Banks on the current trend of CSR, such as resources allocation and action plan towards better

community and environment. Furthermore, practices of the selected banks may also act as references to other industries.

Keywords: Corporate Social Responsibility, Corporate Sustainability (Corporate Growth), Social, Economic, Environment, China, Africa, Ghana.

Introduction

Research works in recent times has placed much significance on corporate sustainability. Corporate Social Responsibility is an alternative to the traditional growth and profit maximization model. Sustainable banking industry and maximizing shareholder's wealth cannot be attained in today's ever growing and dynamic world solely through short-term profit but rather through a responsible behavior. Although the primary objective of corporations is to make profits (Friedman,1970), current businesses are expected to much concern to its stakeholders by getting involved with social issues. Advocate suggest that a way to increase the long-term profit and growth of banks is by being good corporate citizens. The World Business Council for Sustainable Development, in 1999 accepted that CSR can be described as a corporation's ethical behavior towards society. In further extension, The Conference Board of Canada (1999) introduced elements of CSR which are employee relations, creation and maintenance of employment, financial performance, human rights, environmental responsibility and investment in community outreach. One study through a survey concluded after interacting with the top performing companies with CSR programs that there is a positive correlation between CSR and Economic Development.

However, in the current era, the trend of CSR has changed and financials cannot be the only determinant of a company's sustainability.

CSR IN THE BANKING INDUSTRY

Current studies have considered CSR as a public relations issue still under discussion. According to Frankental P. (2001), CSR is an invention of public relations and it can only have real substance if it considers all with stakeholders' participation and reinforce this in its company objectives. Studies suggest that, there is a positive relationship between corporate social performance and financial performance the banking industry (Simpson and Kohers, 2002). The costs of being socially responsible are outweighed by improvement in productivity or other associated financial performance indicators, however the resources geared towards social responsible practices are not so high to make the bank unprofitable. Yeung (2011), suggested that in order to become a social responsible bank, there is a need to have a mindset which places much emphasis on "risk management, business ethics and corporate social responsibility through internal management of people and process; understand complex financial products and external management of economic situation for the benefit of stakeholders; protect the rights of customers with setting up channels for customers to address complaints."

In The 3Cs for Responsible Banking in Asia and the Pacific: Corporate Governance, Corporate Social Responsibility and Corporate Sustainability, United Nations "Economic and Social Commission for Asia and the Pacific" (ESCAP), highlighted two areas of potential CSR focus for banks and financial institutions: small and medium-size enterprises (SME) access to financing and green business financing. According to this report, banks have begun to pay more attention on CSR, adhere to international codes of conduct and offer financial products that take account of sustainability issues; but there is still significant room for improvement.

CSR IN AFRICA AND ASIA

In recent times, various research and literature on the meaning of CSR in Asian and African organizations has resolved that (Khan & Atkinson,1987; Khan,2005; Visser,2008) in order to develop suitable CSR principles and modules organizations must consider the various aspects of CSR. Some studies suggested that most of the CSR initiatives in this parts of the world are purely philanthropic (Mohan,2001; Visser,2008) while internationally, CSR activities go beyond this (Arora & Puranik,2004; Belal,2010; Welford, 2004). The focus of the world shifted to the banking sector in the rise up to the 2008 economic crisis when countries of the world used large public funds to manage the crises. After the crises, many were concerned about how to restore the confidence in the financial institution. The issue of CSR was raised as part of Corporate Governance which emphasized on the financial institutions being good corporate citizens. A research by Visser(2008) revealed that, Economic responsibility still rank higher in terms of emphasis in Africa. While philanthropy ranks the second, legal and ethical responsibility follows in sequence. He also identified that regarding economic responsibilities, corporate social responsibilities were to generate investment and income, produce safe product and service, create jobs, invest in the human capital, support technology transfer and build physical and institutional infrastructure.

According to Forstater et. al., (2010), the UN Global Compact is one of the most widely adopted CSR initiative in Africa with the established of 11 networks in the African continent. The Executive Council of the African Union (AU) in promoting Africa's regional and continental integration agenda announced its decision to facilitate the critical role private sector plays in the socio-economic development.

OVERVIEW OF CSR IN CHINA

CSR in Chinese business has been linked to the case of Confucian classical philosophy which says before you satisfy yourself in business, make sure others

101 are satisfied. Studies in China has emphasized that CSR is businesses can benefit
102 in tremendous ways if the society they operate in is comfortable, this intend creates
103 a long term benefits for the organizations.

104 According to Bingjun Li et al, (2014), CSR has been part of the Chinese society as
105 far back as 2500yearsago in the era of the Spring and Autumn. The studies
106 revealed that, CSR in the Chinese context, had much to do with the Confucian
107 virtue of *Yi*, which means righteousness: using the principles or norms of obtaining
108 and distributing benefits. *Li*, which happens to be the oppositeof *Yi*means the
109 benefits and profits of one elves. According to the Confucian philosophy,the
110 relationship between *Yi* and *Li* which says that a person of noble character
111 understands *Yi*, while a lower person only knows *Li*. Businesses with *Li* character
112 just pursues short-term profit and self-interest, while a *Yi* business regards longer-
113 term and broader gains. Base on the scenario, the Chinese ancient philosophy of
114 CSR (*Yi* rather than *Li*) can be interpreted as being ethical, rather than simply
115 profit-oriented. CSR in China has been the “*ideological and political work*” of the
116 administrative departments. The Chinese government has frequently used
117 awareness campaigns to promote corporate social responsibility, for example, by
118 holding meetings and conferences, and displaying slogans such as “*serve the*
119 *people*” and “*socialist spiritual civilization*” etc.

120 . The rise of the Chinese state banks in adopting best practices of CRS has given no
121 room for private banks to avoid following in that suite. It has to be noted that with
122 the high population in China, the government cannot be the only source of national
123 development for its citizens therefore the need for the private sector to join. The
124 role of the private sector in national development is seen in terms of core business
125 of investment, training and technology development and also partnership and
126 support to build the institutions, policies and local capacities needed for a

127 sustainable economy (A survey of Chinese business and executive by fortune
128 Magazine China,2010).

129 The growth of CSR in China has in many aspects taken the trail of international
130 best practices making it comparable. Initially, multinational and Chinese
131 companies took the approach of sponsorship of local education, sporting activities,
132 tree planting and other small-scale environmental and community efforts.

133 In 2008, the State owned Asset Supervision and Administration Commission of
134 State(SASAC) published the guidelines on CSR. It is seen as the way for enterprise
135 to contribute to China's national development goals. Perhaps more than anywhere
136 in the world, CSR is focused on ensuring compliance on social and environmental
137 issues. However, the trends are moving rapidly into strategic stage where business
138 can gain a competitive advantage by aligning their strategy to address societal
139 concerns and further towards the civil stage where broad industry actions is aligned
140 to national sustainable development priorities.

141 **OVERVIEW OF CSR IN GHANA**

142 The practice of CSR in Ghana is predominantly high in large multinational
143 enterprise. Ghana is a growing economy with a high domination of the foreign
144 banks, which makes it most common to have them publishing and practicing the
145 best CSR. The banking industry in Ghana has a special award dedicated to CSR
146 which seeks to praise the banks that engage in the growth of the country. The
147 concept has been that businesses are part of the Ghanaian society, and this gives
148 the firms the responsibility to contribute to community and national development.
149 Initial stages of banks in Ghana may not view organizational stability as a main
150 concern. They will strive for growth to create a dynamic rapid evolving
151 organizations that become a recognized force in the industry. Stability sounds like

152 a company that is standing still. Nevertheless, this long-term goals of income
153 growth and increased profits can be served by maintaining stability with certain
154 aspect of the bank.

155 **Measuring CSR**

156 Since the 1970's researchers have adopted various ways to measure corporate
157 social responsibility, however the result from most of these attempts has normally
158 come with mixed feelings. Partly as a result of difficulty in deciding what should
159 be measured for measurement purposes. Boone,1984 categorized CSR as;

160 **Community Projects:** These covered developmental activities that company's
161 played a significant role or provided substantial support. These include civil and
162 cultural programs, youth activities, student and social activities and local earth
163 programs.

164 **Contributions:**This covers activities such as educational programs, federate
165 drives, Health awareness and other activities that can have serious consequence on
166 the society if not prevented.

167 **Equal employment opportunities:** This was in regards to eliminate
168 discrimination which gives preference to the abled, men and majority group. It
169 determined company's willingness to give equal employment opportunities to
170 women, the disabled and minority groups.

171 **Environmental concerns and energy conservation:** Environmental and Energy
172 conservation has been a major threat to the ecosystem, this seeks to see policies
173 procedures organizations have in place to conserve them.

174 **Voluntarism:** This measure according to the number of hour contributed by
 175 persons loaned to or a given lease time for public service work, this is to encourage
 176 individual involvement.

177 **Social Investment:** These include those that would not otherwise have been made
 178 under the company's customary lending standards or those in which social
 179 consideration played in the investment decision, organizations that are focused on
 180 corporate social responsibility growth will proactively promote the public interest
 181 in encouraging community growth and development. By having a positive impact
 182 on the society, the organization are also making a difference to themselves. It is not
 183 only when it comes to profit but also how the employee thinks and the economy.

184 With the increasing importance and demand of CSR, it is worthwhile to determine
 185 CSR impact on corporate sustainability in the banking sector. This study aims at
 186 investigating:

- 187 ● The nature of CSR practiced by banks in Ghana and China.
- 188 ● The similarities and differences in the practices of CSR among the selected
 189 banks.
- 190 ● To what extent does CSR affect Corporate sustainability of the banks
- 191 ● To what extent does their policies impact the society?

192

193 **BANK OF CHINA (BOC)**

194 BOC's mission of "promoting social welfare and contributing to a prosperous
 195 nation" were adhered to and it vigorously carried out its development strategy of
 196 serving the society, delivering excellence and adoration of the people first

197 approach. The Bank’s core values of “pursuing excellence” and the corporate
 198 cultural spirit of “integrity, performance, responsibility, innovation and harmony”
 199 has been the anchor of being customer-centric, market-oriented and technology-
 200 led, worked with its various stakeholders to make contributionsto the development
 201 oftheir economy, society and environment.

202 Stakeholders: The bank believes that social responsibility is important for creating
 203 and maintaining long-term core competitiveness, forging closer relationship with
 204 stakeholders and enhancing brand value. With this mind set, the bank has
 205 developed a module it believes showing the involvement of its stakeholders.

206 **Table 1.** Involvement of Stakeholders

Stakeholders	Expectation	Response
Country	Implement national macroeconomic policies. Promote transformation of economic growth mode.	Promote RMB internationalization, One Belt and One Road and other strategies and support industrial structure upgrading and development of medium, small and micro enterprises.
Supervisory Authority	Stick to legal compliance and maintain financial stability	Strictly abide by laws and regulations, improve the comprehensive risk management system, propel legal compliance of G-SIFI’s, and strengthen internal control and fraud case prevention

		mechanism, to prevent all kinds of financial crimes.
Shareholders	Keep creating value for shareholders. Exercise the right to know and decide.	Advocate prudential operation, improve corporate governance, strengthen investor relations management and disclose information in a compliant manner.
Customer	Protect consumers' rights. Improve inclusive of financial services. Enhance service quality.	Safe guard the safety of customer information and assets, organize educational activities on consumer financial knowledge, strengthen internet finance innovation of banks and diversify service channels and product.
Employees	Protect the legal interests and right of employees. Promote career development.	Enhance democratic management of employees, optimize the training system and improve the remuneration incentive plan.
Community	Give back to communities. Fulfill global corporate citizenship responsibilities.	Support the development of educational undertakings and jointly build communities.
Environment	Protect environment and promote sustainable development.	Specify and implement the green credit policy and persist in green office and green purchase.

207 * Bank of China CRS 2014

208 Corporate Governance: CSR plays a significant role in BOC’s business operations
 209 and is incorporated into her strategy, in the area of corporate governance, BOC
 210 strictly abides by the regulations and laws in China, and observes the rules and
 211 guidelines issued by various regulatory bodies, such as Shanghai Stock Exchange,
 212 Hong Kong Securities and Futures Commission, and the Stock Exchange of Hong
 213 Kong. Moreover, various Board Committees are set up: Audit, Nomination and
 214 Remuneration, Risk, Strategy and Budget, and Management Committee, to take
 215 care of relevant matters.

216 **Contributing to Charity and Public Interest:** The bank assumed it’s
 217 responsibility as a global citizen and tapped into various platforms and its own
 218 strength to support poverty alleviation and cultural undertakings. It helps fight
 219 against natural disasters and devote itself into community and public interest. With
 220 much emphasis on poverty alleviation over the past 13 years continuously, the
 221 bank has supported local infrastructure construction and developed related
 222 industries to create conditions for increasing income in poverty-stricken areas. In
 223 September 2014, the bank lunch the “visiting people, benefiting livelihood and
 224 warming hearts” serial activities in Xinjiang.

225 **Supporting Cultural and education undertakings:** The Bank has greatly
 226 supported the development of education and cultural & art undertakings. Since
 227 2008, BOC has been the contracted strategic corporation partner of National
 228 Centre for the Performing Arts in China for seven conservative years, promoting
 229 cultural and arts exchange between China and the world. The bank is also the
 230 executive sponsor of student loans for higher education institutions under the
 231 ministries and commissions of the central government, from 2004 till the end of
 232 2015.

233 **Agricultural Bank of China (ABC)**

234 In recent times, enterprises are built to place much emphasis on people's
235 livelihood. Engaging in more social responsibility has now become the consensus
236 of global governments, enterprises and the public in general. It is believed that,
237 enterprises that show care for employees, serve customers, protect environment,
238 repay the society and create value can win social respect and consolidate the
239 foundation for sustainable development, Liu Shiyu(ABC Chairman,2014).

240 The development and growth of the society has been the main vein of the corporate
241 culture of ABC. Their CSR philosophy of "giving priority to responsibility,
242 benefiting the general public, taking the lead in fulfilling responsibilities,
243 promoting the well-being of the society" has been the marrow of the corporate
244 culture of ABC. Taking root in and serving "Sannong" are the historical heritage of
245 ABC.

246 **Corporate Governance:** The bank pays great attention to the requirements of the
247 policies of the government and the regulatory authority and has finally identified
248 the Key Topics of ABC Social Responsibility by collecting the key expectations
249 and appeals of stakeholders, the opinions of departmental heads and experts, and
250 the hot issues of the banking industry that the public is concerned about on the
251 basis of taking into account its own development strategy. The key expectations
252 include, "Serving Sannong, Supporting the real economy, Alleviating poverty,
253 Improving people's livelihood, Assisting in environmental protections, Optimizing
254 services, Taking delight in public welfare, Helping employee succeed.

255 **Stakeholder Participation:** By sorting out the characteristics of its own business
256 and operations, the bank classified its major stakeholders into government,
257 regulatory authority, shareholders and investors; customers, employees, suppliers

258 and partners; and public, communities and environment. It identified stakeholders
 259 through scientific methods and steps up the communication and exchanges with
 260 them to find out about their appeals in the field of social responsibility and the use
 261 of responsibility practices to actively respond to their concerns, promote their
 262 participation and join them in creating a beautiful future for themselves and the
 263 generation unborn.

264 **Table 2.**

Stakeholders	Expectations & Appeals	Responses & Methods
Government	Increase efforts to support real economy. Promote the implementation of national strategies. Serving the countryside financially. Promote mass entrepreneurship and innovation. Achieve the steady growth of taxes. Expand employment.	Orient around “serving Sannong”, expand coverage of country financial services, increase credit issuance, total of “Sannong” related loans have maintained “rate of increase higher than that of the past year “for continuous years. Supporting “the Belt and Road initiative”, the Yangtze River Economic Belt project, and “the integration Beijing-Tianjin-Hebei Regions. Direct our resources towards mass entrepreneurship and innovation movement though innovations in product and methods, fully supporting development of

		entrepreneurs.
Supervisory Authority	Operate in good faith and comply with laws and regulations. Maintain financial stability. Strengthen comprehensive risk management system.	Improve the major risk management policy framework, make sure it is layered, scientific and full-coverage.
Shareholders and Investors.	Create sustainable value returns. Improve corporate governance. Strengthen the management of investor relations. Disclose information completely, truthfully and accurately.	Continuous improve corporate governance structure. Increase the values of shareholders. Upgrading investors' hotline, return every call ASAP, and make sure small and medium investors' right are fully protected and heard.
Customers	Continuous enhance service quality. Intensify the capabilities of electronic services. Maintain the rights and interests of customers.	The Boeing Project is fully operational, realizing the goal of customer-centered, fast product innovation and fully improve management abilities. Strive to be the first-rate information bank that focuses on technological innovation capability, production and operational safety and IT governance system.Strength customer rights protection, creating a healthy financial environment, always keep customer rights

		protection in mind.
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* ABC CRS REPORT, 2015

266 **Creatively promoting Agricultural Modernization:** ABC responded actively to
 267 the decision of pushing forward agricultural modernization development, firmly
 268 established in the concept of innovative development, and focus on key links in
 269 and industries. The bank stepped up innovative efforts in service object, service
 270 products and service models and other aspects, and effectively improve the breadth
 271 and depth of services for modern agriculture.

272 **Supporting the Construction of beautiful and Livable Countryside:** ABC has
 273 actively implemented the concept of green development, extends green financial
 274 services, effectively promotes green development in rural areas, adheres and
 275 speeds up rural constructions. The bank helps common people to live better,
 276 boosting the construction of “beautiful countryside” that is more suitable for living,
 277 working and traveling, and truly realizing happiness and well-being for all.

278 Forcefully pushing forward targeted poverty alleviation and poverty eradication:
 279 With “Sannong” being at the heart of the bank, financial poverty alleviation work
 280 has been both a responsibility and an honor to the bank. According to the spirit of
 281 the Poverty Alleviation and Development Conference held by the central
 282 government, the duty of ABC is crucial for poverty. The Central Government
 283 issued Guidance Opinions on Financial Services for Precise Poverty alleviation.
 284 The bank “grasped the pulse” in poor areas and focus on precise poverty
 285 alleviation, not only “transfuse blood”, but also “make blood”. With sincere
 286 services, the bank has made great contributions to promoting economical social
 287 development in poor areas and in helping poor farmers prosper.

288

289 **Agricultural Development Bank of Ghana (ADB Bank)**

290 ADB Bank believes that making short term returns is not the only concern of the
 291 company in its day-to-day operations. The bank is of the believe that committing
 292 some tokens to worthy causes gives some satisfaction not only to the members of
 293 the communities in which it operates but also among their workforce who feel
 294 proud knowing that they are contributing to community empowerment and growth.
 295 Having won the Ghana Banking Award's Most Social Responsible bank twice on
 296 the trot, ADB Bank believes that their ability to support many social projects also a
 297 plays a significant role in building customer loyalty and has supported the less
 298 privilege and other just causes while continuing to adhere to distinctive ethical
 299 values.

300 ADB Bank highlighted 4 areas that are much important to them, this include:
 301 Corporate Governance, Stakeholder engagement.

302 **Corporate Governance:** The bank has proper structure for the implementing the
 303 best corporate practices, the core guiding principles of the bank's governance
 304 practices are; Enhancing shareholder's value through good corporate governance,
 305 The respective roles of shareholders, Board of Directors and management in the
 306 governance architecture should be clearly defined, some of which include,
 307 Majority membership of independent directors in the size of the Board of
 308 Directors, Independent directors is defined broadly as directors who are not
 309 employed by the bank, who are not affiliated with the organization with significant
 310 financial dealings with the bank. These principle has been articulated in a number
 311 of corporate documents of the bank including the Bank's regulations, rules and
 312 procedures for boards, a code of conduct for directors and rules of business ethics
 313 of staff.

314 **Stakeholder:** The bank recognizes the importance of engaging with various
315 stakeholders thus customers, employees, shareholders, government and regulators,
316 suppliers and the general public, in achieving its business goals and upholding their
317 CSR commitment. ADB has in place customer-centric banking services to help
318 address customers' needs. It gathers feedback from customers through survey and
319 communication between customers and front-line staff. It also has a Customer
320 Personal Data Protection Policy to guide departments in collecting and protecting
321 customer information properly.

322 For shareholders, channels have been put in place to collect feedback from
323 shareholders, they also have the rights to obtain available information of the bank,
324 make proposals at annual general meetings.

325 For government and regulators, the bank adheres to laws and regulations strictly
326 and observes the rules and guidelines issued by regulatory authorities. Close
327 communication is maintained with regulatory authorities as the central bank
328 observes the banking industry closely. The company also actively participates in
329 various committees of governmental or industrial bodies as it places vital part in
330 the government policies in enhancing the agricultural sector.

331 In regards to employees, the bank treasures people as the most important asset. It
332 aims at providing a people-oriented culture to employees, for instance, having a
333 fair and transparent recruitment policy which speaks against discrimination on
334 grounds of race, religious, sex, marital status, sexual orientation, disability or age,
335 providing good working conditions and occupational development opportunities
336 for employees, and providing open and transparent communication channel for
337 employees etc. The bank has Staff Code of Conduct which govern workplace
338 practice. The company provides competitive remuneration packages and incentive
339 schemes to reward employees with good performance. To have a work-life

balance, the company organizes a range of recreational activities for staff, free and regular body checks are provided. Staffs are encouraged to participate in volunteer services eg. Blood Donation, Cancer and other health treats. Also, regular visit by Senior management to various branches also forms part of collecting feedback from staff and customers in other to enhance its contribution to all stakeholders.

GCB Bank

GCB bank formally known as Ghana Commercial Bank is to a large extent the leading bank in Ghana in terms of market share. With majority of the citizens banking with them, the bank recognizes the interdependence relationship between her and the community. This has resulted in a continuous investment in communities and also provide support to make the society a better place for all. The bank has embarked on several number of initiative in the areas of providing educational finance to schools, provided financial aid to disaster victims as well as providing medical assistance to the needy ones. The environmental and sporting initiatives has also been at the heart of the bank. The bank wining the Best CSR Bank of the year on several occasions than any other bank in Ghana, uses a variety of top-down and bottom-up approaches to effectively engage her stakeholders which include customers, staff, shareholders, suppliers, business partners, regulators and the community and has put great efforts in four areas which can be obtained from the banks website: Corporate Governance and Business, Stakeholders, Environment, and Community Investment.

Corporate Governance: The Board of Directors commits to high standards of integrity and ethics. The bank has is committed to string corporate governance practices that allocate rights and responsibilities among the Bank's shareholder, the Board and Executive Management to provide for effective oversight and management of the bank in the manner that enhances shareholder value. Matters

366 relating to risk management governance, internal control, policies and practices on
367 compliance with legal and regulatory requirements are considered by the Board.
368 The bank follows the guidelines and requirements set by the Bank of Ghana and
369 the Ghana Stock Exchange Limited. The Board has set up five committees – Audit
370 and Compliance, Human Resource and Remuneration, Risk and Capital, Large
371 Credit Exposure and Nomination to oversee different important aspects. Front line
372 staffs are also operating ethically, honestly and with full accountability to maintain
373 the corporate reputation.

374 **Stakeholders:** GCB is seen as a beacon of the public and so has made their
375 stakeholders a very delicate part of its operation. Its major stakeholders include
376 customers, shareholders, suppliers, staff and government. For customers, the bank
377 has a standardized complaint handling procedure to ensure customer feedback is
378 dealt in an efficient manner that conforms with the service pledges. In providing
379 services to customers, the bank provides clear, transparent and balanced
380 information to customers; and the bank ensures the privacy of customers' personal
381 information. The bank has formulated a set of "Privacy Principles" to guide staff in
382 protecting customer details. GCB also offers a wide range of products specifically
383 for small and medium-scale enterprises (SME) under the theme Sustaining SME
384 Opportunities in Today's market" which empowers entrepreneur to maximize
385 returns and enhance the bottom-line, create more new employment opportunities.

386 For suppliers,GCB Bank has strict standards for assessing suppliers, such as
387 requirements on environmental, social and ethical practices. Suppliers have to
388 comply with the banks procurement policies. For instance, suppliers are required to
389 comply with her Ethical and Environmental Code of Conduct for Suppliers of
390 Goods and Services, suppliers have to respect human rights of employees and
391 individuals, and to comply with relevant legislation and regulations. Suppliers also

392 need to complete a questionnaire covering environmental issues during the tender
393 process. The bank has stringent procedures governing staff conduct when handling
394 procurement issues.

395 For staff, employees are the relationship builders and public face of the business.
396 GCB provides wide range of staff training and development programs to its
397 employees. Various training was offered to employees' depending on the position
398 on areas which include financial knowledge, banking products and operations,
399 compliance, risk management, leadership and management skills and sales and
400 relationship management.

401 **Environmental:** the bank aims to serve as a catalyst for positive environmental
402 change among manufacturing companies, e-Banking services has been the way
403 forward with paperless office gradually gaining its grounds in the bank.

404 **Community Investment:** GCB Bank has initiated and currently participates in a
405 wide range of activities to promote social development, personal empowerment
406 and long-term economic growth for the communities and the bank. Very prominent
407 initiative by the bank includes providing infrastructural development in school as
408 well as provide scholarship to outstanding basic, secondary students. The Bank
409 seeks to support domestic companies with the view of nurturing them to bolster the
410 economy and to become competitors at the international level. In promoting arts
411 and culture and sports among youngsters, the bank has sponsored various youth
412 and players of the creative art industry.

413

414 **DISCUSSION AND ANALYSIS**

415 After a close review of the CSR practices of the 4 leading banks in Ghana and
 416 China, below is a summary, listing the areas they specifically mentioned in their
 417 websites, Sustainability or CSR reports

418 Table 3. Areas of CSR which BOC, ABC, ADB and GBC Bank mentioned (For
 419 those items with * mean that they are heavily involve in)

	BOC	ABC	ADB	GCB Bank
Corporate Governance	*	*	*	*
Stakeholders:				
Shareholders	*	*	*	*
Employee	*	*	*	*
Customer	*	*	*	*
Suppliers	*	*	*	*
Government	*	*	*	*
Regulations	*	*		
Community Investment				
Education	*	*	*	*
Donation	*	*	*	*
Volunteering	*	*	*	*
Environment	*	*		

420

421 **SIMILARITIES AND DIFFERENCES**

422 **SIMILARITIES**

423 From the table above, it can be determined that the banks have similar practices of
 424 corporate social responsibility practices even though the banks have different
 425 names for its various activities. The researcher categorizes CSR into 4 areas
 426 namely; Corporate Governance, Stakeholders, Community Investment and
 427 Environmental. Regarding stakeholders, it's coverage was quite broad;
 428 Shareholders, employees, customers, suppliers, government, Regulators.
 429 Community Investment also seeks to identify the bank's commitment in Education,
 430 donation, volunteering.

431 Both banks in these two countries specifically mentioned and carried out good
 432 corporate governance practices. From their various reports, it can be identified that
 433 strong adherent practices are in place with well-structured organizational structure.

434 Stakeholders has been identified as key players in order for the bank to survive into
 435 the near future. Banks have demonstrated that with attesting to that effect. The
 436 banks in China went a step further in compiling a table with various stakeholder
 437 expectation and their response to them which is quite emulating. This helps in
 438 achieving business goals and CSR in the best interest.

439 All the banks mentioned in their report and website their investment in various
 440 community in the area of poverty reduction, educational aid, health support,
 441 donation in various areas of needs and volunteerism which is quite positive for
 442 CSR practices.

443 **DIFFERENCES**

444 Irrespective of the high similarities between the banks, there exist some differences
 445 which to a large extent, cannot be taken cannot be taken out of CSR practices.

In the aspect of environmental, BOC and ABC has worked hard to reduce remission and highly conserved energy. They have promoted and supported technologies in the area of energy savings and other environmental protection aspects. The two banks have strict laws against the issuance of funds for any company engaged in activities that are not environmental friendly while the two banks in Ghana have done little or nothing in this regard. Much attention should be placed on this area to ensure sustainable development that is meeting the needs of the present without compromising the ability of the future generation to meet theirs. (Brundtland, 1987).

With regards to regulations, BOC and ABC has gone ahead in accepting and practicing best CSR reporting by the requirement of Global Reporting Initiative (GRI) and others which outlines best CSR initiatives and proper disclosure of CSR activities. ADB and GCB Bank has done little or nothing in this regard making it difficult for their stakeholders to know and acknowledge their responsible activities to the society.

In terms of details disclosure, BOC and ABC has clearer description about its CSR practices in more different areas. With reference to table 1 and table 2, the banks mentioned its various engagement with various stakeholders in a much clearer and greater details.

The long term goals of revenue growth and increased profit can be served by maintaining stability with certain aspects of the banks. With CSR, the bank can achieve sustainable growth. CSR helps the banks in this notable aspect as follows; Customer retention and Increase in Market Share: CSR has been proven to be of great help in maintaining customer loyalty which is important for companies because it is costlier and difficult to attract new customers than to retain existing customers (Mandhachitara & Poolthong, 2011). Customers in 21st Century choose to

do business with companies that have a reputation of being socially responsible. Businesses that has shown their commitment to the community and environment can result in higher customer satisfaction. These satisfied customers are more likely to continue to do business with the company. Thereby resulting in a stable, loyal customer base which is a valuable asset of this industry.

Positive Image on Employee satisfaction: Banks that have ethical lapses such as ignoring standards for how employees should be treated can suffer damage to their reputation when it comes to employee retention and maintaining of high profile skilled employees. The banking industry is one of the industries that has very sensitive customers and would cry foul when employees are changed so often. It tends to create undue tension for the bank because when it comes to money issues, consistency in relationship managers and other employees are key. A company's image affects all of its stakeholders and making it unstable. Nielsen Group reports that during a recent survey asking employees if CSR was important to them, 67 percent of the respondents replied that it was either strong or essential to them when it comes to choosing the right employer.

Competitive Advantage: Companies in recent years' companies has come into terms with the fact that when CSR is practiced well, it can create significant benefits in terms of reputation and returns. Husted and Allen (2001) stated that CSR strategies can create a competitive advantage when used properly, pointing out that there are positive benefits associated with CSR actions. By showing the uniqueness of the community's value to the banks, they create a preference for them over their competitors (Holme, 2010). Zadek (2005), identifies three generations of companies in relation to their responsible competitiveness. First generation companies have short-term, pain alleviation strategy. Second generation

497 companies establish strategic planning risk management policies,third generation
498 companies incorporate the concept of social responsibility into their strategy.

499 Tailored Made services: Getting closer, engaging in CSR activities gives banks the
500 opportunity to know the other banking needs of their clients, the challenges others
501 are facing in the banking industry and design new products and services to meet
502 this client.

503 With the growing demand from society for corporations to support the
504 communities they operate, it is becoming clearer the important part companies play
505 in the development of the society. A company cannot progress positively in a
506 retrogressing society (Adeyanju, 2012), Companies have contributed to the
507 development of society in various activities in the area of education, poverty
508 alleviation, environmental protection and very sensitive areas which make the
509 society a better place.

510 **Conclusion and Recommendation**

511 Corporate social responsibility has grown to be inevitable in business practices and
512 customers today more or less anticipate companies to be socially responsible. To
513 build and sustain a competitive advantage to enhance profitability, corporate
514 bodies/groups should integrate the concept and best practices in their companies.
515 Customers have become very much aware and very complicated of their
516 environment against the perception that corporate organizations make a lot of
517 profits, it becomes imperative for these companies to put back into the society
518 through corporate social responsibility initiatives.

519 From the analysis above, it is evident that corporate social responsibility has a
520 positive effect on the society which in the long run, provides sustainability for the
521 banks. It has clearly been displayed by the banks and its quite commendable.

Although the selected Banks in Ghana has done little on their website for their various stakeholders to know what they do in terms of CSR and to what extent it is transforming lives. The selected Banks from China has gone far ahead with their presentation and well struck out strategic corporate social responsibility practices. Notwithstanding the wide acknowledgment of Corporate social responsibility, it yet still deserves greater responsiveness and more commitment from corporate organizations especially in the developing economies. This offers an opportunity to the corporate world to think out of the box and explore other potentially viable areas to improve on their products and get to the heart of the various stakeholders which will go a long way to ensure the longevity of the organizations.

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