

THE COORDINATION OF CORPORATE SOCIAL RESPONSIBILITY IN SUB-  
SAHARAN AFRICA: THE CASE OF TRANSNATIONAL CORPORATIONS IN  
CAMEROON

By

JULIUS CHE TITA

A DISSERTATION PRESENTED TO THE GRADUATE SCHOOL  
OF THE UNIVERSITY OF FLORIDA IN PARTIAL FULFILMENT  
OF THE REQUIREMENTS FOR THE DEGREE OF  
DOCTOR OF PHILOSOPHY

UNIVERSITY OF FLORIDA

2011

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To my wife, Valerie and our kids Cece, Dylan and Ella  
who have supported me throughout this process

## ACKNOWLEDGMENTS

Many people have been of assistance to enable reach this end. I will like to appreciate the enormous and dependable guidance of my advisor and committee chair, Dr. Juan-Carlos Molleda. I have been fortunate to benefit from his dedication, inspiration and patience. I am grateful for the opportunity to have worked with him. I am also grateful for the guidance offered by the other members of my committee: Dr. Spiro Kiouisis, Dr. Michael Leslie, Dr. Linda Clarke and Dr. Virginia Maurer in the completion of this dissertation.

I want to thank Mr. Henry Muluh for introducing me to the University of Florida after attending a summer institute in 2007. A very special thank you, goes to my friends: Arrey Obenson, George Fonderson, Ben Fondufe, Yomba Simo, Robert Abunaw and Tabi Ebai for the support they've offered me over these years. Thanks for your encouragement. A very special thanks also goes to two people to whom I owe my deepest gratitude, my mother, Beatrice Feh and my father, S. N., for everything I am today. Their unwavering faith and confidence in my abilities has been my inspiration in life. Many thanks also go to Papa Joe Asaba who has been a constant source of advice about family, life and work. It is a pleasure to thank my sisters: Cathy, Susan, Debs, Sabina, Teza and Andin for their unending love and support.

I am indebted to the kind-hearted attention given to many numerous inquiries by Jody Hodge, Kimberly Holloway and Sarah Lee throughout my stay at UF. I also want to thank and acknowledge the financial assistance of Center for International Business Education and Research (CIBER UF) and the UF Graduate Minority Program in the completion of my fieldwork.

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Abstract of Dissertation Presented to the Graduate School  
of the University of Florida in Partial Fulfillment of the  
Requirements for the Degree of Doctor of Philosophy

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Julius Che Tita

August 2011

Chair: Juan-Carlos Molleda  
Major: Mass Communication

The interdependence of the global community resulting from globalization has put the public relations of transnational corporations on the spot to cater for the different expectations of their host and home publics. Corporate social responsibility provides an opportunity for these corporations to establish and maintain beneficial relationships with their host and home publics. This study focuses on the coordination mechanisms used in corporate social responsibility (CSR) in sub-Saharan Africa by transnational corporations (TNCs). The study examines how the global CSR objective is maintained by the parent company in the subsidiaries in their bid to balance the international and local demands of their diverse stakeholders. The influence of the international business orientation on the kind of CSR activities carried out and how the role and importance of subsidiaries relates to the coordination mechanisms employed are examined. The study additionally looks at the importance of CSR and the motivation behind the CSR activities of the subsidiaries. Data for this study is generated from qualitative interviews of top and middle management staff and responses from a survey of over 100 subsidiaries of TNCs to answer the following research questions:

RQ1: What coordination mechanisms do TNC's employ in their CSR efforts in subsidiaries in Cameroon?

RQ2: Is international business strategy related to the strategic importance of local issues in the subsidiaries of TNCs?

RQ3: How does the importance of subsidiaries of TNCs affect the coordination mechanisms used in CSR initiatives?

RQ4: How important is the notion of CSR to corporate decision-making?

RQ5: What are the motivations for CSR?

Both the qualitative and quantitative research findings indicated that formalization was the most popular coordination mechanism used by TNCs in Cameroon with a lesser use of socialization and little evidence of centralization. The study also finds that the international business strategy of the TNCs is not related to the importance of local CSR issues. Positive associations were found between transnational, multinational and international business strategies and local CSR. Positive associations were also found between the multinational business strategy and global CSR. The findings also indicated that limited human and financial resources are put at the service of CSR and although the CSR motivations of the TNCs strongly favor business and moral motives, the moral motives outweigh those of business. The quantitative data from the study failed to support the relationship between subsidiary role and importance with the use of coordination mechanisms.

## CHAPTER 1 GENERAL INTRODUCTION

Public relations practitioners for transnational corporations (TNCs) face the unenviable task of simultaneously responding to the expectations of diverse stakeholders present in their host and home environments as their corporations expand abroad. Globalization has facilitated the establishment of foreign subsidiaries as a result of the proliferation of global and regional economic unions; faster, easier and cheaper transportation; and technological advances in communication and information processing. The increase in international business has also been marked by deteriorating global environmental conditions and a noticeable decline in the social and economic circumstances of the communities that harbor these new extensions especially in developing countries. The rich natural resources and the cheap labor present in the sub-Saharan region offer TNCs a likely destination for international expansion. The ill effects of globalization in the sub-Saharan African region following the increasing establishment of new subsidiaries have been more dramatic because of the existing poor socio-economic conditions prevalent.

Developments in communication characteristic of globalization have also empowered activist organizations with a global reach to become vigilant and sometimes hostile to the operations of TNCs especially in the developing world. There is an established consensus that TNCs should be more responsible in addressing the social issues that occur in society. As a result, public relations practitioners in TNCs are not concerned only with meeting the various needs of their local publics present in the location of the subsidiaries but also attending to the concerns of their stakeholders who

may not be in their home environment but who are usually likely to have contrasting demands to those of the host environment.

In order to fully exploit the opportunities available internationally, TNCs adopt various strategies that demand different organizational configurations and distinct business attitudes and behaviors that have been fashioned to suit their products and/or services. Public relations practitioners operate under these business configurations in the delivery of their services to stakeholders. The public relations function in this complex international environment is not made any easier by the organizational strategy that was not designed to accommodate a seemingly non-economic activity like CSR. It is against this background that this study examines the management of corporate social responsibility (CSR) by TNCs in sub-Saharan Africa by focusing on TNCs in Cameroon.

### **Purpose of the Dissertation**

The purpose of this study is to discover how TNCs in their bid to cultivate build and maintain relationships with their stakeholders, coordinate their CSR efforts between the head quarters and the subsidiaries in sub-Saharan Africa. The unit of analysis will be individual corporations and the unit of measurement will be their CSR projects. It will examine the various coordination strategies and tactics used to implement CSR efforts in the local environment. The study will assess how important CSR is to these TNCs and examine the likely motivation that drives the CSR programs of the subsidiaries of these TNCs. The study will also locate the where CSR is appears on the organizational structure as well as identify the kind of CSR that these TNCs take pride in implementing.

## **Research Questions**

Specifically, the research questions that will guide this study are:

- RQ1: What coordination mechanisms do TNC's employ in their CSR efforts in subsidiaries in Cameroon?
- RQ2: Is international business strategy related to the strategic importance of local issues in the subsidiaries of TNCs?
- RQ3: How does the importance of subsidiaries of TNCs affect the coordination mechanisms used in CSR initiatives?
- RQ4: How important is the notion of CSR to corporate decision-making?
- RQ5: What are the motivations for CSR?

## **Relevance**

CSR although a relatively new field, has garnered considerable attention in terms of research and practice in developing countries and in Asia. This is not the case in sub-Saharan Africa, a region that is inundated with enormous social, economic and political needs. CSR is significantly impacted by the context of the environment. CSR is important as a new approach to attend to the socio-political and economic problems that plague this region. As a result of the potential of CSR to alleviate these needs, it is important that the circumstance in which CSR is performed is examined. This study dwells on the coordination of CSR by TNCs, first because the novelty of the concept of CSR in sub-Saharan Africa it means that it is likely that this phenomenon is more present in TNCs from developing countries and it is essential to examine how they balance the needs of their new environment and the requests from their stakeholders resident in their home environment.

## **Theoretical Framework**

This study will contribute to theories that have linked the institutional structure of TNCs and decision-making not only in public relations but this time in CSR and

international business. The main concepts that run through this study are: coordination mechanisms, organizational typology; global integration and local responsiveness; global and local CSR; the effect of institutional ethnocentrism on decision making; and stakeholder theory which demands the participation of all stakeholders in decision making. Examining the process of how TNCs coordinate CSR efforts in Africa will go a long way in resolving the difficulties of applying universal, often western, CSR standards to a developing country through their subsidiaries and operations and increase knowledge on how TNCs move away from unified global strategy to flexibly handle challenges in different settings. If CSR initiatives are increasingly being challenged for false motives, their quest for legitimacy must attend to how their content and implementation are adapted to the particular country or region in which they are taking place. Different societies demonstrate significantly different conceptualizations of CSR issues and deserve different implementation approaches.

### **Methodology**

This study, which examines the CSR coordination of TNCs in sub-Saharan Africa, will use the mixed method research strategy by implementing qualitative interviews and administering a survey. The mixed research strategy has the advantage of converging and corroborating findings to provide stronger conclusions (Johnson & Onwuebugzie, 2004). The mixed research strategy also strengthens both qualitative and quantitative research methods because each makes up for the weaknesses of the other. Specifically, the quantitative data of the survey method will add precision to the narrative provided by the interview reports that is needed to inform both theory and practice. While the qualitative interviews will examine 15 TNCs that represent the four

continents of Africa, Asia, Europe and North America the survey will be administered to over 100 TNCs purposively sampled from the Cameroon economy.

### **Summary**

This study will advance theory in that for the first time it will test the relationship between organizational structure and CSR strategy of TNCs in sub-Saharan Africa. Although coordination and control has been examined in international public relations (Molleda, 2000), it has not been studied in CSR in sub-Saharan Africa where, the socio-economic, cultural, and political environment is different. It will also be important for practice because it will examine how TNCs share the global and local CSR responsibilities since TNCs are increasingly expected to initiate CSR activities and are constantly being monitored by global civil society organizations. For public relations practice, it will document how CSR is managed in this part of the continent and provide future directions to corporations and public relations practitioners.

### **Outline of Chapters**

This dissertation will comprise ten chapters with the second introducing public relations, global public relations and its link with CSR. This chapter examines the variables that make global public relations very complex and the hostility that TNCs face from international activists. These variables include the environmental and contextual factors like: the political, economic and legal systems together with the level of activism, culture and the media. It also justifies why CSR should be domiciled in the public relations department despite forces that direct it to marketing, legal and human resource management departments.

The third chapter will review the literature of CSR to show that it is a new field in which multiple interpretations of its expression has made it difficult for scholars and

practitioners to easily agree on its definition and consequently its performance. Despite a lack of consensus in carving out its boundaries, its importance is increasingly relevant to curb some of the side effects of globalization and for sub-Saharan Africa in particular where it can become an approach to alleviate the problems that emanate from the poor socio-economic and political situation in which it finds itself. The chapter also discusses the motivations for CSR and attempts by the international community to organize the field of CSR. The various international efforts highlight the voluntary nature of CSR and heaps great responsibility on the shoulders of individual firms.

Chapter 4 reviews the national context of CSR in Cameroon by presenting the social, economic and political environment in which TNCs operate. It includes a brief socio-economic and political background of Cameroon, the growth of foreign direct investment in the country, and a look at national drivers of CSR and the influence of these drivers in the Cameroon context. This is important because of the variability of CSR and because these factors impact the definition and execution of CSR. The chapter will explain the traditional national drivers and address the likely implications of these drivers for Cameroon.

Chapter 5 reviews the management concepts of strategy, structure and the role of subsidiaries in the management of TNCs. It also discusses the importance and alternative application of coordination mechanisms used to integrate functions and activities in an international company because it is on these arguments that the coordination of CSR in the subsidiaries of TNCs in sub-Saharan Africa is based. Furthermore, the chapter reviews relevant literature in the coordination of public relations in TNCs and the limited literature on decision-making as regards CSR.

Chapter 6 calls upon the literature review to justify particular hypothesis regarding the research questions. Chapter 7 explains the methodology used to answer the research questions. It justifies the reasons behind its choice of in depth interviews used in the qualitative research section and the procedure for administering a survey to over 100 TNCs in Cameroon. It presents the sampling of companies, identifies the kind of data to be collected and explains the procedure for analyzing the data that will be collected from the interviews and the survey.

Chapter 8 presents the respondents of the interviews and a summary of the findings of the qualitative interviews. The results of the qualitative interviews are presented together with how the practices of TNCs answer the research questions. In Chapter 9, the nature of the participants and results of the quantitative survey are presented together with how the data answer the research questions. Additionally, this chapter describes the data collected and makes inferences about them. Chapter 10 synthesizes the results from the qualitative interviews and the survey to show how they support the hypothesis and the potential contribution to research in CSR in the international environment. It also presents the limitations of the study, outlines futures areas of research in CSR in sub-Saharan Africa as well as the implications for public relations practice in sub-Saharan Africa.

## CHAPTER 2 PUBLIC RELATIONS AND GLOBAL PUBLIC RELATIONS

This chapter recounts the origin of public relations that has usually been linked with the growth of democracy in the United States and also examines the development of global public relations that is credited to rapid advances in communication technology and global social interdependence. It also defines global public relations to identify common themes, practices, difficulties and characteristics. The chapter highlights the importance of developments in communication, information processing and the ease of transportation in the expansion of global public relations. However, the complexities, the hostility of NGOs, and the environmental factors that impact global public relations are emphasized. Eventually, a link is made with the centrality of social responsibility to global public relations in that CSR offers the opportunity for TNCs to justify their existence, improve their image and build relationships with their local communities in the light of rapid expansion of transnational corporations especially in the developing world.

### **Origins of Public Relations**

In the growth and respect for public opinion lie the foundations of public relations as a practice, a profession and a field of study. Despite various accounts of the increasing importance of people's opinions in ancient history, public relations is generally assumed to have formally developed in the United States in the 19<sup>th</sup> century (Sharpe & Pritchard, 2007; Wilcox, Cameron, Ault & Agee, 2006). While Sharpe and Pritchard, 2007, credit the development of public relations to the growth of democracy, communication and social interdependence, Wilcox, Cameron, Ault and Agee, (2006), attribute the growth of public relations to the presence of "multiparty political systems,

considerable private ownership of business and industry, large-scale urbanization, and relatively high per capita income levels, which also impacts literacy and educational opportunities” (p. 533). The respect for the rights and opinions of individuals and organizations in the increasingly democratic society experienced in the United States in the early 19<sup>th</sup> century have repeatedly been advanced as the proponents of public relations. Significant landmarks in the fight for democracy in the United States include the American Revolution and the Constitution and the Bill of Rights. Sharpe and Pritchard, (2007), identify some major developments that enhanced the public’s ability to impress upon management to consider their concerns. One of these includes the development of labor unions that gave workers a collective voice and advocated the improvement of workers’ conditions. Another is the collapse of the stock market in 1929 that provoked investors to request more information to better guide and protect their investments. Also significant are the civil rights, consumer and antiwar movements of the 1960s and 1970s that brought together individuals to raise public awareness and support for their causes. As a result of more consumer considerations, corporate influence was diluted in its ability to influence congressional and legislative decisions and legal decisions now favored consumers against corporations. These events show that the society in the United States was compelling establishments and corporations to accord additional respect to the opinions of consumers and the concerns of society and this justifies the link between public relations and the establishment of a democratic society. The vigilance and concerns of citizens for issues pertinent to them was made easier by increased access to information.

Access to information can be credited as the single most important factor in the empowerment of public opinion. The manner and speed of communication were revolutionized by technological advances in the delivery and access to information, which were ensured by the invention of the telephone, radio, camera, television, computers and the Internet (Sharpe & Pritchard, 2007). "If there is any single factor that has empowered public opinion globally more than others, it appears to be the advancement of the pluralism of media" (p. 22). Electronic communication allowed the most direct and instantaneous possibility so dismissed the need for intermediaries and consequently improved communication volume and speed and accordingly improved the respect of individual opinions. Hill, (2011), credits the increase in the speed of communication to advances in microprocessor technology that not only vastly increased the volume of transmission of information but reduced the cost. The microprocessor transformed the Internet, the World Wide Web (WWW), and wireless technology. Although the growth of democracy facilitated the respect for public opinion in individual countries, advances in communication no longer limited opinions of individuals to single countries but globally. The new and faster methods of communication together with, higher literacy, common global language, speed of travel and the development of journalism eliminated the isolations of countries.

Population growth and its incidence on the global environment is the principal reason for social interdependence. Increase in the world's population is putting a strain on the world's resources and increasing pollution and other environmental concerns. The issues emanating as a result of population are being disseminated instantaneously and has improved the understanding of social interdependence. Pelfrey and Molleda,

(2007), point to health and terrorist threats, high consumption of energy in the developed world, heavy exploitation of natural resources in developing countries and poor management of drinking water and the increase in hunger and poverty as the issues that increase global interdependence which justify the importance of global public relations. Wakefield, (2008), justifies the need for global public relations because organizations in the rise of interdependence have to deal with interest groups or carry out activities that transcend national boundaries. Taylor, (2001), sees the challenges brought about by global public relations as an opportunity for public relations practitioners to gain respect in the organizations by providing valuable guidance to assure the transition of corporations into the global community. Taylor also believes public relations in moving to the global stage is presented with the opportunity to positively impact developing nations by contributing to their development, promoting nation building and even ensuring peaceful coexistence between nations.

### **Global Public Relations**

In defining global public relations as “the strategic communication that different types of organizations use for establishing and maintaining symbiotic relationships with relevant publics many of whom are increasingly becoming culturally diverse”, (Sriramesh & Verčič, 2009, p. xxxiv) captures the transformation of public relations from a purely technical communication function to a strategic management activity which requires research and planning and contributes to decision making by the governing coalition. This definition highlights the importance of social responsibility of organizations by stressing the need to establish and maintain mutually beneficial relationships with the communities that are affected by an organization’s activities. The realization that these publics are becoming culturally diverse indicates the global

dimension of public relations. Wilcox et al, (2006), are more emphatic about the global nature of public relations in their definition of global public relations as “the planned and organized effort of a company, institution, or government to establish mutually beneficial relations with publics of other nations” (p. 516). Both definitions do not restrict the practice of global public relations to corporations alone. Governments, economic groups, non-governmental organizations, activist groups, transnational corporations and global broadcast media can practice global public relations.

Although Wakefield (2008) agrees with the definition of global public relations put forth by Wilcox et al, 2006, he doubts the need for global public relations for institutions that are not geographically dispersed like “school districts or private schools, small to mid-size cities, hospitals and medical centers, high schools, small university sports programs, local non-profit agencies” (p. 139) on the account that account that these organizations do not have to deal with culturally diverse publics or other nations claiming, “If the publics are located down the street or only within the same nation as the organization’s home base, interacting with them does not constitute international public relations” (p. 141). Differences between domestic and global public relations have been obscured by global interdependence. As Pelfrey and Molleda (2007) point out, “alternative sources of energy and conservation, water scarcity and ever present threat of terrorism” (p. 36) are global issues, which even the small organizations experience. However, there are some specific factors that characterize global public relations.

### **The Nature of Global Public Relations**

#### **Complexity**

Wakefield (2008) emphasizes the complex nature of global public relations as a result of dealing with numerous publics in different locations with varying cultural

backgrounds. This situation is made more complex because these publics share dissimilar political, economic and social systems that affect the practice of public relations (Sriramesh & Vercic, 2009). Global public relations becomes unpredictable and risky when organizations are not familiar with foreign systems and the situation is made worse if they are unaware how these systems interact with each other. A case in point is the Arla Foods Crisis in 2005 (Gaithner & Curtin, 2008). This case concerns the financial losses suffered by Arla Foods as a result of the boycott of all Danish products by Middle Eastern consumers following the publication of 12 cartoons of the Prophet Muhammad by the Danish newspaper *Jullards-Posten* on September 30, 2005. The case was complicated in that previous events concerning the murder of a Dutch filmmaker the previous year and attempts to illustrate a book on the life of prophet Muhammad had incensed the Muslim population both in Denmark and in the Middle East. This case directly concerned the newspaper, *Jullards-Posten* and the Danish government but Arla Foods, which as a company was not directly involved but had a growing market in the Middle East and also because of its Danish identity experienced the full consequences of the boycott. The Danish government contrary to the wishes of the Muslim community refused to apologize on behalf of the Danish newspaper citing that the newspaper rather than the Danish government was involved in the publication. Gaithner and Curtin attribute differences between the expectations of the Muslim community and the actions of the Danish government and Arla Foods to differences in cultural orientation in the areas of the level of collectivism, power distance, uncertainty avoidance and level of masculinity/femininity.

## **Hostility**

Wilcox et al (2006) also highlight the level of suspicion with which corporations that deal with foreign countries are treated. They believe that the disadvantages of globalization have been better communicated to corporations, NGOs and international institutions like the World Trade Organization (WTO), World Bank and the International Monetary Fund (IMF) than the expected benefits. The proliferation of corporations throughout the globe has been made possible by globalization which Scherer and Palazzo (2008) define as “a process of intensification of cross-area and cross-border social relations between actors from very distant locations, and of growing transnational interdependence of economic and social activities” (p. 415). They identify globalization and the increase in TNCs with the increase in crime, migration, and disparity in income distribution and also with the growth of new social movements, civil society groups, and NGOs that serve as a meeting point of people with diverse and disparate opinions and concerns. Korten (2007) ascribes these groups with the belief that “corporate globalization is enriching a few at the expense of many, replacing democracy with rule by corporations and financial elites, destroying the real wealth of the planet and society to make money for the already wealthy, and eroding the relationships of trust and caring that are the essential foundation of a civilized society” (p. 5).

Pelfrey and Molleda (2007), who credit the adverse reaction towards globalization to the gap between the rich and the poor, confirm this view. The increase in the political and financial influence of transnational organizations has dwarfed the power of some nation states that are no longer able to provide the social services that they were accustomed to their citizens (Scherer & Palazzo, 2008). These negative views about the subordination of developing countries and the increase in poverty experienced by local

citizens as a result of international business expansion is evident in Columbia, Mexico and Venezuela (Molleda & Moreno, 2008). A good example of the powerfulness of TNCs is the case of Del Monte in 1999 that terminated work for all 4,300 of its workers on one of its biggest plantations in Costa Rica. Del Monte immediately reemployed them but on wages that were 30-50% inferior to their previous wages, increased their working hours and reduced their benefits (Lawrence, 2009). The Del Monte case in Costa Rica shows the inability of weakened nations to counter the arbitrary actions of TNCs and supports Jenkins' suspicion that TNCs are eager to flex their muscles in weak nations (2005). TNCs are regarded as the causes of the social problems that affect society and are increasingly being harassed by global NGOs, civil society organizations, social movements with the assistance of the internet (Scherer & Palazzo, 2008; Wakefield, 2008). The case between Shell and Greenpeace over the Brent Spar best illustrates hostility towards global corporations (Zyglidopoulos, 2002). In accordance with Best Practicable Environmental Option (BPEO) regulations and in agreement with the British government, Shell decided to sink the Brent Spar oil storage buoy in the North Sea in 1995. Greenpeace decided otherwise to generate opposition of the deep sea disposal of the oil storage platform from continental Europe and although this disposal had been agreed upon in Britain, the civil society opposition was so strong that Shell UK had to cave in to the Greenpeace coalition and "comply with the public opinion of continental Europe, even though it was operating in the UK, where legally and socially the deep water disposal of the Spar was not seriously opposed" (p. 142). The host of variables involved exacerbates the complications of global public relations and this complexity is captured by Anderson's elucidation of its role in TNCs.

Public Relations is the management function primarily responsible for shaping and implementing policies of mediation among social, political, and economic interests capable of influencing the growth and/or survival of an organization's basic franchise. To this end, the public relations function has the responsibility also for identifying the forces and effects for change in the organization's environment so as to anticipate potential new needs for mediation and to inform all anticipatory activity within the organization. (p. 383)

This definition highlights the environmental and contextual variables involved in the practice of global public relations. Others include culture and the media.

### **Global Public Relations Variables**

In order to manage the difficulties that arise in global public relations, Wakefield, (2008), advises corporations to implement strong programs which anticipate issues and encourages practitioners not only to be proficient in many languages but also to have cross-cultural competence. Wilcox et al (2006) believe that the language, law and cultural differences between publics in global public relations can be overcome if practitioners "recognize cultural differences, adapt to local customs, and understand the finer points of verbal and nonverbal communication in individual countries" (p. 519). Zaharna, (2001), believes the communication differences between countries are very important to resolve the difficulties in global public relations. She suggests that an examination of a country's national, cultural and communication profile can illuminate the differences that exist between countries. The national profile refers to the political, economic, legal and social structure, the mass media and level of infrastructure whereas the cultural profile includes cultural variables such as: high/low context; monochronic/polychronic; doing and being; future tense past tense; linear and nonlinear. The country communication profile refers to issues of practical communication and includes issues concerning verbal and nonverbal communication,

visual communication, rhetorical style and communication matrix. Sriramesh and Vercic, (2009) agree with Zaharna, (2001) on the importance of cultural differences but proceed to rearrange the global public relations variables into a country's infrastructure, media environment and societal culture. When public relations practitioners understand these variables, they are better placed to design strategies and techniques that can adequately accommodate the public relations requirements of that particular environment.

## **Environmental and Contextual Factors**

### **Political System**

The political system of a country concerns the organization and relationship of governing institutions and the process of decision-making (Sriramesh & Vercic, 2009; Zaharna, 2001). It is a determining factor in global public relations because it impacts the level of public opinion in the environment and consequently the practice of public relations (Sharpe & Pritchard, 2004). Although Sriramesh & Vercic, (2009) accept the existence of multiple interpretations of democracy, they contend that it is more likely for public relations practice to flourish in a country with a liberal political climate that entertains public opinion. The absence of political plurality reduces the chances for the respect of public opinion and opens the door for a one-way flow of information that does not bode well for mutually beneficial relationships. Zaharna (2001) asserts that "political plurality allows for competing groups vying for legitimacy, power and audience attention" (p. 137) and this sets the stage for public relations activities. The political and economic systems in any country affect each other but also impact the legal system and the level of activism and all as a group impact the practice of public relations.

## **Economic System and Level of Economic Development**

The link between political ideology and economic systems is strong in that the higher the level of political freedom, the higher the level of economic freedom (Sriramesh & Vercic, 2009). Higher economic freedom enables competition between corporations, services, and labor and encourages the practice of public relations to take care of the resulting competition (Hill, 2011). Developed economic systems allow the participation of foreign participants who cannot rely only on interpersonal communication strategies but on more sophisticated approaches that demand professional public relations services (Zaharna, 2001). Centralized political systems are more likely to endorse government ownership of industries and this eliminates competition. A country's political system and economic development are further linked in that, low economic development breeds illiteracy and poverty which in turns hinders the development of effective democratic political institutions.

## **Legal System**

Closely linked to the political and economic system, the legal system also affects the operation of public relations because it forms the context in which public relations activities take place. It regulates the way not only citizens but organizations behave but stipulates how these regulations can be enforced and the way in which aggrieved parties can be compensated (Hill, 2011). Legal codes in some countries are explicitly spelled out whereas in other countries they are embedded in social or religious codes (Sriramesh & Vercic, 2009; Zaharna, 2001). Social codes apply to common and civil law while religious codes refer to theocratic law and based on religious teachings. Clear and specific legal codes facilitate the work of public relations practitioners especially in how they affect the media with whom they work most frequently. These codes whether

written or unwritten affect the practice of public relations and violating them hinders the smooth functioning of public relations and also results in punishment. The power relationship between the judiciary, the legislature and the executive branch can guide public relations practitioners as to where to lay their emphasis in the case of a crisis.

### **Activism**

The level of activism in a country is dictated by the political, economic and legal systems. Pluralistic political systems because they entertain multiple views are more accommodating to activism. In undemocratic societies, activism is usually frowned upon and the legal system is used to confront activist threats (Wakefield, 2008). Countries with low levels of economic development are more likely to portray low levels of activism because their populations are more concerned with taking care of their basic human needs than with indulging in activist activities. Public relations is more relevant in countries with a high level of activism in that public relations practitioners are either engaged on the side of the activists or working for corporations who want to earn their legitimacy in the face of activists actions.

The incidence of environmental and contextual factors on the practice of global public relations is best shown in Molleda and Morena's, seminal cross-national and comparative study of how national and global socio-economic and political environments have affected the development of the public relations practice in Colombia, Mexico and Venezuela (2008). The study found that all three countries in the late 1980s and in the early 1990s experienced an expansion of public relations activity as a result of open market policies. The economic prosperity experienced after the arrival TNCs from the United States, the demand for public relations services by these TNCs and the realization by domestic organizations and institutions of the need for

strategic public relations combined to expand public relations activities. This study also observed a corresponding reduction in demand for public relations services and consequently a slowdown in public relations activities in these three South American countries following the slow economic period in the second half of the 1990s.

### **Culture**

Culture refers to an accumulated pattern of values, beliefs and behavior held by an identifiable group of people with common verbal and nonverbal symbol system (Neuliep, 2006). Culture impacts organizational processes; communication and the public relations function in that it specifies the public relations practice of a country (Molleda, 2009). The ease of communication, transportation and increased movement of people means people from different cultures are working together in the same organization or people are working with organizations in different cultures. Global expansion of businesses means corporations increasingly have to deal with either subsidiaries or other corporations in different cultures. For public relations professionals who venture in to the international arena, culture plays an important role in the way in which they handle their clients. The management of people or organizations from different cultures requires enculturation (Zaharna, 2001). Aspects of the cultural context that affects communication and consequently public relations include: Individualism/Collectivism; High/Low Context; High/Low Power Distance; Uncertainty Avoidance.

Individualism occurs when a group emphasizes individual goals over group goals whereas collectivism is the cultural orientation that places the group as the primary unit of culture. In collectivist cultures, group goals take precedence over individual goals and organizations in collectivistic cultures are more likely to emphasize group harmony and teamwork (Neuliep, 2006). Public relations practitioners doing business in collectivist

cultures will find it appropriate to generate strategies that enhance the collectivist cultures and will realize that it also require more time in doing business in order to achieve consensus. Organizations and employees in individualist cultures consider more their individual benefits (Sriramesh & Vercic, 2009). A high context cultural orientation allows for meanings to be gathered from physical, social, and psychological contexts whereas in a low context cultural orientation meanings are encoded in the verbal code (Neuliep, 2006). The consequence for public relations is that while cultures with high context orientation may accept informal agreements as binding, cultures with low context will insist on detailed formal contracts between parties. Power distance refers to the extent to which members of a culture expect and accept that power is distributed unequally. Countries with a high power distance demand more humility and formality in the treatment of people in high positions. Uncertainty Avoidance is the degree to which members of a particular culture feel threatened by unpredictability, uncertain, or unknown situations. This affects public relations practice in that cultures high in uncertainty avoidance are likely to reject risky business propositions.

Sriramesh, Kim and Takasaki, (1999) examine the impact of culture on the public relations practice in three Asian countries. The study found that a common practice in India, Japan and South Korea is the use of the press and public information model to “disseminate only positive information aimed at enhancing the image of their organizations” (p. 280). This practice can be linked to the cultural value of saving face and as Sriramesh et al. (1999) put it “Expressing disagreement publicly (i.e. practicing *totaeme*) is shunned because it leads to a loss of face for the other, thus destroying *wa* (social harmony)” (p. 289). In addition, the cultural aspect of power distance and

hospitality relations are exemplified in the use of personal influence. Public relations practice in the area relies on key individuals in the government and the media who are provided with material presents in return for favors for their organizations. Power distance also shows up in the absence of two-way symmetrical communication and the practice of collecting information from journalists rather than from the publics themselves. Gaithner and Cutlin (2008) in the Arla Foods Crisis, highlight how the differences in power differential index, individualism, uncertainty avoidance and masculinity between the Danish (Western) and Middle Eastern cultures exacerbate the problem of the Middle Eastern boycott of Danish products.

### **Media**

The evolution of public relations has been linked with rapid technological advances in communication. As a result of the communication potential of the media, public relations practitioners pay much attention to media relations (Sriramesh & Vercic, 2009). Because the media capacity of various nations is not the same, it is important for public relations practitioners to understand the characteristics of the media landscape in individual countries so that their conception of media relation strategies is effective. Zaharna (2001) believes the public relations practitioners should be concerned about how national cultural factors affect basic communication. She identifies verbal, nonverbal, visual communication, the communication mix, group dynamics and decision-making practices as important determinants of basic communication. Sriramesh (2009) proposed a framework to appreciate individual national media capacities that comprises of media control, media diffusion and media access. Media control is important to assess the freedom of the editorial content. He confirms that when media is owned for purely business interests, it relies on the sale of advertising to

generate revenue. This model of ownership common in developed countries, experiences limited government control over media institutions. Media ownership by political interests and elites is common in developing countries and government control and influence over media institutions is strong. Media ownership is closely linked to the kind of political system and level of economic development in that centralized political systems are wary of a free media and low levels of economic development cannot sustain an economy that can generate adequate advertisements to sustain the media.

Media diffusion checks the rate, volume and frequency by which publics absorb media content. Illiteracy, poverty and avenues for distribution are some of the factors that affect the level of diffusion. On the other hand, media access deals with the opportunities available to institutions, organizations and publics to access the media. This is important for public relations, as the use of information subsidies is a common media strategy. It is also important because it gives an indication of the likelihood of activist activity. The Sriramesh communication framework (2009), lays much emphasis on mass communication and overlooks other methods of communication which can equally be important to public relations practitioners especially in developing countries where large sections of the population do not have access to mass communication technology (Pratt & Manhiem, 1988). Small media that include “posters, pamphlets and flyers, have been known to be more effective in African settings because of the low level of infrastructure and technological development” (Beaudoin, 2002, p. 198). In such a situation, the assessment should be of the current and appropriate channels in particular countries. In Africa, under the banner of theatre for development, dance,

song, drama, and puppetry has been used for community mobilization (Kamlongera, 2005).

The use of social media as a strategic tool for public relations is increasingly being acknowledged (Eyrich, Padman & Sweetser, 2008). This is a recent phenomenon because in their study of public relations practitioners and organizations about the value of the World Wide Web as a communication tool, Hill and White, 2000, found that both practitioners and organizations did not consider social media a high priority. The reason for this low priority was lack of training and equipment necessary on the part of the practitioners and the organizations. However, Eyrich et al. (2008), in their survey of 285 practitioners on their use of social media found that there was widespread use of email, intranet, blogs, videoconferencing, podcasts, video sharing and wikis among practitioners. The study also found that the adoption of social media was highest with public relations agencies followed by higher education, nonprofit and government before sole practitioners. Apart from social media, the Internet and the Web offer varied types and amount of information for consumers and Web 2.0 revolution increases opportunities for integrated marketing communication. With the current increase in new ways of reaching publics by public relations practitioners, the need to scan national capacity to handle these new and vibrant channels of communication is vital.

### **Global Public Relations and Corporate Social Responsibility**

Global public relations has been instrumental for national governments, economic communities, nongovernmental organizations, activist groups, global broadcast media and TNCs. Global public relations has facilitated “government’s process of communicating with foreign publics in an attempt to bring about understanding for its nation’s ideas and ideals, its institutions and culture, as well as its national goals and

current policies” (Tuch, 1990, p.3). Economic communities use public relations to “legitimate the organization and its work and by legitimating the organization and its work they give credibility and power to the organization” (Valentini, 2007, p. 125). With the help of the Internet, NGO’s and activist groups have been able to simultaneously recruit more sympathizers and exert influence on corporations and society on a larger scale (Holtzhausen, 2007; Wakefield, 2008). TNCs are interested in responding to their clients and society. Baker, 1999 is more empathic on the responsibilities of public relations practitioners’ who “have a responsibility to the societies in which they operate and from which they profit, including ... [an obligation to contribute] positively to the health of society” (p. 76). It is in this quest that that CSR becomes relevant in global public relations.

CSR offers the opportunity for TNCs to justify their existence, improve their image and build relationships with their local communities. CSR is demanded from TNCs because corporations were originally given the permission to perform specific functions with the understanding that they bore the interest of the public in mind (Starck & Kruckeberg, 2003). They believe it is the role of public relations to ensure discussion and deliberation with communities that are increasingly diverse to ensure that the views of the majority are not perpetuated at the expense of the few. CSR offers public relations the possibility “to restore and maintain the sense of community that has been lost in contemporary society” (Kruckeberg & Starck, 1988, quoted in Starck & Kruckeberg, 2003, p. 34) especially because they possess the knowledge and skills to achieve this. Menand (2001) confirms this responsibility of public relations in that corporations were considered as individuals when they were attributed these rights to

perform business functions and the understanding was that these rights were not for personal benefit but for the good of society.

The management of CSR in corporations has always been under contention because businesses have not always been given credit to adequately handle the issues of a social nature (Rawlins, 2005). The tendency in most corporations is to allocate the administration of CSR to the marketing department because it is associated with customer loyalty and product differentiation (Murray & Mountanari, 1986). This approach reduces CSR to a commodity and society to consumers within a market. A possible justification for this thinking is the hope that the marketing department will incorporate socially responsible marketing programs into their designs (Robin & Reidenbach, 1987). This approach exposes the inappropriateness of marketing in handling CSR because CSR is long term oriented and it is not only concerned with the consumer segment of a corporation's stakeholders but those that are affected or may be affected by the corporation even when they are not consumers.

Another approach in managing CSR that has been backed by empirical evidence is the handing over of CSR issues to the legal department. A survey of 1000 CEOs showed that CEOs had a weakness for entrusting their legal departments with the management of CSR by appointing senior staff members as ethics officers (Kamm, 1993). A survey of North American institutions by Fitzpatrick, 1996, also confirmed that public relations professionals did not play a significant role in the institutionalization of ethics and they were not involved in the generation of corporate codes of conduct (Heath & Ryan, 1989). The reluctance to involve public relations in ethics issues is the

result of the perception of public relations as some kind of propaganda and this has not always worked in their favor (Doane & Abasta-Vilaplana, 2005).

However, there is another school of thought that acknowledges the importance of public relations in CSR management because it facilitates strategic internal and external communication in an organization (Bowen, 2006) so it is best placed to monitor and advise organizations as regards issues of social responsibility as well as alert employees to public responsibility (Grunig & Hunt, 1984). Grunig and Hunt add that, they could even become an ally for stakeholders within the corporations acting as an “ombudsman for the public inside the corporation” (p. 48). Clark (2000) confirms the strategic management function of public relations as regards CSR, 2000, because of the ability of public relations to carry out environment analyses of stakeholders, to assess their needs and devise strategies on how to communicate and build relationships with the various stakeholders and secure the support of senior management. Heath and Ni, (2008), consider “public relations to have a dynamic role in the processes by which organizations advance their CSR performance, in pursuit of strengthening the relationships between them and the stakeholders” (How to Implement CSR, para. 13). This view is confirmed by Kim and Reber (2008), who in their analysis of public relations roles and contribution to CSR found that public relations practitioners played a strong management role in advising clients or senior management on CSR issues; taking decisions about philanthropic activities; and communicating the CSR activities of clients and organizations. A qualitative study of 173 public relations practitioners identified five roles for public relations in CSR – management, philanthropic, value-driven, communication and none (Kim & Reber, 2008).

## Summary

The rapid expansion of global public relations and the ease of cross border business have serious implications for TNCs because they have the duty of building meaningful relationships with sometimes diverse publics and at the same time catering to the strategic demands of international business. The requirements for global public relations cannot be subjugated to those of international business. TNCs must simultaneously respond to both global and local demands because of the increased animosity and scrutiny under which they have been placed. CSR offers an excellent approach for these good intentions to be played out. Just as the environmental and contextual factors that impact international public relations, the relevance of CSR even more so needs the delicate balancing of international and local concerns. However, the CSR field is new and rapidly evolving with variations in its interpretation and expression. This puts more pressure on TNCs who because of their different abilities, capacities and line of business relate to CSR differently. Thus, the process of taking a decision on what CSR approach has added importance especially in the sub-Saharan region where the socio-economic and political realities are far removed from the traditional location of most TNCs.

## CHAPTER 3 CORPORATE SOCIAL RESPONSIBILITY AND SUB-SAHARAN AFRICA

This chapter introduces the concept, field and profession of CSR by tracing its history in the United States of America, Europe and sub-Saharan Africa showing how differences in context impact CSR. It visits the long-standing issue of defining and pinning down the various interpretations of CSR. The chapter also appreciates the relevance of CSR in the light of the disruptions globalization has brought on the environment and the governments and communities of developing countries. The business case and the moral case are also reviewed as well as the motivations for CSR are reviewed. International attempts at encouraging CSR and establishing some semblance of standards in a field that is marked by the voluntary nature of initiatives are also examined.

### **History of CSR**

The growth of social responsibility has always been linked to disparities stemming from business or individual responses to societal needs. As far back as 4400, there is evidence of charitable activities in Mesopotamia in which philanthropic giving was reported to alleviate hunger (Eson & Webb, 1967, quoted in Pederson, 2006, p. 8). Visser (2010) traced CSR's origins as far back as 4,000 years ago in religions like Hinduism, Buddhism, and Islam that expected the wealthy to contribute much more to society. The history and definition of CSR has continuously been open to multiple accounts and interpretations. Visser acknowledged that the modern concept could be traced back to John H. Patterson, an industrialist of the National Cash Register and the renowned philanthropist John D. Rockefeller in the mid-to-late 1800s. However, scholarly interest in the field was registered in the 1950 with Bowen's milestone book,

“Social Responsibilities of the Businessman” (Carroll, 2008a; Crane, McWilliams, Matten, Moon, & Siegel 2008; Visser, 2010) in which he attempted the very first definition of the responsibilities of businessmen as “the obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society” (Carroll, 2008a, p. 25). Much of the early interest in CSR was generated in the United States.

### **CSR in the United States**

Although the 1950s are usually considered the birth of CSR in the United States, Carroll (2008a) identifies the late 1800s as a reasonable point to locate the origins of CSR justifiably because of the presence of the Industrial Revolution. Interest in making employees more productive and the effort to solve the social problems emanating from social unrest due to poor factory working conditions have usually been considered the spur for CSR in this period. Carroll goes further to accord different periods in the history of CSR with various motives. The period from the late 1800s to 1920 is known for ‘profit maximizing management’ that is characterized by humanitarian, philanthropic and business oriented actions (p. 23). The 1920s and 30s are known for the effort to make the best use of the wealth of stockholders and the contending demands of customers, employees and the community. In the 1930s, corporations were increasingly expected to fulfill social obligations, and in the 1940’s discussions about CSR are marked but its manifestation is limited to philanthropic activities. The decade after 1950 is noticeable by the publication of Bowen’s landmark book and most especially for the continued and marked philanthropy that was evident in the previous decade. It is only in the 1960s that scholars attempted to pin down the definition of CSR and this effort is shown to grow in the 1970s to include educators and business people as advocates for CSR. After this

period, because of increased activity in CSR research, there was a growing tendency to use CSR as a launch pad for complementary concepts like corporate social performance, stakeholder theory, business ethics, sustainability and corporate citizenship.

### **CSR in Europe**

Matten and Moon (2005) argue that although the history of CSR seems to have originated from the US, European corporations had been involved in CSR for a long time before 2001. The development of CSR in Europe followed national patterns that took into consideration the various national realities (Habisch & Jonker, 2008). Matten and Moon (2005) confirm that because most European governments incorporated socially responsible policies into their legal framework, CSR activities were accounted for in legal and fiscal obligations but not as separate actions hence the relatively new account of CSR in Europe. The reasons advanced for these differences in systems range from political, cultural, financial, educational, labor to organizational. European businesses unlike their American counterparts were modest in communicating their CSR engagements (Maignon & Ralston, 2002). The reasons provided include the very fact that European governments participated in the social and economic life of their nations, thus insurance systems for health, pensions and social welfare as a whole which in the United States would be presented as evidence of CSR was carried out by the state and not by individual corporations (Matten & Moon, 2005). In addition, the presence of active labor unions enabled workers' issues to be settled at a national rather than corporate level. In Europe, the responsibility of giving back to society rested less with individuals and corporations and more with representative organizations like "political parties, unions, employer's associations, or churches, and the state" (Lipset &

Rokkan, 1967, quoted in Matten & Moon, 2005, p. 408). More recently, most European nations with the initiative of the European Commission are refocusing the debate about CSR to reflect the increasing importance of corporations in society (Habisch & Jonker, 2008). The ease and speed of the interconnectedness of social, political and business systems globally is directly connected to the proliferation of globalization in the late 1990s and the development of global CSR which has refocused CSR in Europe towards corporations rather than the state (Matten & Crane, 2005).

### **CSR in Sub-Saharan Africa**

Although not much has been written about Africa and CSR, Visser (2008a) claims Western civilization's conception of CSR draws inspiration from the deep-rooted indigenous cultural traditions of philanthropy, business ethics and community embedded in Africa. Lutz (2009) corroborates this, and goes further to point out that the value based traditional philosophy of African humanism (*ubuntu*) is consistent with current approaches to global CSR. Ubuntu emphasizes the "community as the cornerstone of life" in which people are part of an interdependent community where individual goals are pursued by ensuring the common good (p. 314). Unlike in the West where CSR is well entrenched, in Africa, the practice of CSR by corporations is still a novel concept and the practice of CSR is often only attempted by high standing national corporations and most TNCs who possess an established international reputation or who are in the process of building a global identity for themselves (Visser, 2008). Developing countries as a whole lag behind in CSR research and literature and this shortage is particularly marked in sub-Saharan Africa (Visser, McIntosh, & Middleton, 2006). They point out that only 12 countries from the 53 in Africa have had research published about them in core corporate social responsibility journals and "73% of the published articles have

been about South Africa and Nigeria” (p. 479). Visser’s review of CSR in Africa showed that almost half of the articles in journals are about business ethics maybe as a result of the attention given to “issues of injustice of colonialism and apartheid and the prevalence of corruption on the continent” (2005, p. 4). However, Visser predicted the rise in the treatment of other CSR issues such as stakeholders, social responsibility, and health and safety when CSR gets entrenched in the continent. The absence of research on CSR in sub-Saharan Africa and the potential of CSR to alleviate some of the socio-economic and environmental problems plaguing the region provide a huge scope and the raison d’être for critical examination of the management of CSR initiatives by those who are most likely to perform it.

### **Definition of CSR**

A standard definition of CSR is a futile exercise considering the numerous constructs and concepts that are embodied in the term (Wartick & Cochran, 2005, Carroll, 2008a,). Carroll, (2008b), credits R. Bowen with the very first definition in his attempt to present the responsibilities of businessmen as “... the obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society” (p. 25) Most attempts at the definition have stressed just as Bowen, business’s responsibilities either to the society or to their stakeholders. The common elements found in most attempts in business and management literature include the economic, legal, ethical and philanthropic responsibilities (Carroll, 1979, 1991) which Carroll defines as “the general belief held by growing numbers of citizens that modern businesses have responsibilities to society that extend beyond their obligations to the stockholders and investors in the firm” (2007, p. 122). While the economic and legal responsibilities are

mandated, the ethical responsibilities are expected and the philanthropic responsibilities are merely desired from corporations. Notable among the definitions of CSR is also Kotler and Lee's definition of CSR as "a commitment to improve community well being through discretionary practices and contribution of corporate resources" (2005, p. 3). The discretionary element of CSR stands out in that the obligations of corporations cannot be enforced. This definition lays bare the inability of society to hold corporations to book but most importantly its emphasizes what corporate resources can do but not the responsible conduct of business that has now come to characterize CSR. Basu and Palazzo (2008) believe that Carroll's stress on the responsibilities of business in CSR and mirrored in other CSR literature insists on the content of CSR which emphasizes business responsibilities to stakeholders, the effectiveness of CSR efforts as regards the expectations of stakeholders and the motivations to carry CSR in the first place. Their definition as "the process by which managers within an organization think about and discuss relationships with stakeholders as well as their roles in relation to the common good, along with their behavioral disposition with respect to the fulfillment and achievement of those roles and relationships" (p. 124) highlights the importance of the process by which CSR decisions are taken and the importance of participation and relationships which is central to public relations. It is highly likely that considering the vagueness of most definitions of CSR, the process of determining CSR may consider the institutional factors that may hinder, promote or shape CSR activities in the first place.

The numerous definitions and classifications being offered to describe CSR are as a result of the developing nature of the field. These definitions try to capture the

concepts and constructs that relate the responsibilities of business towards society (Carroll, 2008; Wartick & Cochran, 2005). Differences in definitions arise from the gap between what corporations are doing and what they should be doing. These variations all relate to what Crane et al. defined as “social obligations and impacts of corporations on society” (2008, p. 6). Differences in definitions have also resulted in the simultaneous and consistent use of several terms such as: corporate citizenship, sustainable development, corporate responsibility, corporate social performance (Wartick & Cochran, 2005), and corporate responsiveness (Sethi, 1979) to describe business’ responsibilities either to the society or to their stakeholders.

Heath and Ni (2008) consider corporate responsibility has gained favor with those who object to the limiting of CSR only to strategic philanthropy and community relations which represent only social concerns while they believe social responsibility is a phrase that captures the participation and responsibilities of a wider array of actors like governments, international organizations and NGOs in responsible relationships with society. They claim that the pressure which today is being put on corporations was usually reserved for governments and churches. Social responsiveness on the other hand is used to emphasize the kind of behavior that is expected from a socially responsible institution (Wood, 2007). It involves practices like “environmental assessment; gathering and assessing information about the firm’s external environment; stakeholder management: managing the organization’s relationships with those persons, groups, and organizations that affect or are affected by the company’s operations; and issues management: tracking and responding to societal issues that may affect the company” (p. 132). According to Carroll (1979), social responsiveness

refers to the “philosophy, mode, or strategy behind business response to social responsibility or social issues” (p. 501). Corporations could choose to be reactive, defensive, accommodative, or proactive as regards their response.

Corporate social performance emphasizes the results of CSR. It goes beyond the motivations and processes involved in CSR to include tangible manifestation of a corporation’s CSR efforts (Wood, 1991). As for corporate citizenship, there is debate whether it is not another name for CSR (Mele, 2008) or widens the responsibilities of corporations towards society as result of globalization and the power of large multinational companies (McIntosh, Liepziger, Jones & Coleman, 1998). Elkington, 2007, refers to corporate sustainability as actions that corporations take to ensure optimal use of limited natural resources. Corporate sustainability emphasizes both the financial, social and environmental dimensions of performance in disregard of only the financial bottom line to include the triple bottom line of profits, people and planet. Corporate sustainability encourages the incorporation of CSR in the structures and processes of corporations

Schwab (2008) believes that the oversimplification of the term CSR “a host of concepts and practices, including the necessity for adequate corporate governance structures, the implementation of workplace safety standards, the adoption of environmentally sustainable procedures, and philanthropy” (2008, ¶1) opens up the possibility if misuse. Schwab believes the definition of corporate engagement with society should consider its wide scope and identification of the various types of business activities facilitates recognition and appreciation and thus can be used as yardsticks by other corporations. He classifies corporate engagement in society into five

core concepts: corporate governance; corporate philanthropy; corporate social responsibility and; corporate social entrepreneurship. Corporate governance will concern how corporations comply with “international laws, transparency and accountability requirements, ethical norms and environmental and social codes of conduct” (Schwab, 2008, ¶11). Corporate philanthropy involves the support corporations give to charitable causes in the form of money, goods, time or effort. This form of corporate engagement precludes the corporations’ active management of the project. Corporate social entrepreneurship closely identifies with Prahalad and Hammond’s, idea of maximizing a corporations capabilities to produce goods and services that will improve the welfare of the bottom billion (2002). More common among these categories is corporate global citizenship that entails the partnerships and processes that corporations indulge in towards addressing key global societal challenges that have traditionally been the responsibility of governments and international organizations. Some of the issues are climate change, terrorism, water shortages, infectious diseases, as well as access to food, education and information technology, extreme poverty; transnational crime, corruption, failed states and disaster response and relief (Schwab, 2008). The UN Global Compact (UNGC) and Global Reporting Initiative (GRI) are examples of the socially responsible processes and partnerships. Corporate social responsibility arises when there is active engagement of the corporation in the social initiatives that have a wider financial, environmental and social impact and at the same time trying to increase the company’s value (Schwab, 2008). It is very common for corporations to be tackling multiple approaches at the same time.

These numerous nomenclatures is evidence of the continuous process of the development of the field and hence the presence of various debates. Undoubtedly, the prominence of the field is being registered in business as well as in the academic sphere. Crane et al. (2008), observed that many corporations are introducing institutional structures like departments and also positions such as managers and teams to handle the CSR functions. In addition, “CSR programs, reports and other forms of corporate communication” (p. 4) are now becoming popular. These developments are also mirrored in the academic community where research in CSR is increasingly vibrant.

Meaning, emphasis and practice of CSR owes a lot to the economic, socio-political and cultural characteristics of the environment. Matten and Moon (2005) purport that the above notion of CSR is generally associated with the US where regulations governing the corporations are relatively low and an equally low level of government taxation and subsequent participant in the provision of social services (p. 339). They highlight the importance of national business and in turn distinguish between ‘explicit’ and ‘implicit’ CSR that differentiates the allocation of responsibilities to corporations. Although both deal with the same issues concerning the relationship of business to society, the difference is in the approach in that explicit involves the deployment of corporate CSR agendas while implicit concerns an institutional approach (Matten and Moon, 2005). Whelan (2009) presents the importance of cultural orientation in showing how Asian values, practices and worldviews built around Confucianism have come to inform Asian practice of CSR. Confucianism revolves around the central notion that “all people maintain a sort of familistic relationship with each other” therefore encouraging the government to work for the greatest welfare of the people (ibid, p. 108). Visser, 2006,

unlike Carroll who emphasizes the importance of economic and legal responsibilities over ethical and philanthropic responsibilities in her pyramid, justifies the relative importance of philanthropic responsibilities in the case of Africa considering the low foreign direct investment, high unemployment and widespread poverty. Visser (2008), in a more development oriented approach centers “on the enabling environment for responsible business in developing countries and that brings economic and equity aspects of sustainable development to the forefront of the agenda” (p. 489). The point here is that the economic, socio-political and cultural characteristics of the environment guide the meaning, emphasis and practice of CSR.

### **The Importance of CSR**

#### **Effects of Globalization**

CSR has the potential to alleviate some of the ill effects of globalization in sub-Saharan Africa. Sub-Saharan Africa provides a ready pool of natural resources and cheap labor that improves the competitive advantage of TNCS in the international expansion that has characterized globalization (Bartlett & Beamish, 2011; Daniels, Radebaugh & Sullivan, 2009; Hill, 2011). Daniels et al (2009) present the loss of national sovereignty as the leading detrimental effect of globalization in that nations are no longer able to control how goods are bought and sold within their boundaries. They highlight how nations forego their power to regulate issues concerning labor and production practices as well as their dependence on demands imposed by larger suppliers and sellers. In addition, there is also loss of the traditional norms and values in society because of the homogenizing effect of globalization. Scherer and Palazzo (2008) point out that the real economic consequence of the loss of sovereignty is as a result of the inability of nations to regulate economic behavior; economic interests

triumph over the provision of welfare for citizens. In order to attract FDI which they believe will generate economic benefits that spread to the rest of the economy (Farrel, 2004), governments find themselves in unfavorable negotiating positions because of the competition and proceed to offer advantages to TNCs that intensifies the exploitation of the local community and even their ability to provide the basic welfare facilities to their citizens as had been the case. The negative consequences of globalization are not limited to unequal and unjust distribution of gains but also include an increase in human rights abuses, social upheavals and environmental disasters (Scherer & Palazzo, 2008). Jenkins (2005) contends that TNCs increase poverty in developing nations because they employ an insignificant number of the local populations and the poor in society are not the beneficiaries of their presence because they usually require skilled workers. Furthermore, very few members of the society benefit because the TNCs depend on imported goods and even when services are required locally, they concentrate their business within a limited number of local suppliers. There is a consensus that the simultaneous gain of political and economic power by TNCs and the loss of economic and political power of national governments in emerging markets create a vacuum in the creation of order, provision of regulations and social amenities which justifies the expectations of stakeholders that TNCs should assume this social responsibility.

### **The Prevailing Socio-Economic and Political Situation in Sub-Saharan Africa**

CSR in sub-Saharan Africa is important because of the continuing effects of the colonial era on Africa and the dire socio-economic conditions prevalent there. The simultaneous effects of globalization and the corresponding increase in business activity have the potential to further exacerbate the socio-economic and environmental problems that sub-Saharan Africa is already facing (Forje, 2006; Visser, 2008). The UN

Millennium Development Goals (MDGs) identifies the need to improve on poverty and hunger; universal primary education; gender equality; child mortality; maternal health; HIV/AIDS, malaria and other diseases; environmental sustainability, and a global partnership for development; all issues in which sub-Saharan Africa as a region lags behind.

The distressing socio-economic and political situation in sub-Saharan Africa of poverty, political conflict, rising crime, power shortages, bribery and corruption, has been adequately documented (Rosenberg, 2007; Visser, 2008). This distressing situation is confirmed by the World Bank development indicators for sub-Saharan Africa, which show an HIV prevalence of 5.0; an infant mortality rate of 88.5; life expectancy at birth 51.5 (WHO, 2010). CSR is a powerful prospect to enormously lessen these difficult conditions in the region. In addition, foreign direct investment flowing from developing countries has the undoubted potential of improving local economies by creating jobs opportunities, paying taxes, building capacity, and the transferring of technologies (Farrel, 2004) and these will neutralize the negative impacts of development while increasing its positive impacts (Nelson, 2007). The social needs of the sub-Saharan African region can also be ameliorated if the TNCs which are investing in sub-Saharan Africa take part not only on economic, but also in legal, ethical, and strategic philanthropic engagements.

This approach is in line with the stakeholder theory that guides managerial action regarding CSR because it defines the obligations and responsibilities of corporations towards their stakeholders (Jimali, 2008). According to Clarkson,

The firm is a system of stakeholders operating within the larger system of the host society that provides the necessary legal and market infrastructure for the firm activities. The purpose of the firm is to create wealth or value for its stakeholders by converting their stakes into goods and services. (2005, quoted in Mele, 2008, p. 63)

Mele (2008) refers to stakeholders as “groups and individuals who benefit from or are harmed by corporate actions” (p. 62) and identifies corporations, customers, suppliers, owners, employees and local communities as the stakeholders. Freeman, Martin and Parmar (2007) enlarge the stakeholders boundaries to include “individuals or groups that can affect or can be affected by the achievement of the firm’s core purpose” (p. 434) and separate stakeholders into two groups consisting of the fundamental: customers, suppliers, financiers, employees and communities; and the secondary: the government, the media and interest groups. Bartlett and Beamish (2011) reflect on the international business dimension by breaking the category of stakeholders into three: economic, societal and political/regulation. Shareholders, customers and employees/suppliers make up the economic category while the societal category consists of only local communities. In delineating governments, supranational agencies/regulators and NGOs into the political/regulation category, Bartlett and Beamish capture the complexity of transnational CSR. This confirms Dawkins and Lewis’s assertion that the responsibilities of corporations need to be linked to the expectations of their various shareholders (2003). While good treatment for employees, the respect for human rights, attention to environmental issues and openness and honesty may be important to European stakeholders, social and economic demands are likely to be paramount to stakeholders in the sub-Saharan region.

## **The Growth of International Nongovernmental Organizations (NGOs)**

Pressure groups can be very influential in changing the behavior of TNCs in sub-Saharan Africa (Carey, 2009). The increased communication associated with globalization, the negative effects of globalization and the inability of local governments to meet the needs of its citizens combined to generate coalitions against the worsening social conditions in developing countries as a result of increased activity of TNCs which is manifested as international nongovernmental organizations (NGOS). A variety of terms which include civil society organizations, grassroots organizations are used to refer to NGOs which Cohen (2007) believes are united in the promotion of particular interests, values and goals. These NGOs have been very instrumental in keeping TNCs in emerging markets in check and consequently considered a key stakeholder in the relationships with TNCs (Barlett & Beamish, 2011). NGOs adopt different reactions to the responses and attitudes of TNCs towards economic and societal stakeholders. The NGOs are confrontational with exploitative TNCs and serve the role of a watchdog with TNCs that are only interested in meeting up with only their legal obligations. NGOs act as observers for TNCs that are sensitive and responsive to their immediate stakeholders and serve as partners to TNCs that are committed to significantly improving the livelihoods of the broader society. The influence of international NGOs is more profound than those of local counterparts but the normal pattern is for the efforts of a local NGO to come to the attention of international NGOs (Carey, 2009).

Molleda, Conolly-Ahern and Quinn (2005), in their conceptualization of cross-national conflict shifting (CNCS) elaborate on the public relations issues that arise when they escalate from a single country to other countries as a result of the activism of globally active groups.

[C]ross-national conflict shifting involves a transnational organization whose headquarters is located in one country (home), but it does business in another (host). In the process of doing business abroad, the transnational corporation runs into some sort of conflict or dispute that has the potential to affect its business in its home country or around the world where the organization also operates (transnational locations). Because of the nature of the global environment, the entire world may be aware of the organization's wrong doings, and the organization must respond to the crisis in many geographical locations. (p. 99)

This spread is ensured not only by the activism of interest groups but the compliance of the media in the "home, host and transnational publics" (Molleda & Laskin, 2010).

CNCS generally arise from the negative consequences of globalization and are closely linked to matters concerning corporate social performance. The likelihood of the transfer of crisis to the international community and the pressure on the TNC is greater if the transgression occurs in a developing country, has a great human-interest focus and involves a TNC that produces tangible and/or boycottable products and has its headquarters in a developing country. An example of CNCS is evidenced in a content analysis of news coverage of bribery scandal in Lesotho, a small Africa country with less than two million people but was heavily covered by the global news media because of the international nature of those involved (Molleda, Conolly-Ahearn & Quinn, 2005).

This case which involved parties in Lesotho, 12 transnational companies, major international financiers and not-for-profit organizations showed that TNCs that are involved in disputes internationally should expect to be affected by the effects of the dispute in their home countries and wherever they are involved internationally because of the effectiveness of activist organizations due to the ease of global communication.

### **Motivations for CSR**

The motivation for CSR has always been under contention following the publication of Milton Friedman's 1970 *New York Times* magazine article, 'The Social

Responsibility of Business is to Increase its Profits'. This view highlights the profit motif of business especially to stockholders with little consideration of the stakeholders. Friedman considers managers as agents of the stockholders whose social responsibility is profit maximization. Salazar and Husted (2008) isolate the agency theory in Friedman's argument that managers, as agents of the stockholders do not have the authority to engage in activities that may affect the economic benefits or the value of the firm and this goes against the best interest of the stockholders. Despite Friedman's reservations, CSR literature has identified the business, the moral and the rational case for indulging in CSR.

### **The Business and Rational Case**

The business case has received extensive attention from scholars that believe that CSR can actually be good for business by increasing profits (Carroll, 1991; Fombrun, 2005; Gugler & Shi, 2009; Smith, 2008; Stigson, 2007). Smith (2008) claims that because consumers are demanding much more than the quality of the product, while employees are interested in working for only companies with strong values and investors are concerned about the corporate reputation of where they invest their money, businesses have to attend to corporate social performance. A study of 210 corporations in the UK showed a link between reputation and community performance is stronger in industries where significant social issues are predominant (Brammer & Pavelin, 2006). Fombrun (2005) believes that corporations that do not pay attention to the labels and standards that come with CSR may suffer from the legitimacy that is accorded to them by the public and consequently from the competitive disadvantage. Moreover, keeping up with the standards can forestall reputational damage by NGOs and for those that do not make it can lead to negative attention that can affect the

bottom line. Gugler, & Shi, (2009) claim that corporations that engage in CSR possess better opportunities for access to markets, business and finance and do not attract regulatory sanctions that may be meted out to those that do not. They also stand a reduced risk of consumer boycott of their products or services. All these are in addition to the improved reputation, better community relations and the enhancement of their intangible assets. Stigson, (2007) admits that business practices that are socially responsible improve “operational efficiency; risk reduction; recruitment and retention of talent; protect the base of raw materials; and create new markets, products and services” (pp. 50-51). The argument here is that the *raison d’être* of the corporation disappears if the society fails, so it is in the interest of corporations to be socially responsible in order that they can continue to do business. Corporate activities that cater for societal issues like climate change; resources depletion and the effects of globalization have to be profitable to ensure that the efforts will be long lasting. Carroll (1991) summaries the contribution of CSR to the bottom line in that it reduces the tendency to attract excessive and punitive legislation towards mistakes, it reduces the costs of litigation and punitive damages during a crisis and it is easier for corporations to raise the needed funds for business because their CSR efforts are beneficial to the environment. Empirical evidence to show the relationship between CSR and profitability so far has been inconclusive. Ogden and Watson (1999) suggest that shareholder returns increase as a result of the cost of improving the quality of customer service performance, Beliveau, Cottril, and O’Neil, (1994) showed that the gains from CSR are not the same for all industries. Sen, Bhattacharya and Korschun (2006) acknowledge that it is only when consumers are aware of the corporate social performance of

corporations that the positive economic benefits from their actions can be felt. A 2004 survey of European consumers showed that although 75% said they would modify their purchase decisions because of CSR considerations, only 3% were found to actually carry out the threat. Smith, 2008 reports another five-country survey of four European countries and the US which showed that only a third of consumers were willing to pay a 5-10% premium on ethical products. Werder (2008) confirms this discrepancy, by articulating that although CSR efforts can raise a corporation's reputation, it does not necessarily predict attitudes or behavioral intention. On the whole, some firms consider that CSR generates a competitive advantage and improves the financial bottom line or strategic although not directly related to profit maximization (Husted & Allen, 2006). For others CSR is just to fulfill their moral responsibilities.

### **The Moral Case**

The moral case for CSR stems from the moral responsibilities that corporations owe to society. The moral case differs from the business case in that it draws from deeper motivations that transcend the need for good business. Starck, & Kruckeberg (2003) argue that corporations earned their right to exist only because they were expected to have the interests of society in all their operations. The moral obligations of business respond to the fostering of relationships which failure to perform would neither attract legal nor state enforcement (Young, 2007). Following from the assertion that businesses are "soulless machines" (Lane, 2007, p. 330) is the counter assertion that only individual can have rights, so the rights granted to businesses, who have human beings as their agents must be used to benefit the society (Starck, & Kruckeberg, 2003). Lane (2007) differentiates the moral case from the business case as concerned with intrinsic values rather than instrumental values with at times the moral case challenging

the business case. Business motivations are concerned with the outcome while moral motivations are about honoring the values that may not consider the benefits to business. Heath and Ni (2008) consider the moral case as a successful foundation for CSR because it “goes beyond the question ‘what’s in it for us’ to focus on the higher moral position, ‘what’s in it for them’ or even for ‘us’?” (Globalization/Free Flow of Information, ¶4). For public relations, CSR provides a tool for the building to relationships. As addressed in chapter one it is the role of public relations to ensure discussion and deliberation with communities that are increasingly diverse to ensure that the views of the majority are not perpetuated at the expense of the few. CSR offers public relations the possibility “to restore and maintain the sense of community that has been lost in contemporary society” (Kruckeberg & Starck, 1988, quoted in Starck & Kruckeberg, 2003, p. 34).

The motivation for CSR by TNCs is important because it defines their subsequent management of it. If they consider that CSR can contribute to their bottom line, they will proceed to put CSR on their strategic agenda. According to Husted and Allen (2006),

Some firms view CSR as vital to achieving financial objectives through the generation of competitive advantages or the control of risk. Other firms view CSR as strategic by definition, not solely in term of its relationship to financial objectives. Still others do not place any importance on CSR within the firm’s mission. (p. 840)

They argue that the importance placed of CSR determines whether CSR is treated in relation to the demands of stakeholders or it is left to follow the vagaries of the institutional structure.

### **Implementation of CSR in Sub-Saharan Africa**

The universality of Carroll’s (1979) model that identifies an ascending hierarchy of economic, legal, ethical and philanthropic responsibilities cannot stand global inspection

because CSR is determined by the economic, socio-political, and cultural characteristics of the environment. This environment is different from place to place. Carroll's arrangement of responsibilities into an ascending hierarchy of economic, legal, ethical, and philanthropic categories especially suits the socio-economic and political situation that exists in United States and most developing countries because the standard of living is high and poverty, health care and basic needs are not an issue for a considerable part of the population.

The socio-economic and political situation of Africa which knows high levels of poverty, low FDI and extensive unemployment is very different from that in the United States and Europe where most TNCs are located and this means that the CSR requirements and needs have to be different. Instead of a hierarchy that favors the importance of economic and legal responsibilities over ethical and philanthropic responsibilities, Visser (2008) proposed an approach that takes care of the development needs of developing countries by seeking to foster the "enabling environment for responsible business in developing countries and that brings economic and equity aspects of sustainable development to the forefront of the agenda" (p. 489). Amaeshi, Adi, Ogbechie and Amao (2006) confirm Visser's suggestion, that the philanthropic dimension of CSR is the most prominent in the definition of CSR by local Nigerian businessmen because of the development needs of the nation. The lack of basic needs by the local community has pushed local Nigerian businesses to see CSR as "the corporate act of giving back to the immediate and wider community in which organizations carry out their business in a manner that is meaningful and valuable and relevant to the that community" (pp. 22-23). The point here is that the economic, socio-

political, and cultural characteristics of the environment are important in assessing the meaning, emphasis and practice of CSR. It is vital to examine the manner in which TNCs which have their head office in different socio-economic and political environments handle CSR in subsidiaries which are located in sub-Saharan Africa where a different if not contrasting set of conditions exist.

Critical scholars (Blowfield & Frynas, 2005; Fox, 2004, Jenkins, 2005) are interested in CSR's impact on development and favor the definition by the UN which states that "Corporate Social Responsibility is the commitment of business to contribute to sustainable economic development working with employees, their families, the local community and society at large to improve the quality of life, in ways that are both good for business and good for development" (Blowfield & Frynas, 2005, p. 503) than that of European Commission in its 2002 Communication on CSR: "a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis" (European Commission, 2002 quoted in Blowfield & Frynas, 2005, p. 503) which stresses the voluntary nature of CSR. They believe, the drivers of CSR in developing countries are fragile because the enforcement of legislation (Blowfield & Frynas, 2005) and civil society scrutiny are both weak (Fox, 2004). Blowfield and Frynas believe because enforcement of legislation cannot be assured and the local drivers of CSR are weak, there is a chance that the needs of local communities could be ignored in favor of the exploitative tendencies of TNCs.

Pratt, 2003, in linking stakeholder theory, corporate social performance, and sustainable development saw corporate establishments with headquarters in the

developed nations as strategic partners in alleviating the developmental challenges that plague sub-Saharan Africa. With the understanding of the stakeholder theory that posits that organizations should respond to the groups and individuals who affect it, and corporate social performance is socially responsible activities taken on behalf of corporations, Pratt proposed that TNCs have a duty to “respond to Africa’s development problems” (p.847). Pratt saw the function of communication in a TNC not only as a channel of providing information, but also a means to cultivate mutually beneficial relationships between the corporation and the community. He emphasized the need for TNCs to relate to the African collectivistic orientation that favors group harmony and community goals symbolized by their strict adherence to tribal institutions of authority. Pratt (2003) advocated an engagement with communities that exemplify a transparent and honest relationship. He believed it requires the participation of the community and prescribes that,

[w]orking with communities entails much more than getting involved in community projects; it requires setting up a system for community input well before major projects are underway; it requires searching for channels by which community views are represented in organizational decision-making. (p. 853)

The ability of TNCs to carry out CSR efforts in Africa is hampered by the relatively unfamiliar nature of the concepts of CSR (Visser, 2010). Even in Europe where the notion of CSR has taken root, very few stakeholders have an idea about its concrete goals and contents (Signitzer & Prexl, 2008). In Africa, the lack of knowledge is even more acute because CSR is only gaining grounds as a result of CSR activity in TNCs (Visser, 2008). Signitzer and Prexl, 2008, expressed the difficulties in which public relations managers have with communicating issues that may not be understood. In Africa the issue is made worse because the stakeholders have less motivation for CSR

and this presents difficulties not only in involving them in decision making but also in having them to appreciate CSR efforts (Akpan, 2006). The lack of understanding does not only rest with the local community. TNCs that are mostly located in the West come from a different cultural, socio-economic, and political reality and find difficulties appreciating issues like poverty and hunger that are predominantly African, especially with a business case mindset (Signitzer & Prexl, 2008). Visser (2007) confirmed the complex nature of CSR in sub-Saharan Africa because the gain in one issue usually results in the loss of the other for example, “development versus environment, job creation versus higher labor standards, strategic philanthropy versus political governance” (p. 151). This dilemma is made worse because of conflict of stakeholder interests. While corporations because of the difficult business climate are interested short-term profit gains, representatives of NGOs and activist groups “demand environmentally sound and socially responsible corporate conduct that often requires long-term investments” (Signitzer & Prexl, 2008, p. 13). CSR, because it is not a clearly defined concept and is open to multiple interpretations and approaches and is also significantly impacted by socio-economic, political, and cultural differences in environments provides a scenario that allows for alternative implementation strategies to balance the needs of both integration and localization.

Although there is little consensus on the manner and level of community participation in corporate governance, this study will examine whether the needs of the community are considered when TNCs coordinate CSR efforts with the subsidiaries in Africa.

## **International Efforts to Promote CSR**

The global and transnational nature of current global business makes it difficult for state-led efforts to regulate CSR. Moreover the erosion of the power of national governments renders them incapable of regulating and enforcing CSR guidelines (Deetz, 1995). As a result of this vacuum, international initiatives seem more appropriate to monitor the activities of TNCs especially in developing countries where it is more likely for violations to occur. CSR has now become more than the concerns of citizens but of the international community. Several initiatives to guide the conduct of international business has seen many agreements put in place (see Table 3.1.). International efforts to regulate and monitor CSR on a globally scale knows three more recent instruments which have tried to tackle the issue with varying success. They include the Global Sullivan's Principles of Social Responsibility, Global Reporting Initiative (GRI), and the UN Global Compact (UNGC).

Originally designed in 1977 as a guideline for US companies operating in Apartheid-regime in South Africa, the Global Sullivan Principles of Social Responsibility was relaunched in 1999 to encourage corporations to work towards "common goals of economic, social and political justice (Ghebremarian & Tolhurst, 2007, p. 244). By signing onto this agreement, corporations were obliged to provide information that publicly demonstrated their adherence to the Sullivan Principles in the pursuit of their normal business objectives. Effective membership of this agreement is not known but the suspicion is that its coverage is not extensive especially because of its national origins. However, this instrument is clearly voluntary with no avenues to hold members who breach the principles to account.

The GRI encourages international CSR in that it is a common framework that improves the technical quality, credibility and relevance for reporting the economic, social performance and environmental activities of corporations. The uniform reporting that results serves as a yardstick for CSR performance and in the absence of a universal measurement of CSR can be used to demonstrate the commitment of corporations to CSR (Ghebremarian & Tolhurst, 2007). Its coverage extends to over a 1000 members in 60 countries and just like the Global Sullivan Principles of Social Responsibility, voluntary adoption is all that is required from corporations and there are no penalties for not strictly following the laid out reporting procedures.

The UNGC launched in 2000 is the most ambitious and international CSR regulatory initiative to date. It is

[b]oth a policy platform and a practical framework for companies that are committed to sustainability and responsible business practices. As a leadership initiative endorsed by chief executives, it seeks to align business operations and strategies everywhere with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption. (UN Global Compact, What is Global Compact, 2008, ¶ 2)

With over 7700 participants made up of 5300 businesses in 130 countries, it boasts an international coverage in carrying out its mission of maintaining “real standards of club membership, and to communicate best practice and highlight members progress” (Oppenheim Bonni, Bielak, Kehm, & Lacy, 2007, p. 30). The UNGC enjoys the benefits of a global reach because of the UN framework and its local powerful networks can provide feedback. Its recent partnership with GRI in adopting the GRI guidelines as the expected form of reporting progress by its members improved the usefulness of its reports (UN Global Compact News, 2010). The GRI also integrated the UNGC ten principles and issue areas into its reporting guidelines.

Table 3-1. The Ten Principles of the United Nations Global Compact

<p><b>HUMAN RIGHTS</b> <b>Principle 1</b> Businesses should support and respect the protection of internationally proclaimed human rights; and <b>Principle 2</b> make sure that they are not complicit in human rights abuses.</p> <p><b>LABOUR</b> <b>Principle 3</b> Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; <b>Principle 4</b> the elimination of all forms of forced and compulsory labour; <b>Principle 5</b> the effective abolition of child labour; and <b>Principle 6</b> the elimination of discrimination in respect of employment and occupation.</p> <p><b>ENVIRONMENT</b> <b>Principle 7</b> Businesses are asked to support a precautionary approach to environmental challenges; <b>Principle 8</b> undertake initiatives to promote greater environmental responsibility; and <b>Principle 9</b> encourage the development and diffusion of environmentally friendly technologies.</p> <p><b>ANTI-CORRUPTION</b> <b>Principle 10</b> Businesses should work against corruption in all its forms, including extortion and bribery.</p>
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Source: Global Compact Annual Review, 2009

However, the effect of the UNGC as an international regulatory body has not been very successful. According to a McKinsey & Company survey of 391 CEOs and interviews with 38 CEOs and top executives participating in the UNGC, the performance of the UNGC has been mixed.

Today, the CEOs of most leading firms recognize that they are part of a vast social contract, and that the terms of that contract are becoming tougher and more complex with each passing year. ....more than 9 out of 10 corporate leaders are doing more than they did 5 years ago to incorporate environmental, social, and political issues into their firms' core strategies. Many executives see the new standards and demands as burdens. But ... some visionary CEOs are recognizing them as opportunities to apply their creativity and resources to gain competitive advantage, and help address some of the world's biggest challenges. (Oppenheim et al., 2007, p. 5)

This study credits the mitigating success of the UNGC to issues of competing strategic priorities. There is constant conflict between the demands by shareholders for shorter performance while because of the nature of CSR investments long term approaches are encouraged, "For individual managers operating at the local level, the adverse consequences of missing production or cost targets often appear to be much greater

than those associated with failing to meet some corporate level ESG norm – especially one that may have been promulgated remotely with little understanding of local realities (p. 22). Another limitation to the success of UNGC is the absence any industry regulation regarding the CSR requirements and norms of different world regions of local contexts. In addition, with the popularity of outsourcing, TNCs have less leverage in controlling the practices of their suppliers who may not share the same their sympathies with the high standards of CSR.

The ISO Standard on Corporate Social Responsibility that becomes effective in 2010 only provides guidelines to organizations on CSR terms, trends and principles. Because it does not include any CSR requirements and is not intended for any third party certification, also fails to resolve the issue of CSR standards (ISO, 2009).

### **Summary**

Despite the growing popularity and relevance of CSR, it suffers from constant attempts to operationalize its conception, implementation and evaluation. These efforts are not made any easier by its centrality in the conduct of international business because of the impact of the strategic orientation of international business and variation in the environments. The numerous international instruments available to guide TNCs and the implementation of CSR are evidence of the growing importance and potential of CSR in international business. However, these efforts at best have only replicated the efforts of each other by providing guidelines because the serious issues of competing priorities, the absence of standard regulations and enforcement body underlines the voluntary nature of international CSR. This makes the performance of individual corporations the only way of tracking CSR efforts for now which highlights the importance of the context in assessing this performance. Deetz (1995) finds that the

problems are not only in getting acceptable universal standards but also universal enforcement policies which even when instituted could be very expensive to manage. The changes that TNCs make as regards the various regions or local contexts may be able to guide future suggestions on the establishment of standard regulations or requirements that from all indications should be different from region to region.

## CHAPTER 4 CSR CONTEXT IN CAMEROON: THE IMPACT OF NATIONAL DRIVERS

This chapter examines the national context of CSR in Cameroon by presenting the geographic, economic and political environment in which TNCs operate. It will include a brief background of Cameroon, the growth of foreign direct investment in the country, and a look at national drivers of CSR, specifically the influence of the civil society, consumers, leaders and the government as drivers in the Cameroon context. Information in this chapter has been collected from research articles and international and national country reports on Cameroon regarding the various national drivers of CSR.

### **Cameroon**

#### **Geography**

Situated in Central Africa, Cameroon with a population of nearly 19 million and an estimated GDP of \$42.72 billion is the commercial and economic giant in the central African sub region of Chad, Central African Republic, Gabon, Congo and Equatorial Guinea (US Department of State, 2010). The country is blessed with an abundance of natural resources including oil, timber, hydroelectric power, natural gas, cobalt, nickel, iron ore, uranium (Mentan, 2003). The Bamilekes and Bamoums occupy the Western region, which is the most densely populated region with 38% of the population while the Bassas and Doualas inhabit the coastal region with about 12% of the population. The Ewondo, Bulu, and Fang (all Beti subgroups), Maka and Pygmies (officially called Bakas) make up 18% of the population and inhabit the southern tropical forests. The central highlands of the country is occupied by the Fulanis also known as the Peuhls

with 14% of the population and the Kirdis make up 18% of the population and are found in the northern region.



Figure 4-1. Map of Cameroon

Source: US Department of State available at <http://www.state.gov/p/af/ci/cm/> (accessed 18 March, 2010)

## **The Economy**

The economy relies heavily on agriculture which produces about 43.5% of the GDP and with the main agricultural products consisting of timber, and finished wood products, coffee, tea, bananas, cocoa, rubber, palm oil, pineapples and cotton. The major industries are petroleum production and refining, aluminum production, food processing, light consumer goods, textiles, lumber and ship repair. Industry only provides 16% of GDP while services account for 40.5% of GDP (Background Notes, 2010). Despite the high GDP, Cameroon lags behind in many socio-economic indicators. The infant mortality rate is 63.34/1,000 live births and life expectancy is 53.69 yrs. School attendance is 655 and the literacy rate is 75%. Cameroon is made up of over 250 identifiable ethnic groups (Fonge, 1997) divided all over the ten regions.

## **Culture**

Although French and English are the official languages resulting from its colonial heritage, Cameroon boasts of over 250 indigenous languages with a corresponding number of ethnic groups. Pidgin English that has been the lingua franca since the 1880's further complicates the language situation (Cameroon Language, Culture, Customs and Etiquette, 2010). English as well as the Pidgin English are commonly spoken the South West and North West regions while Fulani is the common language in the Northern region and French dominates the Central region. Freedom of religion is guaranteed by the constitution with 40% of the population as Christians, 20% as Muslims and the remaining 40% practice some form of religious beliefs.

## **Politics**

The government in Cameroon is heavily centralized and dominated by the president, who has an unlimited seven-year mandate. The current president has been in

power for 27 years with the ruling Cameroon People's Democratic Movement (CPDM) which has 120 members of parliament out of the total 180 (BBC, 2010). Cameroon is an ultra centralized state with a hyper concentration of power in the presidency with the other branches of power like the judiciary and the legislative are under the president (Gros, 2003). The president does not require the consent of the National Assembly to take decisions. The president and his immediate collaborators wield enormous power. According to Gros, "the post colonial Cameroon is the story of centralized authority in Yaounde (*the political capital*) trying to impose itself on the rest of the country, sometimes by force sometimes by inducement using foreign policy to consolidate domestic power" (p. 21). The stronghold of the central authority has made so that all national elections have been marred by irregularities.

### **The Growth of Foreign Direct Investment (FDI) in Cameroon**

Foreign direct investment (FDI) in Cameroon dates as far back to 1884 with the German annexation of Cameroon (Njong, 2008). Agriculture was the main economic activity during the period following the annexation. The German colonial masters created corporations for large-scale production of food and cash crops such as cocoa, coffee, banana, plantains, tea, and rubber, and this pattern of agricultural production was maintained even with the takeover of Britain and France from Germany in 1922. Investment in food and cash crops locally in exchange for imported manufactured goods and machinery was maintained by the colonial administration (Mentan, 2003). Zisuh confirms that this importation of manufactured goods for agricultural production experienced a change after Cameroon gained independence in 1960 when most multinational enterprises were naturalized to ensure maximum government control of the public and private sectors of the economy (cited in Njong, 2008). Until the mid-

1980s, foreign investors were allowed to participate only in limited private investments in the form of equity holdings and joint ventures (Awa, 1993, cited in Njong, 2008).

Fairly recent efforts of the government to encourage FDI can be seen in the 1990 Investment Code that has clearly spelt out guidelines concerning eligibility and is aligned to international arbitration acts (Forgha, 2009). In order to conform to the CEMAC regional customs regulations, the 1994 Tariff Code lifted quantitative restrictions on imports, non-tariff protection, and many import licensing requirements. Except for basic goods and services like electricity, water, public transportation, telecommunications, cooking gas, palm oil, imported fresh fish, pharmaceuticals, school books, and portside activities which the government considered strategic, it abolished price controls in 1998. In 2002 the National Assembly adopted the Investment Charter to replace the 1990 Investment Code but its implementation has been hampered by delays associated with passing necessary implementation legislation. The 2002 Charter is an improvement of the 1990 Investment Code in that unlike the former, it does not discriminate with regard to equity ownership, permitting full foreign ownership. In the absence of the necessary legal tool to formalize its implementation, the Cameroon government selectively handles the application of some of provisions of the 2002 Charter (“Background note,” 2010).

FDI has been crucial in the economic development in Cameroon. According to the 2009 World Investment Report, Cameroon had about \$260 million inward FDI in 2008 and this contributed for 6.7% of the annual gross fixed capital formation for 2008 (United Nations Conference on Trade and Development, UNCTAD, 2009). Although this was a drop from the \$284 and 8.2% of the annual gross fixed capital formation in 2007, the

situation as better in 2006 with \$309 million accounting for over 10% accordingly. France with over 200 French subsidiaries in Cameroon and employing over 30,000 people is commonly seen as the main economic player. The United States also boasts a strong presence in the energy sector, and is the biggest foreign investor in Cameroon (US Department of State, Background Notes, 2010). This U.S. leadership is as a result of their investment in the Chad-Cameroon pipeline that runs over 1000 kilometers from the Doba oil fields in Chad to the Kribi shore. Estimated at USD 4.4 billion, it is the biggest U.S. investment in sub-Saharan Africa with Exxon/Mobil and Chevron/Texaco as majority shareholders and Petronas of Malaysia as partners.

A promising sign for future FDI is Douala Stock Exchange (DSX) opened in 2006 in Douala, the economic capital of Cameroon, which serves as port city and main point of entry to the CEMAC region (Douala Stock Exchange, 2010). The Douala Stock Exchange is open to both public and private issuers of stocks and investors. It is a welcome opportunity for individuals, companies, the government and local communities to gain access to much needed finance to exploit the business opportunities which Cameroon offers. The Douala Stock Exchange is a public limited company with a board of directors and with capital of USD 3.6 million that was raised as follows: 63.7% of the shares are held by private commercial banks, Credit Foncier of Cameroon, and the Dutch bank FMO; 23% by public interests; and 13.3% by private insurance

Except for a couple of case studies, very little academic research has been carried out on TNCs and corporate social responsibility in Cameroon. One of the case studies is that of Rivera-Santos and Rufin (2009), which in looking at the competitive dynamics between two international telecom companies, Orange and MTN, in the Cameroonian

telecom market described the Orange's CSR initiatives, globally and in Cameroon. The other concerns the political complications involved in obtaining Forest Stewardship Council Forest Stewardship Council (FSC) Certification demanded by environmental organizations but difficult to obtain in Cameroon by Kononiklojke Houthandel Wijma, a global timber trader (Visser et al., 2006). FSC certification was unknown to Cameroon forestry officials but required in Europe so they had to patiently work their way with Cameroon authorities on how to establish one.

### **National Drivers of CSR in Cameroon**

#### **The Government**

As regards CSR, government regulations and decisions play a major part in facilitating and encouraging it (Fox et al, 2002; Matten & Moon, 2005; Moon & Vogel, 2008) According to the Global Compact, the main areas of corporate social responsibility include; human rights, labor standards, environment and anti-corruption (Global Compact, 2010). The government has set aside about ten ministries to take care of the issues concerning society. They include; the ministries of Social Affairs; Women's Empowerment and the Family; Youth; Labor and Social Security; Employment and Vocational Training; Public Health; Agriculture and Rural Development; Justice; Environment and Nature Protection; Forestry and Wildlife. As regards social welfare, the government has created institutions like the *Caisse National de la Prevoyance Sociale* (CNPS) that administers the leave and retirement benefits of all workers (Caisse Nationale de Prévoyance Sociale, 2010) and the *Credit Foncier du Cameroun* (CFC), which should resolve issues of access to cash by administering a small loan scheme for civil servants. The *Societe Immobiliere du Cameroun* (SIC), a real estate company alleviates housing problems (*Societe Immobiliere du Cameroun, 2010*) by the

constructing of low-cost housing and the *Fonds Speciale d'Equipement et d'Intervention Intercommunale* (FEICOM) finances community development projects and redistributes communal taxes (FEICOM, 2010). All these schemes are financed from contributions from worker's salaries and taxes paid by corporations. As regards human rights and the rule of law, apart from the Ministry of Justice, the government has set up the Human Rights Commission which in charge of the protection of civil, political, economic, social and cultural rights of the citizens (Cameroon Ministry of Justice, 2010). In addition to the various numerous ministries the government has taken upon itself to revise the 1994 law on the environment for a better management of forestry wildlife and fishery (Mvondo, 2006) and other laws concerning mining and water. In addition, the government has put in place regulatory bodies like Telecommunications Regulatory Board (*Agence de Regulations de Telecommunications*, ART), Public Contract Regulatory Board (*Agence de la Regulation des Marches Public*, ARMP) and Electricity Regulatory Board, (*Agence de la Regulation d'Electricite*, ARE) with responsibilities to regulate, control and monitor the activities of the various sectors.

Table 4-1. Sources of FEICOM Income

Item no.	Nature of Revenue	FEICOM Contribution	Council Contribution
1	Global Tax	10%	90%
2	Business License	10%	90%
3	License	10%	90%
4	Cattle Tax	10%	90%
5	Parking Levy	50%	50%
6	Tax for transportation of people	50%	50%
7	Tax for transportation of cattle	50%	50%
Total		190	510

Source: adapted from FEICOM

The ministries, the institutions, the laws and the regulatory bodies are the ways in which the Cameroon government takes part in facilitating and encouraging social

responsibility. However, the implementation of all these initiatives does very little to encourage corporate social responsibility. As a result of the heavy centralization of the government, the government takes upon itself to provide the link between corporations and the society. Corporations and individuals are heavily taxed in order for government to take care of the welfare of the citizens, to protect the environment and to provide low cost housing for its citizens. For example, most of the finances for the operations of FEICOM are derived from direct and indirect taxes to corporations.

A percentage of all workers salaries are paid directly to the government agencies like CNPS, CFC, and the Cameroon Radio Television (CRTV) in order for them to carry out socially responsible projects. Annual taxes in Cameroon amount to 50.5% of profit and comprise of 41 payments and take almost 1400 hours of company time (Doing Business, 2010). As a result of this direct and indirect taxation, the government's moral authority to encourage corporations to alternatively be socially responsible is limited.

### **NGOs and Civil Society**

Although the CSR potential of NGOs and civil society in Cameroon has not been fully evaluated, many of them operate in Cameroon (Fonjong, 2006; Mbuagbo & Fru, 2003; Mvondo, 2006; Yenshu, 2001). Their importance as drivers of CSR becomes more heightened by the inability of government to encourage corporations to take part in CSR. Human rights, women's issues, election monitoring and anti-corruption are the prevalent themes that attract their attention (Mbuagbo & Akoko, 2004). An important issue that prevents their smooth functioning is the central and strong position of the Cameroon government regarding their existence. The government is involved in approving their existence and retains the power to suspend or dissolve them (Rutinwa, 2001). The 2008 Amnesty International report claims government officials repeatedly

impeded the effectiveness of local human rights NGOs during the year by harassing their members, threatening violence, and using violence against NGO personnel. Nyamnjoh (1999) and Yenshu, (2001) point to the repressive judicial laws that are often invoked to neutralize their activities. The effectiveness of civil society organizations is also hampered by their weak financial base, often leading them to depend on donations from foreign organizations and internal contradictions, lack of technical knowhow (Funjong, 2006) and the quest for sinecures by some of their leaders (Mbuagbo & Akoko, 2004). It is interesting to note that despite the importance of community development and philanthropy to developing countries as pointed out by Visser (2006), it is not one of the main areas of civil society organizations in Cameroon. They are very visible in fighting for the protection of the environment (Funjong, 2006; Mvondo, 2006) possibly to fulfill the conditions of their funding. Though the other themes that these civil organizations address are directly linked to social endeavors, it is their approach that is interesting. Maybe as a result of the strong role played by the government in the socio-economic and political life of the country, civil society organizations view the government as the response of all their solutions. Most of the efforts are directed either towards the government to encourage the enactment of laws and towards the local population for devising new ways of overcoming social issues (Funjong, 2006). Very few civil society initiatives are aimed at corporations. It is only in the protection of the environment that they have been concerned with bringing pressure to bear on irresponsible corporations (Mvondo, 2006). One association that clearly concerned with the rights of consumers' rights is *l'Association Citoyenne de Defense des Interets* (ACDIC). However, it has been ineffective because of constant intimidation from the

government and lack of support from the consumers themselves maybe as a result of the novelty of such an approach. It is interesting to note that, it is not even the corporations that are against ACDIC, but the government. Another, effective organization is the Catholic Church which is very strong in the country but it too has concentrated its efforts towards the government rather than corporations (Mbuagbo & Akoko, 2004). The effectiveness of civil organizations as drivers of CSR is very weak because despite their presence in Cameroon their efforts have mostly been directed towards the population and the local community and have not been able to see the private sector, including large transnational corporations as potentially important rural and urban development agents (Hamann & Acutt, 2003).

### **Consumers**

Adequate research has not been done on the Cameroon consumer in order that their capacity as a driver of CSR can be assessed. However, their participation in other forms of civic activities can be assessed to inform their likely capacity to encourage CSR. It will be important here to explain the demographic set up of Cameroon. As a result of their colonization by the French and the English, two out of the ten regions are English-speaking and while the other eight are French-speaking. In all, the country is made up of over 250 ethnic groups with corresponding dialects (Ndangam, 2008). The government in order to encourage division among these ethnic groups for easy control for political gains has frequently played one ethnic group against the other. The government presents itself as the ultimate provider and from time to time favors one group over the other and leaves them continually fighting against each other for the president's attention (Fonchingong, 2004; Jua & Nyamnjoh, 2002; Konings & Nyamnjoh, 1997; Mbuagbo & Akoko, 2004; Nyamnjoh, 1999). Nyamnjoh, (1999), recounts how

nothing happened in 1994 when the CFA was devalued after two successive salary cuts. Nyamnjoh also acknowledges the patience of Cameroonians and their reliance on the government as the sole source of their personal enrichment and reward by stating that “[t]he masses are passive spectators in decision-making at many levels, perhaps because they have relied overmuch on politicians and elites, rather than on their ability to organize themselves into social forces with a contribution to make” (1999. p. 116).

Gros (2003) believed that despite the numerous ethnic groups, the very resilient and submissive nature of Cameroonians is part of the national character, which is “vocal without being violent” (p. 27). A rare attempt by the population to protest against the high prices of basic commodities in February 2008 was violently crushed by the government (Human Rights, 2009). Although the government allows for the formation of unions, the conditions involved are grueling, endless, unevenly enforced and successfully registered unions are subject to government interference. One union that has succeeded to operate though not registered is the *Syndicat National des Enseignants du Supérieur* (SYNES), however, participation in this union affects professional opportunities and advancement (Jua & Nyamnjoh, 2002).

## **Leaders**

It is inconceivable to project top managers as drivers of CSR in a country that has the unenviable distinction of been voted the most corrupt country in the world successively in 1999 and 2000 and has remained in the top ten most countries in the world since then (Gros, 2003; Transparency International, 2009). According to William and Aguilera, 2008, managers and top management teams are highly influenced by the national cultural norms of work. Occupying the most prominent position in the ladders of corruption are members of taxation, customs, the police and the justice department.

Most corporations are in daily contact with these officials so are also implicated in the corruption. The issue is not only that top leaders are involved in the whole corruption debacle but the increased costs that they experience which definitely should have a bearing on their ability to responsive to their society. These leaders are also likely discouraged by the increase in costs that arise from cumbersome logistics, poor infrastructure and abundant red tape. According to The World Bank's 2009 Doing Business Report on Cameroon which uses a set of regulations affecting ten stages of a business's life which include: starting a business, dealing with construction permits, employing workers, registering property, getting credit, protecting investors, paying taxes, trading across borders, enforcing contracts and closing a business ranks Cameroon 171 out of 183 countries as regards the ease of doing business. Ironically, Cameroon's best performance was recorded in ease of closing a business while its worst showing were in the areas of starting a business and enforcing contracts (p. 2). In addition, the government's practice of giving lucrative senior positions to people who are loyal to the ruling party, sing the praises of the president and ensure votes during elections has sustained a tradition of promoting mediocrity in official appointments (Fonchingong, 2004; Mbuagbo & Akoko, 2004; Nyamnjoh, 1999). Jua and Nyamnjoh (2002) highlighted the case of the appointment of a member of a central committee as vice chancellor of the University of Buea without the recommendation of the senate and council and against the decree setting the university as evidence of 'loyal mediocrity' appointments (Jua & Nyamnjoh, 2002). This is confirmed by a 2009 World Bank Report on poverty reduction and economic management on Cameroon that concludes that

“patronage and personal loyalties are common values for recruitment and promotions at the expense of the most performing or most able” (p. 29).

### **Summary**

The various laws promulgated by the government are clear in theory but their implementation cannot be relied on. The laws are contradictory in that, on one level the judiciary is independent of the executive and the legislative but on another level, the law empowers the president to guarantee the independence of the judiciary and he alone appoints, transfers, promotes, determines their wages and disciplines them (Sama, n.d.). Most of the laws are framework laws that are conceived without consultation with the beneficiaries (Ekoko, 1999; Funjong, 2006,) and they require implementation decrees for them to be enforced and these decrees have not been done or are unavailable. When corporations are aware that the judiciary cannot be relied on and the laws are unenforceable, there is no zeal for them to strategically structure their social engagements. Moreover there is a high level of corruption in the government agencies and regulatory bodies which most of the time are headed by government cronies and made up members of the ruling party or civil servants on secondment (Forchingong, 2004; Jua & Nyamnjoh, 2002; Konings & Nyamnjoh, 1996; Nyamnjoh, 1999,) and confirms the assumption that the state is a disincentive rather than a facilitator of CSR. Government bureaucracy, inefficiency and corruption prevent government agencies from delivering on their social commitments. Having implicitly taken part in socially responsible projects by providing the requested financial payments to the government, corporations and the public are left to wait for the government to deliver. The CSR case in Cameroon is not one of encouraging corporations to act responsibly and ethically in the absence of regulations (Prinsloo et al., 2006) but a case of also advising the

government to revise its actions in order to encourage CSR. Educating the business leaders, the consumers and civil society organizations is required as well as the government. The problem here is how do you take away the government's main weapon of political survival; being the eternal provider for the masses and the business community. Government survival has thrived by presenting itself as the provider and its operations have been organized to discourage the implementation of CSR by individual companies because it takes away their importance and consequently their control over the population. The Cameroon government in these times of globalization continues to present itself as the custodian of the well being of the Cameroon people in disregard of the potential and possible contribution that can be stimulated from the private sector. For Molua (2010), the Cameroon government has to recognize the influence and importance of private initiative and reduce its direct control over all facets of life in the country. It is precisely from this restrictive regulatory framework that Cameroon must extricate itself if she is to realize her true potential in the global economy.

## CHAPTER 5 INTERNATIONAL BUSINESS STRATEGY

The increased competition characteristic of international business together with the effects of globalization has become significant factors in the conduct of international business. The ease of communication and transportation brought about by globalization has enabled corporations to establish and maintain operations concurrently in distant geographic locations on the globe (Blumentritt & Nigh, 2002; Molleda & Laskin, 2010). A steady decline in cross-border trading and investment has led to the economic integration of nations to form free trade areas, customs unions, common markets, economic unions, and political unions. These forms of economic integration have proven to be excellent ways of opening foreign markets in international business (Hill, 2010). In North America there is the North American Free Trade Agreement (NAFTA); in Central America, the Central American Free Trade Agreement (CAFTA); in Europe the European Union (EU); and in Africa there are the Economic Community of West African States (ECOWAS); Economic Community of Central African States (CEMAC); Common Market for Eastern and Southern Africa (COMESA); and the Association of Southeast Asian Nations (ASEAN) in Asia. In 2009 in Africa, UNCTAD indicated a marked increase in foreign direct investment (FDI) which it credits to the adoption of better investment policies by African governments which attracted more business from transnational corporations (TNCs) (UNCTAD, 2010). According to the Economist Intelligence Unit (EIU), sub-Saharan Africa is witnessing a scramble for access from both the region's former colonial powers and the emerging industrialized nations like China and Brazil in their bid to control the region's vast natural resources and the provision of services (2010). This region holds the majority of the world's platinum-group

metals, chromium, manganese, bauxite, cobalt, coltan and 10% of the world's oil production (EIU, 2010). This is in addition to the region's key role in the production of agricultural crops like coffee, cocoa and tea and a fast growing demand for telecommunication services.

The rapid expansion of corporations and the new and greater influence that these corporations wield as a result have made them decisive as regards their effect on individuals and society all over the world. Particularly the newfound financial power of TNCs has dwarfed that of national governments in many developing countries who were looked upon to provide basic welfare services for their citizens (Scherer & Palazzo, 2008). Consequently, TNCs are increasingly being expected to contribute to the needs of society (Pratt, 2008; Scherer & Palazzo, 2008) and the environment.

CSR is the field that engages in the relationship between businesses and society. Often considered both a management and public relations function, CSR contributes strategically to public relations by building relationships in society and improving the reputation of corporations. These benefits even get more pronounced following efficient dissemination of CSR activities of corporations (Signitzer & Prexl, 2008; Sen et al., 2006). On the business side, gaining a socially responsible reputation increases trust and credibility amongst stakeholders (Bhattacharya, Korschun, & Sen, 2009) and admittedly improves the financial ranking of corporations (Signitzer & Prexl, 2008).

The various international business strategies and the consequent structural international business models of: international, multinational, global and transnational (Bartlett & Beamish, 2011) and the corresponding strategic requirements have an incidence on the manner in which TNCs organize their business in general and in

particular their public relations effort which usually harbors the CSR initiative in corporations.

It is for the above reasons that this chapter examines how international business strategy, organizational configuration, mentality, and the role of subsidiaries influence the management of TNCs and consequently the how decision-making process involved in formulating and implementing of CSR in sub-Saharan Africa. It focuses on the relationship between the head office of TNCs and their subsidiaries in the integration and localization of management especially of CSR efforts in their African markets. In examining these processes, it reviews relevant literature on integration and responsiveness and explains the business theories that guide the decision of TNCs to apply integration or responsiveness approaches in CSR. The chapter also reviews coordination mechanisms that are employed to integrate worldwide operations in order to present research questions and propose a study methodology for the coordination of CSR activities by TNCs in Cameroon.

### **International Business Strategies and Structural Organization of TNCs**

In looking at the coordination of CSR efforts by TNCs in Africa, it is important to examine how the strategic and structural organization of international corporations and the role and responsibilities of subsidiaries affect management within these corporations and consequently the decision-making process regarding CSR projects in their public relations efforts. The reason why corporate strategy, structure and culture are important is because they predict behavior (Robbins & Judge, 2011) and are expected to guide decision-making as regards CSR efforts in sub-Saharan Africa. Management in international corporations is a difficult task not only because subsidiaries are based in different countries but most especially because it entails a high degree of collaboration

between the head office and subsidiaries. For corporations that harbor the head office and subsidiaries in the same country, the task of collaboration appears easier but in TNCs, people of different nations and cultures are bound to work together despite subsidiaries having a subordinate role to that of the head office. When this occurs there are always possibilities of each subsidiary having its own context thereby allowing for enormous variation among the subsidiaries (Pahlberg, 1996) and subsequently variation in its management style and more specifically its CSR activities.

In order for effective coordination and control between head office and subsidiaries, various models of international business operations can be employed namely: international, multinational, global, and transnational (Bartlett & Beamish, 2011). Hill (2010), believed managers employ strategy to maximize the value of the firm and defines strategy as “the actions that managers take to attain the goals of the firm” (p. 402). The choice of international business strategy influences organizational structure that in turn conditions the management process of the TNC because it directs management responsibilities, roles, relationships, and management culture. These strategies and their accompanying specifications are outlined below.

### **International Strategy**

The international strategy is bent on maximizing the knowledge of the parent company, its capabilities and innovations in all its subsidiaries (Bartlett & Beamish, 2011; Daniels et al, 2009; Hill, 2010). This strategy, although it allows limited freedom in the adaptation of products to local conditions, local subsidiaries are expected to adhere to instructions that emanate from managers at the headquarters where the company’s core competencies lie. The international strategy is particularly suited to adopt the international division structure for its implementation (Daniels et al., 2009). This

organizational structure allows for concentrating the company's resources for handling export documentation, foreign-exchange transactions and relations with foreign governments of its subsidiaries in a single unit. This structure is popular for companies in the early stages of global expansion who want to replicate their domestic operations overseas. The international structure prioritizes the domestic market and encourages a mentality that subjects subsidiaries to the same operations, products and management styles of the domestic market (Bartlett & Beamish, 2011). The international strategy is symptomatic of US-based companies in the decades after 1945 that were eager to transfer the technology that had been newly developed in the domestic market. This structure is organized as a coordinated federation in which responsibilities are delegated to subsidiaries while control is retained with the help of management systems and staff at the parent corporation. The management systems make provision for "regular flow of information to be interpreted by the central staff and used by top management for coordination and control" (Barlett, Ghoshal, & Birkinshaw, 2004, p. 344). This international model is marked by the centrality of technological forces and the emphasis here is for the TNC to benefit from the gains it has made in successive subsidiaries. This model thrives in its ability of introducing and maintaining new products in its subsidiary markets that have been produced with the technological advantages present in the home country. The centralization of management renders the subsidiaries in the international model unable to respond to their local market because country managers do not exert significant influence with the company's hierarchy (Hill, 2011). The international strategy also predisposes an ethnocentric orientation of headquarters towards the subsidiary in which the volume of information to the subsidiary is high and

promotes higher rewards, punishments and incentives in the headquarters than in the subsidiary (Perlmutter, n.d. in Bartlett & Beamish, 2011). The ethnocentric orientation prevalent in the international strategy also perpetuates the recruitment and training of home nationality personnel for positions in their international operations at the detriment of host country staff. The subsidiaries in international firms are expected to adapt and leverage the knowledge and innovations of the parent company transferred to them from the headquarters. The international model is less efficient than the global model and less responsive than the multinational model, but it is in a better position to make use of the knowledge and technological know-how of the parent corporation. The international business model is no longer popular in international business literature and is usually left out in business studies (Harzing, 2000).

### **Multinational Strategy**

The multinational strategy aims at exploiting the opportunities that arise as a result of the diversity of the global environment. In order to respond to specific tastes, and differences in specific environments, the multinational strategy differentiates products and services to conform to these variances (Bartlett & Beamish, 2011). The company's ability to be flexible is required to ensure that their goods and services are adapted to meet local needs and tastes (Harzing, 2000). The organizational structure convenient for the multinational strategy is the area structure that divides the company into geographic areas (Hill, 2011). The area structure also known as the geographic structure is well suited for companies that address regional or national rather global markets (Daniels et al, 2009) because the mentality is to appreciate the differences in national markets and operating environments. Consequently, the organizational structure follows a decentralized federation with loose and simple controls of

independent national subsidiaries that pay maximum attention to their local market (Bartlett & Beamish, 2011). The localization forces of national, cultural, social, and political differences dominate the multinational model. The exchange of finance marks the main exchange between the head office and the subsidiary. In return for capital sent from the head office, dividends are expected from the subsidiary. The emphasis here is on building strong national subsidiaries that can accommodate the needs and business opportunities present in the local market and that can relate to the needs and requirements of the local market of respective subsidiaries (Daniels et al., 2009). The multinational strategy favors a polycentric headquarters approach towards subsidiaries in which authority and decision-making from headquarters is low as well as communication and information flow but there is high tendency to recruit and train people from the host country to fill positions in their own country (Perlmutter, n.d. in Bartlett & Beamish, 2011). European companies are credited with the multinational strategy in their global expansion in the prewar period. The multinational strategy endorses an organizational culture that encourages a greater variety in local interpretation of corporate goals at the expense of fewer common values in the TNC (Hill, 2011). The role of the subsidiaries in multinational firms is to identify and take advantage of local business opportunities. The autonomous nature of the decentralized federation in the multinational structure permits it to effectively respond to its local needs, but its efficiency is compromised because the relationship between subsidiaries is weak. Since the activities of the multinational model are not centrally coordinated it suffers by not benefitting from the expertise and skills present in fellow subsidiaries.

## **Global Strategy**

The global strategy strives to attain global efficiency by lowering the value of inputs while increasing the value of outputs in a bid to increase profitability. Global efficiency in this strategy is attained by exploiting economies of scale and scope and a centralization of decision-making at the headquarters to ensure integration (Harzing, 2000; Hill, 2011). The global strategy favors a complex product division structure of a “globally dispersed web of value creation activities” (Hill, 2011, p. 459) and although they may have the same markets and use the same distribution channels and supply chains, the product divisions are independent (Daniels et al., 2009). The coordination of activities is assured by a centralized system in which the subsidiaries offer the firm outlets to the global market (Bartlett & Beamish, 2011). The mentality of global firms pushes them to think and create products that have a universal appeal, uniform quality, price sensitive and that can be manufactured centrally in highly efficient plants. Industries that are particularly suited for this strategy are telecommunications, equipment and pharmaceutical drugs (Harzing, 2000). With resources consolidated in the center, the global corporation enjoys the benefits of economies of scale in all its activities but the national subsidiaries are denied the opportunity to develop skills or the ability to respond to their immediate market. The centralization of production, research and development, and decision-making practiced in this model is incapable of responding to variations of the local community where the subsidiaries are based. Just like the international strategy with a centralized coordination, headquarters orientation towards subsidiaries in multinational firms was ethnocentric. The dominant culture is to forcefully standardize goals, priorities and practices and competitiveness on a global scale (Daniels et al., 2009). Implementing the strategies of the parent company was the

sole role of the subsidiary. The multinational model was very popular with Japanese firms between 1970 and the early 1980s in their bid to catch up with European and US-based TNCs that had long established an international presence.

### **Transnational Strategy**

Increasingly fewer TNCs can strictly fall into the conventional models of international business operations because the demands of globalization and the resulting increase in competition has heightened the triple need for global efficiency, national responsiveness, and worldwide innovation or learning (Bartlett & Beamish, 2011; Harzing, 2000). There is an urgent need for international business operations to abandon their competitive position, be it efficiency, responsiveness, or innovation and respond to all the diverse and conflicting forces at one and the same time. This has led to the transnational model that must now build the capacity to learn from the many environments to which they are exposed and make use of the benefits for such learning throughout their global operations. This approach particularly suited to the provision of professional services is different from the multinational, international, and global models in that “it builds and legitimizes multiple diverse internal perspectives; its physical assets and management capabilities are distributed internationally, but are independent; and it has a robust and flexible internal integrative process” (Bartlett & Beamish, 2011, p. 346). By specializing in their specific activity, each subsidiary is expected to act as a source of that expertise for the global company. This promotes a mentality that is responsive to local needs and also attends to the benefits of global efficiency. The advantage of the transnational model is that it simultaneously takes advantage of its location, large-scale production, its major strengths, and attends to the needs and requirements of its local market (Daniels, et al., 2004). Japanese firms which have been

known to “devolve little power to local staff and rarely promote non-Japanese to top management” (*Economist*, 2010, The New Frontier,, ¶ 16) are now relying on local engineers to redesign products to meet local tastes in emerging markets. The transnational strategy demands that the Japanese firms also revise their organizational culture to reverse their heavy reliance consensus and directives from the head office. The appropriate organization structure in the transitional strategy is the matrix. It specifies that a subsidiary report to more than one group (functional, geographic and product) (Daniels et al., 2009). The understanding is that in making each group share responsibility for foreign operations, it pushes each subsidiary to share information and resources more willingly. The headquarters of a transnational firm adopts a geocentric approach which prefers a collaborative engagement with subsidiaries, a bi-directional flow of communication between headquarters and subsidiaries and invests in people everywhere in the world to fill key positions in any unit (Perlmutter, n.d. in Bartlett & Beamish, 2011). As a result of the interdependence of worldwide units, management expects the entire corporation to benefit from the ideas, skills, capabilities, and knowledge of all its worldwide operations. The dominant organizational attribute in transnational firms is innovation, creativity, dynamism and flexibility (Daniels et al, 2009). Moreover, because of the inherent flexibility, the management process is able to change “from product to product, from country to country, and even from decision to decision” (Bartlett et al., 2004, p. 348).

Bartlett and Beamish (2011) contended that despite the move by TNCs to currently make the most of the opportunities available in centralizing and decentralizing exemplified by the transnational strategy, “a company’s organization is shaped not only

by current external task demands but also by past internal management biases” (p. 317) which they refer to as administrative heritage. Thus it is expected that the approaches characteristic of the original international, multinational and global international business models will still be evident in their handling of not only issues concerning products and services but also a new issue like CSR. This view is supported by organizational inertia that explains the difficulty organizations have in changing.

### **International Business Strategy and CSR**

The international business models presented by Bartlett and Ghoshal (1989) were inspired by earlier consumer concerns and may not be ideal for the change in consumer focus because “corporate responsibility entails a company’s recognition of broad responsibilities, that as part of society with consequent obligations, and that it should be concerned with more than just profit” (Dawkins & Lewis, 2003, p. 188). These new concerns are made more complex because in addition to consumers, other segments of the society like legislators and the investment community have different levels of activism. This makes the traditional international business models unable to adequately tackle today’s concerns. Dawkins and Lewis, 2003, show a transformation of stakeholder concerns from issues concerning products and services to issues that concern CSR. In the seventies consumers were concerned with the traditional factors that mattered to consumers and these included: product quality, value for money and financial performance. However, today the issues that matter most to consumers concern; treatment of employees, community involvement and ethical and environmental issues.

In reviewing international business literature, Arthaud-Day (2005) confirmed that there is a positive relationship between a corporations’ strategic orientation and its

approach to CSR practice. Corporations that undertake a global strategic orientation define their CSR functions centrally while multinational firms are more prone to a greater diversity of CSR initiatives that respond to local or national contexts. Shen (2006) in her study of public relations and MNCs CSR in China found that there was a preponderance of global firms and correspondingly a less strategic CSR that replicated uniform decisions for subsidiaries around the world. Husted and Allen (2006) tested the relationship between CSR and organizational strategy in their study of TNCs in Mexico in regards to their response to global and local CSR issues. Their thinking was that the approach of the TNCs to CSR issues will closely mirror the international, multinational and global management strategy employed in the management of their products and services although they argued that the pressures for CSR was from local stakeholders, market structure, and local governments and so demanded a local response unlike the pressures of products. They acknowledged, “the pressures for CSR integration/responsiveness may not correspond to pressures for integration/responsiveness in the product market” (p. 841). Husted and Allen (2006) did a fine job of differentiating local and global CSR. The defining difference between both is the community that demands it. While the local community is identifiable by their common practices, needs, values or goals and self-established norms and ethical behaviors, the global community refers to a wider community that involves all societies and is bound by universal principles. Accordingly, local CSR refers to CSR that is fashioned to accommodate the standards and needs of that identifiable group while global CSR responds to standards that all societies uphold. Examples of local CSR “can be “active cooperation in the fight against unemployment and HIV-AIDS” (de Jongh,

2004 quoted in Husted & Allen, 2006, p. 840) in South Africa while issues that transcend national boundaries like protection of human rights and environmental protection fit the description of global CSR. Donaldson and Dunfee (1999) believed global CSR should incorporate values that are universally acceptable to all cultures and organizations while Arthaud-Day (2005), on the other hand, believed local CSR should show high degree of sensitivity to local conditions by developing local and unique approaches to CSR.

Husted and Allen (2006) summarized the differences between local and global CSR as “local CSR deals with the firm’s obligations based on the standards of the local community, whereas ‘global’ CSR deals with the firm’s obligations based on those standards to which all societies can be held” (p. 840). From this definition, this study considers local CSR in terms of developing countries will align more with the Millennium Development Goals or the eradication of poverty and hunger; universal primary education; reduction in child mortality; maternal healthcare; and combating HIV/AIDS, malaria and other diseases while global CSR will align more with the UN Global Compact principles of human rights; labor; the environment; and anti-corruption.

Husted and Allen, (2006) found out that the CSR efforts of TNCs in Mexico conform to the TNC organization strategy established for product-market activities in that multinational and transnational corporations attend to local CSR than global corporations. However, contrary to their expectations, the study also found out that irrespective of organizational structure, all TNCs respond to global CSR. This may be because the pressure for CSR is not only local as previously considered by Allen and Husted, (2006) but international. TNCs are increasingly required to meet with the CSR

requirements of their home countries as well as those of their host environments (Molleda et al., 2005) and those of global civil society organizations (Wakefield, 2008).

Gugler and Shi (2009) identified reasons for the conceptual and practical disconnect between North and South despite the normative advantages that CSR is purported to contribute to the bottom line. The North-South “CSR Divide” is exemplified by the popularity of CSR in firms in developed countries like Australia, Canada, the USA and the UK while CSR is not a major concern for firms in developing countries like China, Nigeria and the Dominican Republic. In developing countries, CSR is more of an altruistic endeavor not related to economic performance so its impact on the society and environment is not considered strategic. Gugler and Shi (2009) attributed the differences to a weaker enforcement of regulations in the developing nations; the absence of values and tradition that promote CSR; less understanding and appreciation of the CSR agenda; unavailability of technology to enable sustainable standards; weaker national drivers of CSR; and an economic system that caters to the basic needs like income provision and poverty rather than social and environmental issues. Even in the same companies, these discrepancies in the handling of CSR exist. A case in point is Siemens involvement in bribery in China when it could not do the same in its units in the developed world (Gugler & Shi, 2009, p. 12). The conditions present in most of the developing world do not place CSR on a level that requires strategic attention, so firms operating in this region are not guided by the same influences that guide their actions in developed countries. This case shows that a unified strategy may not be used to interpret the CSR actions even of the same company.

## **Roles and Responsibilities of National Subsidiaries**

The roles of subsidiaries are dependent on the organizational structure that corporations adopts. Bartlett and Ghoshal (1989) identified three reasons as the driving force behind businesses moving overseas: search for resources, markets, and cheap labor. This implies that, the importance of subsidiaries depended on the availability of these three requirements. Nowadays as result of globalization and competition corporations are eager to make their subsidiaries transcend their usefulness as only providers of resources, markets, and cheap labor. Their usefulness could be extended to the strategic management of global activities by exploiting their knowledge and expertise (Bartlett & Beamish, 2011). For Hill (2011) corporations are now “leveraging the skills created within the subsidiaries and applying them to other operations within the firm’s global network” (p. 414). Unlike before, the motivation is the search for new ways in which the corporation may become more profitable from the knowledge generated from subsidiaries. The different market conditions in various subsidiaries enable them to build diverse skills and expertise and transfer these skills between subsidiaries for the benefit of the entire corporation. The acquisition of skills and expertise beyond provision of resources, markets, and cheap labor changes the dynamics involved in their importance as regards the parent company. Consequently, the degree of influence accorded to subsidiaries in the decision-making process and management of the corporation changes to reflect their ability to provide these new knowledge and capabilities developed from effectively accommodating the challenges of their local setting.

It is on the above grounds that Barlett and Ghoshal (1989) provided a conceptual framework for the strategic participation of subsidiaries in the management of

corporations which include; strategic leader; contributor; implementer, and black hole. This framework relies on the double issues of how important the national market of the subsidiary is to the TNC and how competent the subsidiary is in matters concerning technology, production, and marketing. Subsidiaries that are located in important markets and manifest high competence in technological, production and marketing activities fall in to the strategic leader category and are compensated by being allowed to participate with head office in developing and implementing decisions. Those with limited market opportunities but with access to resources that can be of use to the corporation's other subsidiaries are considered contributors. Subsidiaries that are characterized by both limited market opportunities and limited competences belong to the group of implementers and they are not expected to contribute to decision-making at the corporation. Black holes refer to subsidiaries that are located in such important markets that they deserve to take part in decision-making but are short of the competence in marketing, production, and technology.

On the other hand, Birkinshaw, Bouquet, and Ambos (2007) in their study of 30 global companies in Australia, Canada, the United Kingdom, France, Sweden, Switzerland, and the United States of how executives at the parent company headquarters support the efforts of subsidiaries to achieve their goals, emphasized the positive relationship between the subsidiary's weight and voice to the attention it received. The weight referred to the structural importance of the subsidiary and correlated with the subsidiaries size, the size of its markets and the value of the subsidiary in the organization while the voice was concerned with initiative taking and profile building by the subsidiary. The voice of the subsidiary is the main difference of

this Birkinshaw et al.'s (2007) model from that earlier presented by Bartlett and Ghoshal (1989). Initiative taking involves developing new products, entering new markets or nurturing new ideas while profile building concerns performing beyond expectations, showing undivided support for corporate objectives and building relationships that transcend the corporate network.

Bartlett and Ghoshal's (1998) conceptual framework of the roles and responsibilities of subsidiaries implies that decision-making at the level of subsidiaries is highly dependent on the strategic importance of their markets and their ability to provide the corporation with expertise concerning marketing, technology, and production schemes. This framework for subsidiaries presupposes that decision-making by subsidiaries in Africa in CSR related efforts have a bearing on their relative role and responsibilities in the TNC. The introduction of voice showed that subsidiaries can be limited in the size of their market and capacity for marketing, production and technology but can still be considered important if they perform beyond their expectations and provide undivided loyalty to head office programs (Birkinshaw et al., 2007).

### **Global Integration and Local Responsiveness**

Managing several entities on an international scale calls for management techniques that relate to the increased pressure of coordinating several units in different countries at the same time (Prahalad & Doz, 1987; Lim, 2010). The two opposing forces they have to contend with are the need for global integration and the call for local responsiveness. Integration involves standardizing all activities of a value chain to achieve economies of scale. For Prahalad and Doz (1987), it involves "the centralized management of geographically dispersed activities on an ongoing basis" (p.14). Normally, it is more efficient when corporations run these units as integral parts of one

group because there could be immediate and reciprocal transfer of innovative solutions and technologies that have been successful before in other locations (Bartlett & Ghoshal, 1989). In this case, the broader organization benefits from innovative developments that take place in the subsidiaries.

Furthermore, corporations benefit from production efficiency arising from the integration of value activities because markets are now being regarded as regional rather than national (Daniel et al., 2009). Maintaining a global identity with shared values and procedures increases internal efficiency within these organizations (Bartlett & Beamish, 2011; Lim, 2010; Molleda & Laskin, 2010). Moreover, running various subsidiaries as one group with global operating standards also conveys a coherent global brand identity (Ogrizek, 2002). The success of this interdependence between the subsidiaries is assured by communication. Hulbert and Brandt (1984) believed integration is facilitated and depends heavily on the transfer of information between subsidiaries and between the head office and foreign subsidiaries. Moreover, they appreciate how communication enhances mutual understanding among members in subsidiaries who are likely to have diverse responsibilities, hold different perspectives and come from dissimilar backgrounds. The communication between subsidiaries could be impersonal and take forms like reports to and from the head office or personal communication tools in the form of visits to and from head office and company meetings. Bartlett and Ghoshal (1989) underscored the importance of interunit integrating devices that are used across subsidiaries. Molleda (2000), in his study of the integration of public relations in international business in South Carolina, identified integration devices like “printed, audiovisual, and online annual reports or other

corporate publications, internet and intranet communications, joint issues tracking systems, and codes of professional conduct or ethics” (p. 34).

As regards public relations, Lim (2010) examined the pressures for integration and responsiveness faced by TNCs. First he advances reasons for integration. Prominent among the pressures for integration is the challenge of competition made more urgent by ease of communication that requires a unified strategy for resolution of issues. He highlighted the need for gathering and sharing the skills and experiences gained in the various subsidiaries. The result of such collaboration can be the establishment of best practices. Most of all, integration has the added advantage of cost coming from economies of scale. For public relations in particular, integration results in lower costs for research, publicity, website development, annual reports and publications (Lim, 2010). Overall, integration ensures internal efficiency in the sharing of goals and policies but most especially the dependence of the head office and subsidiaries of the corporation on one another.

Local responsiveness is “resource commitment decisions taken autonomously by a subsidiary in response to primarily local competitive or customer demands” (Prahalad & Doz, 1987, p. 15). Lim draws attention to the need for local responsiveness in public relations that he defined as “designing and customizing public relations programs to be adaptable to local environmental uncertainty and national regulatory barriers” (p. 313). As a result of the local disparities that exist between subsidiaries in different locations, corporations have to adapt to local situations in order to be relevant in their local context (Blumentritt & Nigh, 2002; Hill, 2011; Wakefield, 1997). The need for local responsiveness arises from differences in consumers’ tastes especially for consumer

goods, the ways in which products and services are delivered to consumers, (Daniel et al., 2010; Hill, 2011) and host country regulations (Wakefield, 1997). The language, culture and political economy of the host country may trigger the need for local responsiveness (Blumentritt & Nigh, 2002). For Lim, 2010, reasons proposed for responsiveness include adapting practices to fit the local and cultural environment and to attend to the expectations of the local stakeholders. Local responsiveness presupposes just as Pratt, 2003, the building of relationships with the immediate community such as the media and the safeguarding of the cultural identity and traditions of the community.

Botan (1992) summarized the contrasting public relations approaches of integration and local responsiveness as the ethnocentric and polycentric models. The ethnocentric model believes in the competence of staff at the home office and gives priority to their decisions while the polycentric model credits host country public relations staff with a better understanding of the host country environment and consequently allows their decisions to stand. It is usual for the interests of the corporation, the home community and the host communities not to be in tandem because of conflicting value systems (Logsdon & Wood, 2005). Because the pressures for integration and responsiveness are simultaneous, Lim suggested a balance between global integration of public relations and local responsiveness by the application of the "Integration-Responsive Grid" which is a modification of the original integration-responsive (IR) grid originally proposed by Prahalad and Doz (1987). Lim's proposal highlights the importance of assessing each specific time and place to know which of the strategies; integration or responsiveness will be beneficial. His multi-focal strategy jointly ensures

both internal efficiency and external effectiveness in that while the mission and policies of the TNC is maintained at the global stage, specific tactics are devised and implemented at the local level.

As a result, the public relations of TNCs have the balancing task of aspiring to global standards that demands more integration as well as considering the demands of local situations that prescribes more localization. Their duty of managing diverse external publics as well as supervising operations among the various branches even becomes more demanding in the area of CSR because of the increased and contrasting demands of their global and local audiences (Husted & Allen, 2006; Lim, 2010).

In this case, Wakefield (2001) proposed that public relations should refrain from the “either/or” approach in terms of either integration or local responsiveness but instead adopt a “more comprehensive approach that creates thinking and acting at both local and global levels of the organization” (p. 641). The choice between integration and local responsiveness is not absolute (Hill, 2011) and Ovaitt (1988) believed it is a continuum in which “major program elements should be subject to different degrees of integration” (p. 6). This is particularly important for CSR because the demands of the home and host environments are different, so much different in the sub-Saharan region. TNCs, in order to simultaneously meet the demands of the opposing forces of integration and local responsiveness are requested to employ effective coordination and control mechanisms (Lim, 2010; Martinez & Jarillo, 1989).

### **Coordination and Control to Balance Integration and Localization**

Coordination and control mechanisms are the strategies employed to cope with the integration and localization efforts of TNCs and their subsidiaries. Coordination and control are capable of assuring consistent policies throughout the corporation,

overcoming divisive tendencies that are likely to result from the specialization of subunits and the impact of environmental factors present in the location of subsidiaries (Cray, 1984). Martinez and Jarillo (1989) defined coordination as “any administrative tool for achieving integration among different units within an organization” (p. 490). John and Young (1995) divided coordination mechanisms into two extensive categories consisting of formal/bureaucratic mechanisms made up of rules, procedures and policies that guide management behavior and actions and informal/cultural mechanisms, otherwise known as socialization and involve team interaction that impacts the decision-making and value processes. The formal mechanisms range from: centralization which involves placing decision-making in the hands of corporate hierarchy; formalization which is documentation of policies, guidelines and job descriptions; planning which is the establishment of systems and processes to guide routine activities in subsidiaries; and output and behavioral control which is the impersonal supervision of records and reports and the personal observation of subordinates (Martinez & Jarillo, 1989). Bartlett and Ghoshal (1998) also identified the formal mechanisms as formalization which ties in decision making to a set of policies that overrides the interest and motives of either the headquarters of the subsidiaries and centralization which makes use of the organization and management resources found at the headquarters. Although, easy to establish, centralization becomes unworkable and expensive when corporations grow big because the head quarters cannot attend to the increased guidance needed by subsidiaries. In order, to solve the increased demand for guidance from subsidiaries formalization reduces the high cost of centralization. Daniel et al. (2009) appreciated the advantages of scale that formal coordination contributes to

the organization of a company's activities and the transfer of core competencies in the international environment but also point of the handicap of not considering the differences that that could exists in the environments of the subsidiaries. Coordination by plan, which they propose allows more discretion for subsidiaries to adapt their operations because the purpose is to meet common detailed schedules and general objectives, thus assuring consistency in all the subsidiaries. Standardization, which they also present mirrors centralization in that it sets universal rules and procedures which all subsidiaries are expected to follow to ensure consistency in their activities.

Table 5-1. Common Coordination Mechanisms

<i>Structural and formal mechanisms</i>
<ol style="list-style-type: none"> <li>1. Departmentalization or grouping of organizational units, shaping the formal structure.</li> <li>2. Centralization or decentralization of decision making through the hierarchy of formal authority.</li> <li>3. Formalization and standardization: written policies, rules, job descriptions, and standard procedures, through instruments such as manuals, charts, etc.</li> <li>4. Planning: strategic planning, budgeting, functional plans, scheduling, etc.</li> <li>5. Output and behavior control: financial performance, technical reports, sales and marketing data, etc., and direct supervision.</li> </ol>
<i>Other mechanisms, more informal and subtle</i>
<ol style="list-style-type: none"> <li>1. Lateral or cross-departmental relations: direct managerial contact, temporary or permanent teams, task forces, committees, integrators, and integrative departments.</li> <li>2. Informal communication: personal contacts among managers, management trips, meetings, conferences, transfer of managers, etc.</li> <li>3. Socialization: building an organizational culture of known and shared strategic objectives and values by training, transfer of managers, career path management, measurement and reward systems, etc.</li> </ol>

Source: Martinez & Jarillo, 1989, p. 491

The informal mechanism involves initiating direct contact between managers and teams with similar issues but without following standard structural divisions (Martinez & Jarillo, 1989; Daniel et al., 2010). Informal coordination mechanisms disregard the strict and often formal relationship between the parent company and subsidiaries in creating informal links between managers and teams. Another subtle mechanism is establishing corporate culture by imparting the “corporate values, norms and decision-making approach to individuals” (Martinez & Jarillo, 1989, p. 491). Coordination by mutual

adjustment is a flexible coordination mechanism that envisages communication and interaction between managers which can be established by training managers on the company's objectives, assembling international teams to simulate different future scenarios, creating conditions that facilitate the coming together of both the international and domestic staff and by putting foreign personnel in top management committees in order that the objectives of the parent company are properly transmitted (Daniel et al, 2010). Martinez and Jarillo (1989) referred to this informal and subtle method of cross departmental relations and informal communications as socialization and outline its three stages.

First, microstructural arrangements (lateral relations) that cut across the formal lines of the macro structure, such as teams, task forces, committees, individual integrators and integrative departments. Second, informal communication channels, such as direct and informal relations among managers, without distinction of subsidiaries and headquarters that supplement the formal system and improve the communication process. Third, the development of a strong organizational culture that includes both a deep knowledge of the company's policies and objectives and a strong share of organizational values and beliefs. (pp. 507-508)

Bartlett and Ghoshal (1998) thought socialization could be achieved by selective recruitment, training and acculturation of managers who will then take decisions at both the head quarters and the subsidiary levels. Coordination by socialization uses more subtle methods of coordination that may not replace the formal methods but be used in addition to them. Transnational organizations prefer socialization to the formal coordination mechanisms because once ideas and information concerning common action and implementation of common strategies have been exchanged; socialization allows personal and functional interdependence that responds better and quickly to continuously changing organizational, social, political and legal environments.

Daniels, Radebaugh, and Sullivan (2004), on the other hand, defined control as “management’s planning, implementation, evaluation, and correction of performance to ensure that the organization meets its objectives” (pp. 442-443). Control mechanisms consist of: the evaluation of management performance; establishment of standardized procedures to measure cost and accounting; consistent evaluative measurement throughout all subsidiaries; and visits to the subsidiaries. Control methods include market, bureaucratic and clan controls (Daniels et al., 2009). Market control establishes objective standards with the help of external market mechanisms like price competition and relative market share; bureaucratic control relies on organizational authority and rules and regulations to control a range of activities; and clan control uses shared values and ideals to make employees know what is important to the corporation. Daniel et al. (2010) identified reports; management performance evaluations; cost and accounting comparisons; evaluative measurements; and information systems as control mechanisms. Cray (1984) believed control mechanisms tend to be more costly than coordination because of its direct and specific approach unlike coordination that costs less because less communication is required but the communication is usually repetitive in nature. In a study of 57 subsidiaries of 34 TNCs in the United States, Cray (1984) examined the relationship between control and coordination in the light of: “structure; technology; foreign commitment of corporation; profitability; and the location of the subsidiary” (p. 89). While the study found a positive relationship between the size, technological sophistication, profitability, and involvement with the product division with the degree of coordination, the relationship was negative as regards control. Contrarily,

smaller subsidiaries, far away from the head office with less up to date technology, experienced more control and less coordination.

Martinez and Jarillo (1989), in a review of the evolution of coordination between 1953 and 1988 by 80 scholars, found that research dwelled on three main areas: organizational culture; centralization of decision making; and informal and subtle mechanisms like cultural control and socialization. Although the articles focus on formal coordination mechanisms, there is a growing interest in informal coordination mechanisms. The study attributes this trend to the “growing sophistication of scholars” (p. 508) who can now better appreciate subtle coordination processes in bigger and more complicated corporations. The use of more subtle coordination mechanisms is also credited to the environmental changes that have impacted the nature of competition to easily favor the introduction of subtler forms of coordination. The subtle coordination mechanisms are not only more expensive but also time consuming but they ensure normative integration when used in conjunction with formal coordination mechanisms. The flexible nature of informal coordination mechanisms makes it convenient to tackle issues of integration and localization because this flexibility allows the consideration of host country concerns.

Martinez and Jarillo (1991), using 55 TNCs in Spain, examined how TNCs employ coordination mechanisms to achieve integration and localization of their subsidiaries. The rationale was that there must be a relationship between the relative importance of the subsidiary and the strategy employed. The study found a positive relationship between the role assigned to a subsidiary and the amount of coordination used and concluded that:

The more managers expect their subsidiaries to be integrated with the group, the more they plan to use all mechanisms of coordination. .. [A]n increase in the firm's integration level must be accompanied by an increase in coordination, and the mechanisms to be introduced or reinforced will probably be more subtle ones. (pp. 440-441)

The study also finds out that the subtle and more expensive mechanisms of coordination were employed after formal and cheaper coordination mechanisms had been established.

Molleda (2000) examined the integration of subsidiaries and/or sister companies in South Carolina and their parent corporations as regards the public relations function in international business. Specifically, the study looked at the integration of the public relations function on a worldwide scale and how it is affected by the structural framework of corporations following international business models of Bartlett and Ghoshal (1998). It also examined how the importance of the subsidiary dictates the levels of coordination mechanism employed in the public relations function. The study found that the integration of the public relations function with the overall international operation improved when the subsidiary used integrative communication devices with internal audiences. These devices included technology like websites and intranet; linking occasions like conferences, seminars and teleconferencing; and texts such as newsletters, codes of conduct/ethics, and other corporate publications. In addition, the study also found that when quality of information received by the subsidiary was high, it improved the integration of the public relations function within the overall international operation. Most of all, the integration process of the subsidiary was improved by the use of more socialization.

Molleda and Laskin (2010) admitted the need for balancing global and local public relations efforts in TNCs as a response to an effective global public relations strategy.

They credit the complexity of the issue to distance, the size of the market, and the level of competition in various subsidiaries, the nature of their products and services, local government regulations and the degree of certainty. They highlight the importance of coordination and control in resolving the issues brought about by “local and global impact of communication, the empowerment of public opinion and democracy” (p. 313).

Molleda and Laskin (2010) provided specific examples of coordination mechanisms to include:

Global, cross-functional, virtual teams (members from various functional areas, who work from a variety of geographical locations and are connected by communication technology, such as Web sites and intranets); advisory personnel; management rotation; keeping international and domestic personnel in closer proximity; establishing liaisons among subsidiaries; placing foreign personnel on the board of directors and top level committees; basing reward systems partially on global results; and giving divisions and subsidiaries credit for their accomplishments and contributions. (p. 321)

Though a noneconomic activity, Molleda and Laskin emphasized the disruptive potential that the lack of coordination and control of public relations activities in TNCs can result to. The concept of cross-national conflict shifting (CNCS) highlights the potential of local issues to easily become global crises as a result of increased international activism and technological advances of Internet communications. They outlined 10 propositions concerning the manner in which local issues could transfer to the global sphere.

### **Summary**

The dissertation principally seeks to examine the system of management and coordination of CSR initiatives of subsidiaries of TNCs. The subsidiaries of TNCs in Cameroon are involved in various industries with a corresponding difference in products and services. It is expected that the coordination of CSR initiatives will be different in these corporations as a result of differences in their strategic orientation, their sizes and

their response to the local drivers of CSR. Consequently, there will be variance in the degree to which these TNCs apply the coordination mechanisms of centralization, formalization and socialization. This chapter in reviewing the international business models, the role of subsidiaries and coordination mechanisms has laid the groundwork for the formulation of research questions and hypotheses. These questions and hypotheses will dwell on the kind of coordination mechanisms employed, the incidence of the strategic orientation of corporations and the level of importance of the subsidiary on the management of CSR.

## CHAPTER 6 RESEARCH QUESTIONS AND PROPOSITIONS

The field of CSR contains an interesting debate on the definition and orientations of the the practical constructs and practices. In as much as the meaning of CSR is important, this study is more interested in the CSR processes as regards the coordination of CSR by TNCs. This chapter presents the questions that have arisen as a result of the literature review of CSR, the socio-political climate in Cameroon, and international business strategy. In addition, propositions will be provided alongside the justification and the literature review that prompted them. This study examines the coordination of CSR efforts in sub-Saharan Africa by TNCs and the following research questions will provide a road map to guide the study:

RQ1: What coordination mechanisms do TNCs employ in their CSR efforts in subsidiaries in Cameroon?

RQ2: Is international business strategy related to the strategic importance of local issues in the subsidiaries of TNCs?

RQ3: How does the importance of subsidiaries of TNCs affect the coordination mechanisms used in CSR initiatives?

RQ4: How important is the notion of CSR to corporate decision making?

RQ5: What are the motivations for CSR?

### **Coordination of CSR Initiatives**

CSR initiatives although common to TNCs in developed countries are still a new concept in sub-Saharan Africa (Visser, 2008). Although Baskin (2006) claimed that CSR in developing countries is not strategic and this is supported by Husted and Allen's study of TNCs in Mexico, (2006), coordination is important because issues that concern humans and happen in developing countries can easily create a crisis for the TNC in its home environment (2002; Molleda & Laskin, 2010; Molleda, Conolly-Ahern & Quinn,

2005). However, only limited coordination is expected in Cameroon because of the high costs of socialization. Socialization is effective in highly competitive environments and since CSR in developing countries is not strategic (Baskin, 2006), it will be unlikely that socialization will be employed frequently to coordinate CSR activities. Doing business in Cameroon is expensive as shown by Cameroon's index in the doing business guide. Moreover, there is little need to for informal mechanisms of coordination of CSR of TNCs because CSR is not strategic to their activities. When high levels of coordination are not demanded, there is less demand for socialization that is ideally suited to increase coordination (Martinez & Jarillo, 1991). It is the assumption of this study that because business costs in Cameroon are high, care will be taken not to further increase them with that of socialization which is time consuming and expensive. Moreover, Molleda (2000) confirmed that unlike other areas of public relations, such as shareholder or investor relations, the lowest level of centralization known to the community relations function of public relations. Consequently, effective coordination is not a requirement and reduces the need for both formal and informal mechanisms of coordination (Jain, 2009; Molleda, 2000,) but encourages the use of more formal coordination mechanisms than informal mechanisms. In addition, Molleda and Laskin (2010) claimed that standardization of a public relations function as a strategy is more appropriate between countries that share identical social, economic, and political environments than between countries that that have little in common. This view is backed by Laroche, Kirpalani, Pons, and Zhou (2001), although using standardization in advertising, who agreed that environments with similar market conditions and

competition encourage the standardization of business units' operations. It is on the above grounds that the following propositions are made:

Proposition 1: There will be differences in the use of coordination mechanisms for CSR initiatives among subsidiaries.

Proposition 2: There will be evidence of more use of formalization by TNCs in their CSR efforts in Cameroon than socialization

Proposition 3: In the use of formal coordination mechanisms, formalization will be more frequently used than centralization

### **International Business Strategies and the Importance of Local Issues**

International business strategies are accompanied by structural arrangements, complimentary organizational cultures, and specific and distinct headquarters orientations towards subsidiaries that facilitate the maximization of business opportunities available to them. The various strategies were developed to accommodate the need for integration or local responsiveness as regards the product market. For example global corporations were expected to show high levels of integration because of their multinational clientele and competitors and low levels of local responsiveness with limited local staff needed for distribution because they were more interested in benefitting from economies of scale and the corresponding low average unit costs. Husted and Allen (2006), in their study of TNCs in Mexico, expected this same logic of responding to the needs of their stakeholders as regards CSR. In the case of a global corporation, although they produced uniform products on a global scale, in the area of CSR, they had to adapt to meet the needs of the local environment that would not necessarily be the same with those of their international market as was the case with their products.

Contrary to their expectations, their results showed that the TNCs in Mexico succumbed to the approaches of organizational strategy informed by the product market in which only the multinational and transnational corporations performed local CSR. This result is not surprising because apart from the accompanying organizational structure, TNCs, align their employment, organizational cultures, and all other resources to sustain their strategy in the product market. Multinational corporations, who have a leaning for local responsiveness, will also have and employ staff who understands how to engage with the local environment and also promote a culture that supports local responsiveness. The contrary is expected of global corporations because their strategy does not need staff equipped to scan their local environment and do not promote that kind of culture.

It is for the above reason that Deetz (1999) claimed that in international business, “[t]he processes of organizational decision making, although heavily value-laden, do not include a sufficiently representative set of values to make responsible decisions for the community, nor to make the most productive use of resources” (p. 291) and therefore “[m]embers of organizations cannot envision ways of conceptualizing and addressing problems that are different from those of their organizational culture -- a culture that we have suggested values and thus places an emphasis on economic efficiency with little regard for the impact that attaining such goals may have on the life of the community” (Deetz, 1999, p. 319). Baskin’s (2006) comparison of the CSR efforts of 127 leading emerging-market corporations to those in developed countries that the corporations are prone to undertaking extensive CSR programs but their CSR efforts are less strategically guided. The high level of international activism by civil society organizations

(Wakefield, 2008) and the pressure of international organizations like UNGC, GRI, and Global Sullivan Principles of Social Responsibility put enormous pressure on all types of corporations to attend to global CSR. Although failure to attend to both local and global CSR have unwanted consequences to corporations, the pressure of local CSR is limited because of first the extensive fiscal demands from the Cameroonian government, the weak drivers of CSR in the country and the absence of attention directed towards corporations to encourage social responsibility. The observations above lead to the following propositions:

Proposition 4: The strategic importance of global and local CSR issues is related to organizational strategy in the product market.

Proposition 5: Whatever the administrative heritage of TNCs, all TNCs will undertake global CSR initiatives.

Proposition 6: Specifically, local CSR issues are more likely to appear on the strategic agendas of multinational and transnational corporations than of global corporations.

Proposition 7: CSR decision-making in the subsidiaries will be affected more by strategic orientation of the parent company than by environmental pressure.

### **The Importance of Subsidiaries and Decision-Making in CSR Efforts**

The relevance of particular subsidiaries to the overall business operations impacts its relationship with the parent office (Bartlett & Ghoshal, 1989; Birkinshaw et al., 2007; Laroche et al., 2001; Martinez & Jarillo, 1989). Prominent among the conceptual frameworks for the participation of subsidiaries in the management of corporations is the attribute of size which roughly translates to the extent of the national market and its ability to contribute to aspects of technology, marketing, and production (Bartlett & Ghoshal, 1989). Added to the attribute of size is what Birkinshaw et al. (2007) referred to as voice which indicates the ability of taking initiatives and profile building by the

subsidiary. Cray (1984) emphasized the association of decision-making power with the of size of the subsidiary together with the importance of location on coordination in subsidiaries when he asserts that:

A subsidiary which is large, technologically complex, located in a product division, and highly profitable will likely be integrated through extensive coordination with other parts of the organization while retaining a good deal of control over its own affairs. A small subsidiary, located at a long administrative distance from the center of the organization, and sharing a simple technology with its parent, will be subject to higher levels of control and lower levels of coordination. (p. 96)

Despite the predicted unsophisticated nature of CSR in Cameroon, some subsidiaries are potential breadwinners for their parent companies and will be expected to meet to global objectives of the parent company's CSR objectives with high levels of coordination. In addition, there are some industries where the competition is fierce with limited competitors. When this occurs, socialization is expected. However, for smaller size subsidiaries with less competition, connected to businesses rather than consumers, the coordination mechanisms employed will be more formal. This study believes that the coordination mechanisms employed by TNCs in Cameroon are affected by the size and importance of the subsidiary and the arguments above lead to the following propositions:

Proposition 8: Subsidiaries with larger markets will experience higher levels of coordination than those that with smaller markets.

Proposition 9: Subsidiaries with more resources and skills will experience higher levels of coordination than those that with less resources and skills.

### **The Importance of CSR to TNCs**

It is likely that TNCs not from the African continent find themselves in an environment that starkly contrasts the cultural, social, economic, and political landscape of their home environments. More importantly, the socio-economic and political

conditions in sub-Saharan Africa prescribe an alternative hierarchy of CSR. Furthermore, the North-South CSR divide that points to the absence of reliable regulatory frameworks and lax CSR laws in developing countries puts less sweat on corporations from the North to implement CSR (Gugler & Shi, 2009). Baskin (2006) confirmed that the CSR in emerging economies as compared to that of high-income countries is not grounded in corporate strategies and receives less support from top management. Consequently, TNCs in sub-Saharan Africa have to readjust their emphasis as they conceive and evaluate their CSR efforts. This requires a high level of commitment from top management because it requires the allocation of resources.

Granted that, there are various international codes and instruments to encourage CSR, like UNGC, GRI, and the Sullivan Principles of Social Responsibility, these mechanisms are only voluntary in nature and suffer from any serious enforcement possibilities. The lack of any international enforcement system underscores the voluntary nature of CSR. A case could be made here of the activism of international NGOs (Wakefield, 2008). However, as has been repeatedly stressed, the drivers of CSR in sub-Saharan Africa are weak (Baskin, 2006; Scherer & Palazzo, 2008) and cannot be relied to check TNCs. In Cameroon, in particular, the numerous taxes that the government collects, the high level of corruption among government officials, the unorganized civil society organizations, and the docile consumer population, only points to the reliance on the TNCs to voluntarily participate in CSR.

Visser (2008) acknowledged the novelty of CSR in Western environments and even more so in less developed regions like sub-Saharan Africa. Following from this, and the fact that CSR has limited strategic importance, it is less likely that CSR is in the

agenda of TNCs in this region. Even when CSR is present, the management of CSR in corporations has always been under contention because businesses have not always been given credit to adequately handle the issues of a social nature (Rawlins, 2005). As a result, there has been a tendency not to accord adequate organizational status to CSR but instead the CSR function is attached to other departments like marketing (Murray & Mountanari, 1986) and the legal department (Kamm, 1993). More importantly is the lack of expertise in this region as a result of the novelty of CSR but more so because public relations does not have the same presence that it has enjoyed in developing countries, definitely from the repressive atmosphere in the environment. The importance of CSR to corporations can be shown in the financial and human resources deployed towards CSR initiatives (Molleda, 2000). It is likely that only large subsidiaries will be worried about the effects of negative consumerism and the possible international backlash that can adversely affect their businesses. In addition, only corporations that have a large consumer base will invest considerable financial and human capital in the service of CSR. Following from this, this study presents the following propositions:

Proposition 10: A majority of TNCs will have no formal organizational structure for the CSR function.

Proposition 11: In a majority of TNCs, several departments within the subsidiary will manage the CSR function.

Proposition 12: Adequate human resources will not be available for the formulation, implementation, and evaluation of the CSR function in a majority of the corporations.

Proposition 13: Adequate financial resources will not be available for the formulation, implementation, and evaluation of the CSR function in a majority of the corporations.

## Motivation for CSR

The business and moral cases for CSR stand out as the main motivations for CSR (Carroll, 1991, Heath & Ni, 2008). Carroll's (1991) arguments for the business case in CSR pointed to the reduced chances and frequency of activists calling for excessive and punitive legislation/regulation for the costs of mistakes. Furthermore, there is the added business motivation of that arises from temporary protection during crises and the reduced impending costs of litigation and punitive damages. National drivers of CSR in Cameroon: top managers, consumers, and civil organizations CSR in Cameroon are weak (Fonchingong, 2004; Fonjong, 2006; Mbuagbo & Akoko, 2004). There is no tradition of expectations from corporations in Cameroon; therefore lack of social responsibility is not a cause for concern. Although, Molleda, Connolly-Ahern, and Quinn, 2005, stressed the efficiency of international activists of bringing pressure to bear in the home environment of TNCs in developing countries, the international activists need the collaboration of the media and other national drivers in the home environment to identify and highlight instances of irresponsible behavior. The influence of international NGOs is more profound than those of local counterparts but the normal pattern is for the efforts of a local NGO to come to the attention of international NGOs (Carey, 2009). Because, civil society organizations are not only weak, lack capacity, and a strong financial base, but also oriented more towards government than towards business in the resolution of social issues, they are less likely to provide this trigger. In addition, even if TNCs envisage the possibility of disruption of their activities, the heavy centralization of power in Cameroon means that it may be more effective to resolve issues with top officials than with the society.

Empirical evidence about stakeholder expectations in developed countries point to a shift from issues of product quality and financial performance to the treatment of employees, community involvement, and ethical and environmental considerations (Dawkins & Lewis, 2003). Shareholder expectations of stakeholders in sub-Saharan Africa remain unknown because few studies have addressed this issue. Cramer (2006) recounted the ordeal of Koninklijke Houthandel Wijma, who had difficulties obtaining an internationally required timber certification that forestry officials in Cameroon had no knowledge of. Visser (2008) also confirmed the novelty of the CSR phenomenon in Africa. In explaining the North-South CSR divide, Gugler and Shi (2009) pointed to weaker enforcement of CSR laws in the South, limited understanding of CSR, weak national drivers, an economic development focus on the provision of basic needs rather than social and environmental concerns. The observations above lead to the following propositions:

Proposition 14: CSR in TNCs will be characterized by both business and moral concerns.

Proposition 15: CSR initiatives by TNCs in Cameroon are more motivated by moral rather than business concerns.

### **Summary**

This chapter has presented the research questions and the propositions that will guide this study. The propositions predict that coordination mechanisms of TNCs for CSR initiatives in sub-Saharan Africa will vary between subsidiaries as well as the kind of CSR initiatives they choose to engage because of strategy, size, and environmental conditions present. The propositions suggest that the size and importance of the subsidiary affects the coordination mechanisms employed and the importance TNCs attach to CSR in sub-Saharan Africa is low and their motivation for CSR is more moral

than business. These propositions have been influenced by the international business literature that differentiates the strategies employed by TNCs and subsequently conditions their actions and activities. The propositions have also been guided by the novelty of CSR, the low level of activism of civil society organizations, the docile nature of consumers, and the lack of enforcement of regulation in Cameroon. The next chapter outlines the methods that will be used to test the hypotheses advanced in this chapter.

## CHAPTER 7 METHODOLOGY

This chapter outlines the procedures taken to gather data to answer the research questions and test the propositions. This study is made up of two sections to include both qualitative and quantitative research methods. The qualitative research procedure consists of in-depth interviews and the quantitative research will involve the administration of a self-administered survey. The procedures for both methods are outlined. The mixed or triangulation research strategy has the advantage of converging and corroborating findings to provide stronger conclusions (Johnson & Onwuebugzie, 2004). The mixed research strategy also strengthens both qualitative and quantitative research methods because each makes up for the weaknesses of the other. Specifically, the quantitative research can handle many more subjects and the data derived from the survey method adds precision to the narrative provided by the qualitative interviews method that is in itself limited in the number of participants it can handle. The University of Florida Institutional Review Board (IRB) recommended approval of the research protocol and consent forms on December 6, 2010.

### **Qualitative Research**

This study that examines the coordination mechanisms used in CSR and the importance and motivation of TNCs in sub-Saharan Africa uses in-depth interviews as one of the ways to generate data. This research approach uses lengthy one-to-one interviews with a considerable small sample, but allows the interviewer to attend to the respondent's answers in a way that generates detailed information in respect to the reasons for the respondent's specific answers (Wimmer & Dominick, 2006). The in-depth interview, because of the enormity of the data it generates, has the advantage of

improving the profundity of understanding and thereby increases the validity of the study (Barbie, 2007). Barbie went further to point that the flexibility involved in-depth interviews allows the researcher opportunities to modify the research design even when the data collection has begun. Unlike other qualitative designs like grounded theory (Strauss & Corbin, 1998) and ethnography (Lincoln & Guba, 1985) in which theoretical perspectives emerge (Creswell, 2007), the in-depth interview like the case study accommodates the use of theory or conceptual designs that guide the research and data analysis (Meyer, 2001).

However, in-depth interview suffers from interview bias in that some interviewers may unintentionally communicate their attitudes to the respondent this affects the quality of the response (Wimmer & Dominick, 2006). In-depth interviews are more likely to adopt non-random sample for securing participants who inhibit the generalizability of results. In addition, the data analysis involved in in-depth interviews are open to alternative interpretation and according to Barbie (2007), “it is not an appropriate means for arriving at statistical descriptions of large populations” (p. 313) and as such validity is difficult to ascertain. Despite the inherent weaknesses of in-depth interviews, they provide a balance to the strengths and weaknesses of survey research.

### **Sample Selection Criteria**

The adoption of in depth interviews only came about as a result of the lack of cooperation with corporations with whom the researcher had written confirmation of participation in the study. In the face of this difficulty, a purposive sampling technique was adopted to generate respondents. Consequently, 17 officials representing various corporations were purposively sampled to participate in the study. Creswell (2007) defined purposive sampling as a process in which “the inquirer selects individuals and

sites for study because they can purposively inform an understanding of the research problem and central phenomenon in the study” (p. 125). The selected individuals were from accessible corporations that had identifiable headquarters out of Cameroon and 50 percent of ownership of the corporation was in the hands of non-nationals to justify that the investment was from foreign sources. The corporations possessed subsidiaries in more than four countries and had been in operation for more than five years, two of which were in Cameroon. This was to ensure that its operations were truly between countries. The subsidiaries and the parent company could be located in the same continent. The amount of time in operation allowed for an identifiable pattern of communication with subsidiaries and allowed for a considerable amount of time for the TNC to have established at least a modest CSR program.

## **Research Process**

### **Contact with Sample**

Initial contact was made by email and/or telephone with an insider within the corporation who would advise on how to proceed and ensure that the invitation to participate would have considerate treatment from the corporation’s hierarchy. Having identified the destination for the request, a letter was sent to the appropriate representative with the details of the extent of participation expected from the individual in the corporation, specifying the desired portfolio of the interview participant. The participation of the requested individuals depended on individual consent. This letter expressed the voluntary participation of the individual and requested an official confirmation of decision to participate. A tentative schedule of the interview followed the confirmation of participation with a research briefing note and informed consent forms.

Thank-you letters were sent to all those who participated in the interviews and collaborated with the research.

### **Unit of Analysis and Sampling Time**

The unit of analysis was the corporations. Babbie (2007) referred to unit of analysis as “the what or whom being studied” (p. 94). To reflect the contemporary nature of the study, the information was requested from the 24 months preceding the start of the research. One day was set aside to carry out the interview with the designated official in each corporation and allowance was made re-enter the organization during the remaining period of fieldwork. All other information after that time was requested by phone or email within five months of the start of the fieldwork. However, materials that did not need the collaboration of the organization were collected on a continuous basis during the three months of the field research. The fieldwork was planned to begin late in the year 2010 in order that the information gathered could truly represent the activities of that year. The interviews continued into the first two months of 2011.

### **Interviews**

Interviews allow for subjective realities to be deeply and broadly examined and expose the perceptions and experiences of participants (Kvale, 1996). Interviews provided the main method of data collection because of their capacity to allow for better development of phenomenon. Before every interview, the researcher provided a background of the research purpose and method and made sure that the particular interviewee had duly signed the informed consent forms before commencing recording of the interview. For the phone interviews, the respondents scanned and sent a copy of the informed consent form. It was also important to explain to respondents how the

information would be used and how it would be stored. One of the main requirements for successful interviews is building trust with the interviewees. The first few minutes of the interview were decisive to establish a good rapport. This was accomplished by beginning with some idle chatter on biographical issues to set the scene, (Kvale, 1996). This allowed participants to reveal their understanding of the phenomenon in their own voices. The interviews were held mostly with top-management officials or CSR coordinators in each corporation. CSR issues are most likely to be decided by top level management and the same should hold true for communication with regional offices or with the head office. The respondents were top officials in the following capacities: the CEO; top officials responsible for communication, legal, marketing, and human resource management; and middle management staff who had been involved in CSR initiatives in the corporation.

A semi-structured interview was administered following the procedure set out in the interview protocol (Appendix 1). A semi-structured interview resembles more a guided conversation as opposed to a rigid set of questions that must be answered sequentially (Rubin & Rubin, 1995). The questions were open ended, “friendly,” and “nonthreatening” (Yin, 2003, p. 90) and as much as possible emphasis was put on specific situations. The plan was to tape record all interviews to allow for full concentration on the interview and accuracy of the proceedings with the exception of only those who do not want their interviews to be recorded.

### **Questionnaire**

The semi-structured set of questions was constructed following the definitions of the constructs in the literature review. In some cases, items that were used from previous research that tested the same or similar constructs were used without changes

and in other cases they were adapted together with newly constructed items. To pretest the questionnaires, two pre-field methods were used. The two pre-field methods included: expert panels and cognitive interviews. Two communication managers were invited to discuss face-to-face, possible issues about the questions. The cognitive interviews were with two other communication experts who did not take part in the panel discussion. One of the cognitive interviews was a think-aloud and the other was a verbal probing interview (Dillman et al., 2009).

### **Questions**

The order of questions on the interview protocol followed the order of the research questions made up of six sections. Section one consisted of eight questions which responded to the coordination strategies used by TNCs in Cameroon; section two was made up of six questions concerning the relationship between organizational strategy and the importance of local issues; section three with three questions handled how the importance of subsidiaries was related to the coordination mechanisms used for CSR issues; section four was made up of nine questions concerning the importance of CSR to the TNCs; section five had five questions which examined the motivation for CSR; and section six dealt with the impact of parent company strategic orientation and local environmental pressures on CSR decisions and had three questions. The questions were inspired by the literature review and were adapted to fit the circumstances of the study and each individual corporation. The interviews lasted over an hour except for two that lasted only 45 minutes because of limited CSR activities in the corporation. The average length of each interview was 80 minutes. Before these questions, there was an introductory set of questions that requested background information about the

corporation and duties of the participant and the amount of time spent in the corporation. These were the questions used to set the scene and establish rapport.

Section one contained specific questions about coordination strategies and requested information on how the CSR strategy was developed and implemented in the corporation. Questions about the involvement of the parent company in the formulation, implementation, and evaluation of CSR efforts would attempt to decipher the kind of coordination strategy used and answer RQ1. Questions were directed towards ways in which management ensured that the CSR objectives were achieved and where the final decision about implementing a CSR campaign lay. Questions in section two provided answers to the RQ2 and examined the relationship between the parent company and the subsidiary in terms of resources, skills, research, and development and the dominant culture to categorize the organizational strategy of the corporation. Questions about the meaning of social responsibility and the specific CSR initiatives would identify how the corporation responded to global and local issues.

Questions in section three assessed the level of contribution of the subsidiary in the overall survival of the corporation to evaluate the importance of the subsidiary. Answers to this question were combined to answers regarding the involvement of the parent company in the formulation, implementation, and evaluation of CSR initiatives in the subsidiary to answer RQ3 that examined the relationship between the importance of subsidiaries and the specific coordination mechanisms regarding CSR.

Section four comprised of specific questions that inquired about the financial and human resources allocated for CSR in the corporations. The answers to the questions concerning finance would be used to compare CSR expenditure to that of sales and

with that used by other companies in the industry. The human resources questions would make inquiries about the sufficiency of personnel available to achieve CSR objectives. The location of the CSR function in the organizational structure of the company would indicate the importance attached to CSR reporting. Answers to the level of human and financial resources employed in CSR efforts and the location of CSR in the organizational structure answered RQ4.

Section five evaluated how the company benefitted from CSR efforts in order to ascertain their motivations in engaging in CSR initiatives and answer RQ5. Lastly, participants were asked to respond to the influence of local environmental pressure on the formulation, implementation, and evaluation of their CSR. Participants were then invited to add any other information which would have not been asked but which they deem important that the researcher should know concerning the coordination of CSR in TNCs in Cameroon.

## **Analysis**

The main analytical strategy relied on the theoretical prepositions. The data derived from the interviews was used to support or reject the propositions outlined previously. The specific technique entailed pattern matching. It involved comparing patterns that emerged from the interviews with previously predicted patterns (Trochim, 1989). Initial drafts of summaries of the interviews were sent back to the principal informants for feedback. A spreadsheet indicating all the research questions was developed to facilitate the identification of response patterns. The researcher filled each column with information from the transcripts that pertained to each of the research questions. Additionally, direct quotes were added to illustrate and support the findings.

Allowance was made for additional information that even though did not pertain to any of the research questions, was revealing enough for the phenomenon under study.

### **Validity**

Validity refers to “the extent to which an empirical measure adequately reflect the real meaning of the concept under consideration” (Babbie, 2007, p. 146). The credibility of the findings was enhanced by the variety of respondents. The respondents came from different industries that had parent companies from 10 countries in four continents. Another tactic that was used to ensure construct validity was chain of evidence. It involves following “the derivation of any evidence, ranging from the initial research questions to ultimate case study conclusions” (Yin, 2003, p. 105). In this study this had been assured by aligning the theory and literature review to formulation of the research questions and the suggestion of the propositions. The chain of evidence was further enhanced by clearly indicating in the interview protocol sections that catered for particular research questions. The interview protocol was informed by Husted and Allen’s (2006) study of the management of CSR by multinationals in Mexico and Molleda’s (2000) examination of the integration of public relations function by subsidiaries on international corporations in South Carolina. Both studies relied on organizational typology of international business organizations by Bartlett and Beamish (2011).

### **Reliability**

Reliability concerns “the quality of measurement method that suggests that the same data would have been collected each time in repeated observations of the same phenomenon” (Babbie, 2007, p. 143). The reliability of this study was improved by the standard interview protocol that was used for all the semi-structured interviews and care

was taken to develop a digital database from which information can be verified. The database contains the interview transcripts that resulted from the study. Yin (2003) emphasized the value of a database for reliability in that, other researchers can have access to the raw data of the case.

### **Quantitative Research**

A survey was administered as the sole quantitative research method. Survey research is one of the oldest and most frequently used methods of social science research. Survey research stands out because it relies on finding generalizing and describing whole populations rather than looking for what is unique in a unit of observation (Babbie, 2007). Survey results are valuable to business, consumers, activist groups, politics, and the media as they use them to make daily decisions (Wimmer & Dominick, 2006). Despite obvious disadvantages of limitations in manipulating the independent variables, the consequences of faulty questionnaire design, the possibility of the wrong persons responding to the questionnaire, and the reluctance of people to participate because of fear of attempts of people to sell something, surveys are still popular because they investigate problems in their realistic setting, involves collecting a large amount of data at reasonable costs, and are not constrained by geographical limitations. This survey consisted of six sections corresponding to the five research questions and a sixth section for demographic information. The questionnaire contained 40 questions. It was made of mostly closed questions and a few open-ended questions. The survey relied on a five-point Likert scale measures. The unit of observation was the TNCs.

## **Population**

The second part of the study consisted of a multiple contact survey of a purposive sample of 120 subsidiaries of TNCs operating in Cameroon. The population of interest in this research was all transnational corporations in Cameroon. A transnational corporation according to this study meant a corporation or an enterprise that managed production or delivered services in more than one country. It can also be referred as an international corporation. Bartlett and Beamish (2011) defined TNCs as corporations that have “direct investment in foreign countries and actively manage and regard those operations as integral parts of the company, both strategically and organizationally” (p. 2). For this survey this it included all corporations that had a head office that was not situated in Cameroon. It also included transnational companies that had their head office in other African countries.

## **Sampling**

A nonprobability sampling method was used to select participants for the survey. The corporations were purposively sampled from corporate client lists of the two main mobile companies, MTN and Orange, in Cameroon. Babbie (2007) referred to purposive sampling as “a type of nonprobability sampling in which the units to be observed are selected on the basis of the researcher’s judgment about which ones will be the most useful or representative” (p. 184). Both of these mobile telephone companies have been in operation for over 10 years and it is likely that their corporate client lists contain the names of most TNCs because mobile communication is a more reliable means of telephone communication. The communication needs of the transnational corporations prescribes that they subscribe to mobile phones service. The researcher selected the

companies arbitrarily but first of all considered companies that had complete contact information for easy accessibility.

### **Administration of Questionnaire**

First an Internet pre-notice letter was sent to each prospective corporation. Pre-notice letters have been known to increase response rates of mail surveys by three to six percentage points (Dillman et al., 2009). A survey invitation letter, the survey, an informed consent form, and the incentive followed two days after the pre-notice letter. This second contact was mail delivery and if possible an appointment was taken for pick up the filled questionnaire. Moore and Dillman (1980) tested the use of special delivery and telephone follow up calls and found out that they were just as effective as certified mail delivery that increased response rates by 10 and 20 percentage points (de Leeuw & Hox, 1988). Between the delivery and pick up of the questionnaire, frequent contacts were kept with the administrative assistants of the various corporations to facilitate completion of the questionnaire. In Cameroon, mails are picked up only at the post office and it is not a common or expedient way of communication so it was unreasonable to send important and time conscious mail by post. The plan to deliver personally all the questionnaires, which had been luxuriously and colorfully produced and accompanied by a College of Journalism and Communications pen as an incentive were measures taken to increase the response rate of the study (Dillman et al., 2009). All corporations that received the questionnaire were requested to acknowledge receipt in a reception ledger that had been provided. The 120 questionnaires were all distributed within a period of three weeks and the collection began two weeks after the end of distribution.

After six weeks of going out to collect filled questionnaires, only 12 useful questionnaires had been completed. There was a complete reluctance on the part of the corporations to cooperate with the study. Realizing that the response was slow, we made calls to the various corporations to solicit their participation. This was futile because the calls only got as far the reception desk and little effort was made to direct us to the right quarters. Because the questionnaires were also delivered at the reception, there was no specific information as to who to contact. When we informally got some direct contact numbers of those responsible for filling the questionnaires and got through to them, there were all sorts of excuses why the questionnaires had not been filled. They ranged from: the person on charge was on leave; the person in charge was not available; the person in charge will get back to us; the person in charge had not yet had time to look at the questionnaire; they will call me when they have finished; the document has been forwarded to the head office; and more excuses like that. Whenever we got an internal contact, they told us they corporation was reluctant to participate. In an outstanding case, one of the companies that we finally got around to hold an unrecorded interview after several attempts, refused to hand over their questionnaire.

After the fieldwork period of three months, a new drive was organized to redistribute replacement questionnaires. This drive redistributed 86 replacement questionnaires. This time, the idea was to personally hand it to the person in charge of filling the questionnaire. This met with limited success because the heavy bureaucracy could not allow the distributor to go beyond the reception in many cases. After four weeks of going round to pick up questionnaires, we only had six questionnaires back,

two of which were filled by TNCs that did not carry out any CSR activities. The excuses given as to the failure to fill the questionnaire were the same as during the first round. Within this time, I had informally identified personal connections within some of the companies who could assist in making sure that the questionnaires were given due attention. In a period lasting six weeks we sent out electronic copies of the questionnaire, exchanged emails and followed up with phone calls. At the end of the exercise, 10 questionnaires were filled online. The researcher further contacted a professional research service to assist in the data collection. After two weeks, the research service could only provide three filled and useful questionnaires. In one instance, after four weeks of constant emails, the director of communication in one corporation finally advised me that the coordinator of CSR was best placed to respond to the survey since the CSR program of the company had just been revised. It took two days of reminders for him to give me the contact of the coordinator. When the researcher got in touch with the coordinator, she claimed she would be out of the office for over two weeks and she in turn gave us the name and number of the personal assistant to the General Manager in charge of Human Resources. We kept on contacting by email and telephone the communication manager, the CSR coordinator and the personal assistant of the human resource manager to no avail. There was a conscious effort by many companies not to participate in the survey. Five months after the start of the administration of the survey, and having had numerous contacts with the corporations we decided to work with the 45 responses that had been received for the study.

## **Subsidiary Respondents**

This study examines the coordination and management of CSR as regards balancing the corporate global and local objectives. CSR is not well established in most TNCs in this region of the world and it is likely that a well-defined organizational unit does not carry out CSR function. However, the information required is how the organization as a whole coordinates CSR and not necessarily a particular department. Preferably, the specific official in charge of CSR or communication will be best suited to fill the questionnaire, failing that, the questionnaire can be filled by any of the top managers who are expected because of their high office to have adequate knowledge about their corporations' transactions their internal and external publics.

## **Pretest**

One pre-field method and one field method were used to test the questionnaires. The pre-field method used cognitive interviews. Dillman et al. (2009) claimed that cognitive interviews are the main methods of testing questions and questionnaires because they determine whether the respondents understand the questions as the researcher intended. The cognitive interviews were organized with two communication practitioners. One of the cognitive interviews was be a think-aloud and the other was be a verbal probing interview. As regards the field method, a pretest was done with some members of the American Chamber of Commerce, Cameroon (Amcham). They hold monthly meetings so in their meeting prior to the fieldwork, I approached a group of about 10 members to fill the questionnaire in order to seek possible omissions, problems arising with the questions and test the time required to complete them.

## **Questionnaire Development**

The questionnaire for this study relied heavily on the theoretical definitions of the constructs and the literature review. While some items in research previously carried out by Husted and Allen (2006) and Molleda (2000) inspired the questionnaire, other items were newly constructed. Some items from the previous research were used directly, but most were adapted to suit this study whose emphasis and context was different. The questionnaire was tested by two methods outlined in the pretest section above.

### **Coordination Mechanisms**

RQ1 demanded the identification of the coordination mechanisms of centralization, formalization, and socialization used by TNCs. Centralization measured the level of input from the parent company in the formulation, implementation, and evaluation of CSR policies in the subsidiary. The level of centralization was assessed from a range that began from decentralized which occurs when the subsidiary is solely responsible for the establishment of CSR policies to very centralized which occurs when the parent company is sole responsible for the establishment of CSR policies. The variations between these two extremes would be less centralized when the CSR policies are established by the subsidiary but subject to approval from the parent company and more centralized when CSR policies are established by the parent company with limited input from the subsidiary. The mid way between decentralization and centralization is when the CSR policies are established by the parent company and adapted by the subsidiary. The five items were ordered from very low centralization to very high centralization. This measurement or centralization was used adapted for use by Molleda (2000) from Ghoshal (1986); Noria and Ghoshal (1994); and Ghoshal, Korine, and Szulanski (1994).

The use of formalization was identified by the presence of the following five items: well developed formal rules and regulations regarding CSR; manuals that define courses of CSR action; parent company's monitoring to ensure that CSR rules and regulations are not violated; parent company's monitoring to ensure that CSR goals are achieved; and an organizational structure and job descriptions for CSR. Respondents were asked to register their level of disagreement or agreement with the five items by using a five-point scale where one was strongly agree, two disagree, three somewhat agree, four agree, and five strongly agree. The higher the presence of these items, the higher the presence of formalization. This measurement was adapted from Molleda (2000).

Socialization was identified by the presence of expatriates from the parent company or other subsidiaries or sister companies in the subsidiary working on or learning CSR activities. Socialization was also to be identified by the existence of a mentor for CSR in the parent company headquarters or in some other subsidiary. Other indicators of socialization included visits of CSR personnel to the parent company headquarters or other subsidiaries or visits of CSR staff from the parent company headquarters or other subsidiaries to the particular subsidiary and the presence of activities that allowed CSR staff of the subsidiary to engage with staff of the parent company headquarters and other subsidiaries like: serve on CSR boards; attend committees or meetings at the parent company headquarters; attend annual meetings organized by the parent company; and participate in teamwork, task forces, or training sessions originated by the parent company. The exchange of CSR personnel and availability of activities that allowed the engagement of CSR personnel provided multiple

indicators of socialization and Bartlett and Ghoshal (1989) and Molleda (2000) had used these measures. Five questions attended to the issue of whether the person in charge of CSR had worked in the last six months at either the parent company, regional headquarters, other subsidiaries or sister companies owned by the parent company. Answers to each of these questions would be coded as categorical variables with positive responses coded as “1” and negative responses as “0”. As regards time spent at the parent company/regional headquarters or other subsidiaries/sister companies, “2” will be given for spending “a year or more” and “1” will be recorded for spending “less than a year”.

An index of four items will make up question four intended to assess the extent of socialization. The four items will measure the typical number of visits that the person in charge of CSR in each subsidiary makes to the parent company or other subsidiaries/sister companies and also the typical number of visits the person in charge of CSR in the parent company or other subsidiaries/sister companies make to the particular subsidiary. The frequency of visits was captured by a five-point scale in which one was almost never, two once in two year, three once a year, four twice a year, and five quarterly or more often. The presence of expatriates working or interning in the particular subsidiary was measured as another dimension of socialization. A positive response was coded as “1” and a negative response as “0”.

Question five measured the activities that were used by corporations to keep in contact with those in charge of CSR at the parent company, regional head quarters, sister companies and other subsidiaries. The activities included serving on corporate CSR boards, as committee members, attending trade shows or special events, annuals

meetings or taking part in training activities. Martinez and Jarillo (1991), Roth and Nigh (1992), and Molleda (2000) had used these activities to measure a dimension of socialization. A code of “1” will be accorded each checked item and “0” for each unchecked item. The aggregate from all responses to question five will yield another composite measure of the level of socialization.

### **International Business Orientation**

International business orientation of the TNCs was analyzed following Bartlett and Ghoshal's, (1989) topology of international business models. A company that exploited company knowledge through worldwide diffusion and adaptation and regarded its subsidiaries as extensions of its domestic market was identified as international. A multinational company would show high-level flexibility in responding to national differences and treat subsidiaries as independent businesses. A global company would insist of maximizing cost advantages, promote a centralized system of decision-making and consider subsidiaries as outlets for its products. A transnational strategy would be known for simultaneously developing global efficiency, flexibility and worldwide learning and although it would regard its subsidiaries as differentiated units it would attempt to transfer their organizational knowledge throughout their worldwide operations. The measurement of international business strategy used three questions to assess the category of international, multinational, global, and transnational in to which particular corporations fall. Each of the three questions will assess the strategic orientation, the role of overseas operations and the CSR philosophy of the subsidiary. Bartlett and Ghoshal, (1989), Arthaud-Day, (2005), and Donaldson and Dunfee (1999). have informed these measures. Participants will be asked to register their level of disagreement or agreement with the four items in each measure by using a five-point

scale where one was strongly agree, two was disagree, three was somewhat agree, four was agree and five was strongly agree. Each of the four items pertains to a specific international business strategy. The final response to each international business strategy for the three measures was used to indicate the particular strategy to which the corporation was aligned.

### **Global and Local CSR**

For the purposes of this study, global and local CSR was differentiated along the lines proposed by Husted and Allen (2006). Global CSR included CSR that originated from international NGOs and/or global social problems such as the protection of human rights, the elimination of all forms of forced and compulsory labor, the promotion of greater environmental responsibility and work against in all forms including extortion and bribery enunciated by the UNGC. Local CSR stemmed from host governments and responded to local social issues that emanated from consultations with local communities, their representatives and all levels of government. Local CSR included some of the MDGs such as: the eradication of poverty and hunger; universal primary education; reduction of child mortality rate; improvement of maternal health; and combating HIV/AIDS, malaria and other diseases and encouraging the emancipation of women. To measure each corporation's inclination, the question listed 8 CSR initiatives. Four indicated global CSR and the other four indicated local CSR. Respondents were expected to indicate the level of importance of these global and local CSR initiatives to their corporations according to a five-point scale in which one was not important, two was a little important, three was somewhat important, four was important and five was very important. Totals of each set of global and local CSR were used to assess the corporation's inclination either to global or local CSR.

## **The Role and Importance of Subsidiaries**

The importance of the subsidiary was assessed on the basis of the size of the market and the strategic importance of the resources of the subsidiary to the parent company according to Bartlett and Ghoshal (1989) and Birkenshaw et al. (2007). Size of the market was arranged into 5 increasing categories: one or two national regions; national territory; sub regional market; the whole African market; and an intercontinental market. The size of the subsidiary market was assessed from a five point scale where one was strongly disagree, two was disagree, three was somewhat agree, four was agree and five was strongly agree. The final response to each market sizes was used to indicate the size of the market for the corporation. In assessing the importance of the subsidiary's resources to the parent company, four categories of decreasing importance were presented: serves as a partner of the headquarters; appreciated by the parent company; resources of subsidiary not important outside the subsidiary; and resources of the subsidiary not even adequate for their own needs. The importance of subsidiary's resources to the parent company was also assessed from a five point scale where one was strongly disagree, two was disagree, three was somewhat agree, four was agree and five was strongly agree. The final response to the importance of the subsidiary resources to the parent company was used to indicate the importance of the subsidiary's resources to the parent company. The importance of the subsidiary will also be assessed by open-ended questions about the percentage of the subsidiary's financial contribution to the health of the parent company and the number of employees it has as compared to that of the parent company. The more significant the subsidiary's contribution the greater the number of staff as compared to the parent company, the more the importance attached to the subsidiary.

## **Importance of CSR to TNCs**

This concerned the level of importance that the subsidiary attached to CSR initiatives and covered issues of human and financial resources allocated to CSR efforts and whether the CSR function had a formal identity within the organizational structure. High importance was considered if CSR expenditure was 1 % and above of the percentage sales of the corporation and if over a day of working time each month was given to employees to participate in CSR initiatives. High importance was also registered if a specific office or department was responsible for the CSR function no matter the department under which it is put. Questions relating to percentage of money invested in CSR and the days allowed staff to take part in CSR activities a months will be open-ended. The level of development of the CSR plan of the subsidiary and the level of evaluation of CSR results would also be used to measure the importance of CSR using a five-point scale in which one was not at all developed, two was barely developed, three was somewhat developed, four was pretty developed, five was very developed. Another measure of the importance of CSR was a comparison of the subsidiary's expenditure with that of other corporations in the community. This was measured using a five-point scale in which one was much lower, two was somewhat lower, three was the same, four was somewhat higher, and five was much higher. Importance will again be measured by the allocation of CSR personnel and the availability of a distinct CSR structure using a five-point scale in which one was totally disagree, two was disagree, three was somewhat agree, four was agree, and five was totally agree. The importance of CSR to TNCs was adapted from Husted and Allen, (2006).

## **Motivation for CSR**

The measurement of motivation was informed by the motivations of the business case put forth by Smith (2008), Brammar and Pavelin (2006), Stigson, (2007) and Gugler and Shi, (2009), and included the following objectives: to influence the purchase decisions of customers; to improve the commitment of employees; to obtain favorable fiscal/tax treatments; and to improve operational efficiency. The evaluation of the moral case was inspired by Starck and Kruckenberg (2003), Carroll, (1979), and Young (2007) and included moral objectives like: to fulfill our social responsibility or responding to society's objectives; to bring life enhancing changes to a broader society; to do the right thing; to follow the usual practices in our industry. Eight statements, half pertaining to business case objectives and the other half to the moral case objectives were assessed on a five-point scale in which one was totally disagree, two was disagree, three was somewhat agree, four was agree, and five was totally agree Responses from answers to questions concerning the motivations for CSR was aggregated to indicate the whether the corporation was motivated by the moral or business case. A questioned concerning the extent to which CSR decision-making is affected either by the strategic orientation of the parent company and/or by local environmental pressures was included. Participants had to choose from a scale where one was not affected; two was affected; three was somewhat affected; and four was strongly affected a regards the two forces. Both measures would be used to assess influence of either the strategic orientation of the parent company of local environment pressures on CSR decision-making. Molleda, (2008), contextualized qualitative research on coercive isomorphism in Venezuela inspired this measurement.

The final section of the questionnaire contained questions relating to demographic information concerning the nationality of the parent company, industry affiliation of the subsidiary, when the company was founded, when it was established in Cameroon and the title of the person who answered the questionnaire. The industry affiliation was compiled from the mobile phone lists that the participants were drawn from.

### **Analysis**

A codebook was created to facilitate the input of quantitative data. The SPSS statistical software was used to analyze the data collected. Relevant statistical procedures like frequencies, descriptive statistics, factorial analyses, and Pearson's correlation were also used to describe and make inferences about the data. The analysis generated tables of frequencies, estimates of central tendency, bar charts and other graphic displays.

### **Summary**

This chapter has outlined the steps taken to ensure rigor in the collection of data from both the qualitative and quantitative sections of the research. The 17 interviews not only represent a variety of industries but also a geographical range spanning five continents. The African TNCs were included to be able to identify any contrasts with TNCs from outside the continent. The operationalization of the variables was carried out following the review of literature and also resulted in the development of an interview protocol and a questionnaire. Construct validity was enhanced by the pretest of the interview protocol and the questionnaire, which was carried out with communication directors before field research began. The analysis provided a basis for the support or rejection of the stated propositions. The next chapter will present the findings of the qualitative section of the research.

## CHAPTER 8 QUALITATIVE RESEARCH

This chapter presents the results of the qualitative section of the dissertation. The aim of this chapter is to summarize the qualitative data to see how they answer the research questions concerning coordination mechanisms, in the influence of size, the relevance of local CSR, the importance of CSR in decision-making, and the motivation behind CSR. It will first of all present the respondents and then explain the difficulties involved in recruiting participants for the interviews and finally present how the findings respond to the research questions and hypotheses. Specifically, the chapter will focus on the all five research questions posed by the dissertation:

RQ1: What coordination mechanisms do TNCs employ in their CSR efforts in subsidiaries in Cameroon?

RQ2: Is international business strategy related to the strategic importance of local issues in the subsidiaries of TNCs?

RQ3: How does the importance of subsidiaries of TNCs affect the coordination mechanisms used in CSR initiatives?

RQ4: How important is the notion of CSR to corporate decision-making?

RQ5: What are the motivations for CSR?

### **Description of the Corporations and Participants**

In order to answer these questions, in 17 in-depth interviews were carried out with senior executives and some middle management staff of 15 international corporations in Douala, Cameroon. Douala being the main gateway by sea and air into Cameroon provided a natural location for the subsidiaries of the TNCs (see Table 8.1). All the interviews were carried out in English although some of the respondents were native French language speakers. Eleven of these interviews were face to face while four were phone interviews. The phone interviews were necessary to increase participation

because of the difficulty of getting participants to cooperate within the three-month fieldwork period. Those who only accepted to take part in the interview after the fieldwork period could only be reached by phone. Over half of the participants were top management staff and the remaining participants were middle management staff or staff concerned with CSR. Although the study was designed originally to interview only top officials, because access to them was limited, middle management staff concerned with CSR in their corporations or staff who had experience in the CSR activities of their corporations were solicited to attend to the questions. The participating corporations came from Africa, Asia, Europe, and North America. The participants included three corporations with head offices in sub-Saharan Africa, five from North America, six from Europe, and one from Asia. A single individual was interviewed from 13 of the corporations and two persons from two corporations. Nearly two third of the respondents were male while about a third were female.

The three sub-Saharan corporations included two banks and one telecommunication company. The telecommunication company was founded in 1999 operated in 21 countries and had been in Cameroon for 10 years with four regional branches. An interview was held with the general manager in charge of legal and the company secretariat as well as the coordinator of CSR since the manager for corporate affairs was not available. Although the CSR was formally under the corporate affairs department, this corporation had a foundation that took care of its CSR activities. One of the banks had been in existence for over half a century but its operations in Cameroon had only been for three years. The bank had 19 subsidiaries in Africa with satellite offices in Paris, London, and New York. A foundation at the head office in Nigeria

coordinated the CSR activities of all the subsidiaries. However, the subsidiary in Cameroon had no formal administrative CSR structure and the managing director coordinated CSR activities. The interview with this bank was held with the regional director for the biggest region, Littoral. The other bank had in the past two years merged with an international African bank and the corporate affairs department made up of two staff coordinated its CSR activities. The interview here was held with the head of corporate affairs. From Asia, there was one subsidiary that was engaged in providing services to the offshore oil and gas industry. This corporation operated in all major regions outside North America and had nine regional offices, three of them in Cameroon, Nigeria, and Equatorial Guinea. Although it had been in existence since 1975, it had only been in operation in Cameroon for seven years. This corporation had neither a department nor any staff in charge of CSR. The CEO who was interviewed assumed responsibility of CSR.

For the five North American corporations, one was an accountancy firm, one was a bank, another was involved in the energy industry, and the two others were involved in leisure and travel and transit and transportation respectively. The bank had operations in over 100 countries and had been in Cameroon since 1998 with two branches in the two biggest cities of Yaounde and Douala. The interview was held with the vice president in charge of legal, who doubled as the public relations officer and coordinated its CSR activities. There was no CSR department and a CSR committee took care of CSR matters when the need arose. The energy company was created in 1981 to generate and distribute energy in five continents. It had been providing this service in Cameroon for about ten years. This corporation boasted of a fully functional

CSR department with a CSR program and had three staff. The interview was conducted with the CSR coordinator. The lone leisure and travel corporation in the qualitative study was headquartered in the United States of America and the Central African Francophone division that was also under the Europe/Middle East/Africa region of the corporation managed this subsidiary. It consisted of a chain of hotels around the globe but it owned just one property in Cameroon. This hotel had been in Cameroon since 1992 but only under the present company since 2005. The CEO took personal charge of CSR activities and participated in the interview. As for the transit and transportation company, a consortium of three foreign companies owned 92% of the capital with two North American companies responsible for over 62% of this capital. The other member of the consortium was from Asia and owned about 29% of the shares. Their business involved transporting crude oil to the market and they had been in operating in Cameroon for six years. Its CSR activities were under the office of public and governmental affairs and community relations. The corporation only agreed to an interview if the head of the public and governmental affairs and community relations and that of governmental relations were present at the same time. The accounting firm was involved in audit, assurance, tax and advisory services. The firm had a network in 120 countries and had been in Cameroon since 1972. The Francophone Africa territory administered the operation in Cameroon with a regional office in Abidjan. With no CSR department, the territory human capital leader administered the CSR.

The six corporations with head offices in Europe consisted of: two oil and gas exploration companies; one pharmaceutical company; one bank; one transit and transportation company; and one corporation that dealt with blast products. One of the

oil exploration companies had operations in 90 countries in the world with head quarters in the Netherlands. Its operation in Cameroon started in 1974. The external affairs office coordinated CSR activities with the help of the Social Performance Committee. The interview was conducted with the officer in charge of CSR in the external affairs office. The other oil and gas exploration company was created in 1999 and based in the United Kingdom and had only been in operation in Cameroon since 2000. The company had no set up for CSR, not even a CSR committee but the Marketing Director who participated in the interview conducted its CSR activities. One of the pharmaceutical companies was a division of a French conglomerate present in 31 countries in Africa. They were involved in pharmaceutical distribution and medical promotion. Their CSR activities were directed mainly towards staff and as such were administered by the human resources service. The regional director in charge of the Littoral region participated in the interview. The transit and transportation company had been in the business of container shipping from 1908. Established in 125 countries in the world, it had been operating in Cameroon since 1997. With no CSR department, an ad hoc committee made up of representatives of various departments conducted the CSR activities. The interview has held with the marketing intelligence coordinator who was a member of the current CSR committee. The European bank had been in business since 1853 but had only operated in Cameroon from 1986 with two branches. The bank had operations in over 70 countries in the world. The corporate affairs department coordinated CSR activities and in the absence of the head of corporate affairs during the fieldwork period, the interview was conducted with the CEO. The explosives company with headquarters in Spain provided civil explosives, initiation systems, and

services to mining, quarries and infrastructures. This corporation established in 1872 had 140 operations in the world with 40 in Africa. Their operations in Cameroon had been going on for six years and with a very small staff, the CEO handled all CSR matters and also took part in the interview.

**Table 8-1. Participating Companies**

	Type of Company	Head Office
1	Telecommunications	Sub-Saharan Africa
2	Bank	Sub-Saharan Africa
3	Bank	Sub-Saharan Africa
4	Bank	North America
5	Energy	North America
6	Leisure	North America
7	Transit and Transportation	North America
8	Accountancy	North America
9	Oil and Gas Exploration	Europe
10	Pharmaceuticals	Europe
11	Oil and Gas Exploration	Europe
12	Transit and Transportation	Europe
13	Explosives	Europe
14	Bank	Europe
15	Transit and Transportation	Asia

### **The Interviews**

Access to international corporations was difficult and even when sample questions were sent to prospective participants, this did not facilitate cooperation. The original plan for the qualitative study for this dissertation had been a multiple case study of four international corporations from Africa, Asia, Europe, and North America. It had taken over six months to get these corporations to agree to participate in the study and their agreement had been in writing after numerous emails and phone calls. On the ground, except for one, none responded to calls, emails or short text telephone messages. It was for this lack of cooperation that the research design was changed to in depth interviews in order not to rely on specific companies. This did not ease the recruitment process but it meant the study did not have to rely on specific corporations.

Securing respondents or the interviews was particularly laborious and time consuming. In one particular instance, three face-to-face meetings were required to secure an eventual interview with the one corporation. When the interview did take place, the participant objected to the interview being recorded. The first face-to-face meeting involved explaining orally what the research was all about, an issue which had been taken care of in one of our correspondences. The next meeting involved taking a date for the interview. The third meeting was scheduled to take care of the interview but on arrival, the respondent announced that because of other impediments, the scheduled interview could not take place. I was asked to hold half of the interview on that day and the rest on another day; a suggestion, which I turned down. On the fourth face-to-face meeting the respondent although having agreed to be recorded in the previous meetings explained that the recording was not necessary and consequently refused to be recorded.

During the fieldwork, it is common for participants to object to being recorded and only after very length explanations did they change their minds. However, in this case, the abrupt cancellation of the recording affected my demeanor and it took sometime for me to recover and this affected the earlier part of the interview. The four phone interviews only became necessary because the participants for the three months of fieldwork had not taken a decision to participate in the study. This difficulty of access accounts for the limited number of participants. However, access was easier for participants with whom I had direct contact with someone in the corporation. In such cases, the inside contact person did all the explanations.

Even when participants agreed to take part, they were very restless during the sessions and often became impatient after only 15 minutes of the interview. Before one of the scheduled interviews, the participant told me he was just from a meeting and he had another meeting in 30 minutes knowing fully well that the interview had been programmed for an hour at least. Another participant after only 15 minutes of the beginning of the interview looked at my interview protocol and asked why I still had so many questions. Some of the participants were difficult as participants and very reluctant to divulge information. During one of the interviews, the participant, even when he provided documents that proved that over 92% of their company was foreign owned, he objected to his corporation being labeled a transnational company. The email addresses of the workers in the company bore the email extension of a well-known Fortune 500 company. However, during the interview it became evident that constant references were made to the parent company and as the interview progressed it became clear that there was coordination of CSR from the head office. Following are summaries of how their responses answered the research questions.

### **Coordination Mechanisms and CSR**

**RQ1: What coordination mechanisms do TNCs employ in their CSR efforts in subsidiaries in Cameroon?** The data collected show evidence of all three coordination mechanisms: centralization, formalization, and socialization in TNCs in Cameroon. However, centralization was the least manifested and formalization was the main method of coordinating CSR activities. Centralization was identified when participants described their CSR as management with their parent company as a “case by case” affair with no formal arrangements as to how CSR was to be handled. Though minimal, centralization was evident in subsidiaries that had very weak relationships with their

parent company. A case in point was a subsidiary that had been acquired by regional African bank in the last two years. The head of corporate affairs confirmed that CSR decisions were taken on a “case by case” basis since there was no instrument in place concerning CSR following the merger. Whenever, there was an opportunity for a CSR activity, the head office was contacted for its views on how to proceed. Since the amalgamation had only been for two years, more effort was spent putting in place the banking operations and decisions concerning CSR had not been established. This ‘case by case’ handling of CSR activities was also evident in the affairs of the European corporation that sold explosives. Their total staff strength was about ten, they had been in existence in Cameroon for only six years and their CSR activities were very scanty. The General Manager who took part in the interview acknowledged that their subsidiary was known as the baby of the group, because the parent company had existed for over 125 years and had 140 subsidiaries worldwide.

The main coordination mechanism was formalization that was epitomized by formal guidelines from the parent company. For a majority of the participants, the management at the head office decided on the broad themes on which their CSR activities were to be guided, but the decision on what project to embark on, the execution of the project and its evaluation was left to the local office. Phrases describing parent company participation in CSR formulation like: “dictates or proposes the themes”, “has priorities and disciplines that we must conform to”, “gives the broad outline”, “gives the guidelines”, “the broad outlines are laid down by the group policy” were used to describe the part played by the head office in ensuring that the CSR objectives of the parent company were achieved in the subsidiaries. Both the execution

and evaluation of CSR activities were carried out following the broad guidelines from the head office.

According to the participants, the justification for subsidiary in wholly handling local decisions regarding CSR activities was because the subsidiaries were best placed to react to local realities: “The issues we are handling in Cameroon are not the same issues our colleagues in Ghana are dealing with”; “the group cannot be rigid because every locality has its own particularities”; “[e]very country is different, every country has its culture, laws”; “How you implement it depends on the availability of persons at the local level and resources”, “What is applicable in the States is not applicable 100% in Cameroon”; “Locally we adapt to come out with practicable procedures”; and “We understand the environment more than they do”. The decentralization of decision-making even went further than the head office of some subsidiaries. In one telecommunication company that had four branches in the country, the participant confirmed that local branches were free to choose the particular activity they wanted to be engaged in and this could be different from what was being done in other local branches. Talking about the flexibility of his company’s CSR operations, a top official said,

Cameroon (*the corporation*), incidentally is split into four main regions and the various regions are free to come up with CSR projects depending on what the CSR committee set up in the region thinks is needed for the region. They come up with projects that are relevant to the particular interests of that region. In the Littoral region (*Douala*) you may have activities geared towards taking care of street kids who do not have homes to go back to. In the Bamenda region where you don’t have street children, taking care of a run down primary school, which is towards the education focus, would be key. In various regions you have different projects that are identified and pursued. (In depth interview, February 15, 2011)

In the above example, care for street kids was a necessity because the Littoral region harbors the commercial capital of the country and with the deteriorating economic and social conditions prevalent in urban areas, it is bound to have street children. The other region is found in an economically disadvantaged zone but the culture of the inhabitants of this region place much emphasis on the family and education so is conceivable that this region embarks on rehabilitating run down schools. Evidence from the interviews shows that centralization, as a coordination mechanism was minimal as regards CSR activities because subsidiaries could use the broad guidelines from the parent company to guide their CSR activities.

Because most of the corporations confirmed the presence of CSR guidelines from the head office, formalization was prominent. Data from the interviews show that for a most corporations the policies that assured formalization were mostly communicated through official company websites and intranets. The local subsidiaries that did not have country websites used the website of the parent company as source of CSR guidelines. About six participants confirmed that these policies were found in manuals but these were internal documents that were not open to the public. One of the respondents confirmed that it was normal to have the guidelines from the head office in hard copy and on the table at all times. These guidelines directed the CSR activities that were generated by the subsidiary and those that were generated from the parent company. However, for CSR activities that were generated from the head office, extra guidelines as to the specific project were also provided. Almost all the subsidiaries provided periodic reports of both locally generated and internationally generated CSR activities. Only the two of the corporations that had a specific CSR department had job

descriptions for the CSR function. For most of the corporations, quarterly and annual reports to the parent company served as a means of monitoring that CSR rules and policies were not violated and that CSR goals were achieved.

Socialization was not rampant but more evident from well-established and big corporations who had extensive CSR programs as a result of their broad consumer base or from corporations in the energy and gas sector that had universal CSR programs that were coordinated on an international basis. Only about a third of the participants reported activities that could be deemed socialization. The socialization took forms like visits of a CSR staff from the head office, constant online meetings and occasional face-to-face meetings that ranged from once or twice a year. Staff from the parent company in a third of the corporations made visits to the subsidiary to monitor how CSR goals were achieved. Particularly they made sure that internationally generated CSR activities were well implemented. For example, one of the corporations worked with partners on a *Fight Against Malaria* project that involved distributing bed nets and malaria medication to curtail and prevent the incidence of malaria. The subsidiary in this case was responsible for identifying and recommending local organizations with capacity to implement this CSR project to the head office. During and/or after the implementation, CSR staff from the parent company visited the subsidiary to ensure that the *Fight Against Malaria* project did not violate any of the implementation guidelines and achieved the goals.

In one of the corporations, the head of corporate affairs that coordinated CSR activities attended an annual conference for all heads of corporate affairs for the TNC. No evidence was found of CSR staff going to work in the head office or vice versa. For

one of the participating corporations, the head of CSR sub-department was an expatriate. In two other corporations, CSR was coordinated by the CEOs who had spent considerable time at the parent companies and other subsidiaries. Compared to centralization, socialization was more common but not as evident as formalization. As the CEO of an intercontinental bank put it, decision-making as regards CSR efforts is “Both a top-bottom and bottom-top exercise” because of the constant interaction between staff of the parent company and the subsidiary.

Data from the interviews show that there were differences in the use of coordination mechanisms for CSR initiatives among subsidiaries. While formal, coordination methods were used for locally generated CSR, socialization was common in only the well established corporations with extensive CSR activities. All three methods of coordination were evident and were used differently by most of the corporations. The data also showed that there was more use of formal coordination mechanisms by TNCs in their CSR efforts in Cameroon than informal coordination mechanisms because socialization was not as common in the corporations as was formalization. In the use of formal coordination mechanisms, formalization was more frequently used than centralization as was formal coordination mechanisms over informal coordination mechanisms.

### **International Business Strategy and CSR**

**RQ2: Is international business strategy related to the strategic importance of local issues in the subsidiaries of TNCs?** The interviews revealed that there were a variety of international business strategies being used by the respondents but there was no pattern relating international business strategy with local CSR. The majority utilized the global business strategy while three corporations each used the multinational and

transnational strategies. Only one corporation showed evidence of the international strategy. There was little discrepancy in the balance between global and local CSR issues as regards the organizational strategies of the corporations. Almost all the corporations were bent on local CSR activities. Although over half of the participants interviewed had very scanty CSR programs, their main or only activities were related to local CSR. As regards CSR activities, all except one of the respondents performed philanthropy in the form of cash donations to organizations. The next most popular activity involved the donation of gifts to orphanages or centers for street kids. The gifts included, used clothes, food items and at times, electronic equipment. This was followed by the donations of especially books to educational establishments. Primary schools received notebooks and writing materials while donations to universities consisted of textbooks for the libraries. For the big CSR projects, constructing classrooms for primary schools or handicapped kids topped the list. A fifth of the respondents had been involved in educational infrastructure projects. One corporation actually built and equipped a complete primary school with all six classes, an administrative block and the accompanying facilities. For the corporations that indulged in CSR activities directed from the head office, the orientation of the activities was closely aligned to the needs of the local environment. For example, one of the projects from the head office of an oil and gas company was a UNICEF initiative to reduce the spread of malaria. Four corporations had examples of projects that were generated from the head office. Most of the internationally generated CSR activities were health related which fits in with the definition of local CSR. Apart from malaria the internationally generated CSR dwelled on other health issues like, HIV/AIDS, sight, and tuberculosis.

However, two of the internationally generated CSR dealt recycling of used materials and care of the environment. Even when locally generated CSR attended to the environment, the activity was closely linked to the some aspect of local CSR. A good example involved an oil and gas exploration company. Although the CSR activity was geared towards the environment in that it dissuaded the local population from exploiting the mangrove bushes in the riverine areas, it consisted of acquiring ovens so that the local inhabitants could engage in income generating undertakings like fish smoking which is directly related to poverty alleviation.

Asked about the balance of CSR activities, the participant from an oil and gas exploration company that have a tradition for environmental CSR asserted that social investment took up about 70% and philanthropy took up 30% of their CSR activities. The CSR themes that were verbally espoused by a majority of the participants were: Health, Education, Safety, Sustainability, and the Environment. Even when global CSR was among the themes that were enunciated by the head office, evidence from actual activities proved that local CSR was of paramount importance. There was very little evidence from the interviews to back the identified themes of sustainability, let alone human rights and corruption. Asked specifically about the importance of the environment in their CSR scheme, one participant replied that, “Carbon footprints and global warming: from a local perspective, it’s not something that we can pay a lot of attention on”. Another participant from a global corporation in denying their interest in human rights and environment in their CSR agenda made clear that, “ We don’t do human rights per se and the environment but as a financing institution, there are certain projects we will not finance, if it will have a negative impact on the environment”.

Particularly singled out from all the other participants was one international firm that explained that their corporation had little concern for local issues.

We implement the localization (of CSR) quite well on our boats. We are not good at picking specific causes. Time and resource issues prevent us from attending to local causes. Our focus is not on the charity side but to hold and manage our operations. (Interview January, 20, 2011)

For this company, their areas of CSR focus were Environment, Health and Safety, Employment, Business Partnership, and lastly Community Matters; the CEO confirmed that nothing had been done in the community area. During the interview, a collaborator who sat in during the interview tried to suggest that staff were gathering computers to donate to schools to which the CEO intervened that he never knew about such an operation and if it was being done, it was not official because the head office in Singapore had to be informed and had to sanction the drive. The CEO confessed that cooperation with Singapore was of utmost importance.

There was an overwhelming support for local CSR despite the business orientation of the corporation. Only the lone international corporation had no evidence of local CSR. Three transnational, one multinational and one international corporation showed evidence of global CSR. As regards global CSR, only the environment was regarded as impacting the community. For one transnational corporations, the environmental attention was geared towards air pollution; protection of biodiversity; guard against soil erosion and garbage disposal. The other two transnational corporations also directed their efforts towards the environment.

During the interviews, the participants were asked about the influence of government regulations, pressure from social organizations and the political environment on the formulation, implementation and evaluation of their CSR strategy.

As regards, government regulations, the participants confirmed the existence of some guidelines but insisted that the guidelines did not amount to much because there were not being enforced. A participant from an oil exploration company admitted to the existence of a convention between the Cameroon government with her firm but reported that there had been no monitoring. Another participant declared,

Locally there are some guidelines, but the implementation is not enforced. I have been here for three years here and on that subject (*government enforcing CSR regulations*) I have had one or two meetings not even seminars on that subject. They are more concerned with the part that concerns the employees but socially, very little. (Interview February 8, 2011)

As regards pressure from civil society and the community, the participants had not experienced any pressure from this area. The participant from the energy company attributed this inaction to the novelty of consumer groups, “They have no influence on our activities. There are some consumer associations that are just starting to be created but not yet strong enough to lobby or influence the actions and activities of corporations”.

The pressure from community was not in the form of activism but in terms of heavy traffic of requests for assistance. As regards the unending requests from the community, a participant stated,

I will not say pressure but local demand. It’s not real pressure, but there is a social pressure. Basically, I receive about 10 to 12 demands (for sponsorship) a week from whomever you can imagine. This morning I received one from an organization that wants to organize a cultural thing. I cannot. It’s impossible to respond to all these demands. (Interview January 18, 2011)

Another participant who acknowledged this trend of increasing demands for sponsorship by the community avowed,

We don't have any pressure coming from civil society per se or coming from the population. The pressure that I can say we have is coming from ... Is that we're being solicited more often to support philanthropy work which our budget does not permit. (Interview April, 9, 2011)

However, although the corporations are not under any obligation to respond to the demand from the community, they face another serious challenge from particular individuals in their society,

We do have some pressure from very important people in society calling me to say I want you to help these people, I want you to .... I tell them I'm sorry, no! Until now I have been able to resist quite well. The word has gone round. Some of them still try but they know. (Interview January 18, 2011)

The power of these individuals usually comes from their status or political standing in society. This very participant also acknowledges this kind of pressure coming from religious organizations. The participant from the energy corporation refers to pressure from powerful individuals as "*dans mon village*" (the French phrase for "in my village") and identified the powerful individuals as members of parliament, regional administrators and members of the ruling party who wanted favors for their villages. The participant acknowledged also that this pressure was particular strong at this moment because of the up coming presidential, parliamentary and municipal elections. In order to win re-election these politicians have to show what they have achieved for their villages. However, all participants were unanimous that government regulations, civil society activism and pressure from political personalities do not affect the formulation of their CSR programs but that they sometimes yielded to request that came from clients or people with whom they have close relationships.

### **Importance of Subsidiaries and Coordination Mechanisms**

**RQ3: How does the importance of subsidiaries of TNCs affect the coordination mechanisms used in CSR initiatives?** The data had earlier noted that

centralization was only visibly present in a couple of subsidiaries and while socialization was common for large subsidiaries that had an extensive consumer base. One of these corporations that used socialization had over 800 staff and was among the top ten profitable companies in the country. This corporation was one the main providers of mobile communication, a business in which only two other companies took part and one of the other was a newcomer. For its region in the group, it came third in financial returns to the group amongst nine subsidiaries. Another corporation that showed evidence of socialization was the sole provider of electricity for the entire country and boasted of over 3,600 staff. Two other corporations were involved in gas and energy and they did not reveal their financial contribution to the parent company. One of them had invested over USD 4.4 billion, in its operations in this region. Compared to the other respondents these companies were huge in terms of their financial investment, had comparatively larger staff and some recognizable functional CSR departments with developed CSR plans.

The other companies that showed little or no evidence of socialization had staff numbers that ranged between ten and a hundred, had no functional CSR departments, implemented scanty CSR activities. There were differences between subsidiaries with extensive markets, possibly higher returns to the parent company and with frequent contact with consumers than those that are small, have lower returns and have less contact with consumers. There was also evidence of most of the oil, gas and energy companies implementing socialization in their coordination of their CSR activities.

Evidence from the interviews shows that all the participants were categorical that the size or importance of a subsidiary was not a factor in the decision making power of

the subsidiary in relation to CSR activities. One participant emphatically dismissed the effect of size and importance as regards CSR autonomy, highlighting the importance of rules, “No matter how big or small you are, you are bound by the same rules”. Since the locally generated CSR projects were financed by the subsidiaries, all subsidiaries were imbued with the same authority over them. There were other projects that were locally generated but were to be financed by the head office. These projects were usually organized as competitions in which all subsidiaries in the region competed for the financial attention of the head office; preference was given to the quality of the project and not to the size or importance of the subsidiary. For one of the participants, they had to “come up with a project that will compete with 13 other African countries that will be funded by the head office”. For another corporation with 21 operations worldwide, CSR in all its subsidiaries took the form of a competition in which the subsidiaries had to fight to meet some prearranged criteria. “But decision-making is decentralized as with all subsidiaries. That is why there is a competition to see how each of the subsidiaries met and achieved the broad guidelines set by the group”. Those that won were awarded significant cash prizes to further their CSR initiatives and in such cases “are instances where a country would benefit more than its contribution to the company”, one participant affirmed.

However, the participants conceded that the size of the local market of the subsidiary played a big part in the extent of the subsidiary’s CSR activities. For example a participant confided that the national budget for CSR was guided by the rule that financial expenditure will be one percent of the subsidiaries after tax profits. This makes the size of the market important and according to him “Size affects the budget in that it

is 1% of profits so subsidiaries in bigger markets have a wider scope of CSR activities because of bigger budgets". In the container shipping company, the CSR budget for every subsidiary was a percentage of the income involved in handling every container. Consequently, the higher the number of containers handled, the higher the amount for money available for CSR activities. The incidence of the size and capacity of the subsidiary to the level of CSR activity was supported by the CEO of an international chain of luxury hotels. He affirmed that the volume of CSR in neighboring Nigeria that had five properties was much more than that in Cameroon that had just one property. For another participant in an oil exploration company, the level of CSR is affected by the nature of their assets and the location of these assets, the relationship with stakeholders will be different if their assets are near villages than if they are offshore because if they are near villages, there will be more interaction and therefore justification for larger CSR budget. In conclusion, although the participants agreed that they were more or less bound by the same rules or guidelines from the head office, bigger subsidiaries had more extensive CSR programs because they benefitted from larger CSR budgets as result of their size.

### **The Importance of CSR in TNCs**

**RQ4: How important is the notion of CSR to corporate decision-making?** The participants were unanimous about the importance of CSR to their companies but this was not reflected in their treatment of CSR in terms of organizational representation or the human and financial resources deployed. Only one participant could boast of engaging up to one percent of the company's earnings in CSR activities. A majority of the participants declined to respond to the amount of money their companies invested in CSR. This could only be an indication of the embarrassment felt at the low level of

financial engagement. In an interview with an oil transportation company, the participant claimed she could not guess the current amount of money invested in CSR. In the next question concerning if the amount between the last year and this year had risen, she answered in the affirmative. The participant of the international financial firm claimed their company carried out one CSR project every year but when asked to name the projects of the last three years, came up only with one. This very participant had earlier intimated that they were expected to adopt one project each from their international and regional headquarters to combine with their local project to carry out at least three projects a year. For more than half of the participants, their CSR annual agenda involved the execution of one CSR activity for the community. In the worst cases, we had companies that had carried out only two projects in a six-year span. The first was before their installation in the country. They had to provide some public amenities to the community in which they wanted to build their magazine to store explosives. The other was to provide pipe borne water to a community in which they wanted to dispose their expired explosives. Apart from that, they claimed they gave cash donations from time to time to church groups. However, few corporations exhibited the range of CSR activities like the telecommunication company. Apart from their foundation that carried CSR activities all year round, the corporation had set aside 21 days annually, in which their staff, partners and the community took part in CSR activities. Their CSR activities were quite extensive and included, sensitizing the public about malaria; cleaning of hospitals and neglected neighborhoods; donating dust bins; distributing mosquito nets to pregnant women and children; collecting litter and creating water channels. Distributing

didactic materials to children, building schools, building football stadiums and spending time with disabled, disadvantaged and orphaned children.

The absence of CSR in the organizational infrastructure was also glaring. Only a minority of the companies interviewed had a CSR sub-department and one had a foundation that took care of their CSR activities. A couple of persons manned each of these departments and the foundation had five members of staff. For a couple of others, there was an individual whose main duties lay in corporate affairs, but had to coordinate CSR activities when the need arose. For over half of the participants, there was no separate department for the CSR function; management of the CSR function lay under the supervision of the general manager. For about two of the corporations the CSR function, belonged to the Human Resources Department. For one corporation the marketing department managed the CSR function. One of the participants who did not see the need for a whole department dedicated only to CSR argued that “We cannot use a sledgehammer to kill a fly” when asked if his company had a CSR department. This same participant claimed, “People do CSR to tick the box because it happens to be en vogue”. A bank manager who asserted that their customers expected good financial services from them not social activities corroborated this,

We are here to run our businesses, pay taxes, paying salaries etc. We’re going beyond the normal call of duty, we’re going the extra mile to help government deliver of what government must deliver on. Why? Because of shortage of the resources of government. (Interview, 16 January, 2010)

For a top-banking official whose company serviced only corporate clients, CSR was not in the line of their business, “CSR does not make sense in a business that services very few corporations whose expectations of them are as a banking service provider”.

Although two participants claimed they carried out evaluation of their CSR activities, most claimed their evaluation amounted to observation of the beneficiaries during the gift giving sessions. For one top management official when asked if they evaluated their CSR efforts replied “feedback from the population if you want to ask me when you look at the instant joy that you bring to the population when we’re carry out certain activities that are linked to CSR, we believe its successful”. Another participant who found their CSR engagement wanting thought a CSR department would help them organize their activities better and assist in identification and measurement of the impact of their CSR activities on the beneficiaries. For most of the companies without formal CSR structures and with no human resources dedicated to CSR, putting together of a committee made up of members of various departments to guide the implementation of a project was the order of the day. Membership of this committee had more to do with the representation of departments within the corporation and less with CSR competence.

Once we agree that we are going to carry out a particular project, we will then appoint the project manager to run away with. Most probably an administrative staff because the ..... staff they don’t really have time to do cross monitoring. What she does is that, we agree on those activities that need to be done and the time frame. (Interview 13 January 2011)

The number of days reserved for CSR activities also experienced a very low showing. A majority of the companies could not claim above three days a year for staff involvement in CSR. In most of the companies, it was customary for staff participation to only involve being present when gifts where donated or take part in special CSR events. In one corporation this was done once a year and during the lunch period and lasted about an hour. For one participant, CSR was a “side activity” so only one day a year was dedicated towards CSR activities. An excuse advanced for the low staff participation in

CSR activities by this same corporation was the reliance on partners for the execution of projects “We are just bankers. We have to rely on partners”. However, there was little evidence to support the use of partners.

With only a minority of corporations having a specialized CSR department, only a few having a well developed CSR strategy, most providing inadequate financial and human resources for the formulation, implementation and evaluation of CSR in a majority of the corporations, CSR was not important to TNCs in Cameroon.

### **The Motivation for CSR**

**RQ5: What are the motivations for CSR?** Overwhelmingly, the participants voted for the moral motives as justification for carrying out CSR activities. The business case also received some support but about a third of the participants could not fathom how CSR improved their business. Those who believed both motives were relevant were more sympathetic with the moral drive than with the business case. According to one participant from a telecommunications company that believed in the superiority of the moral motivation for CSR, “We are not forced to do what we do. If we don’t do it, we will still be in business. It’s not just about making money but it’s all about leaving an impact. It’s to contribute to nation building, it’s to contribute to sustainable development”. This was echoed by another participant from an energy company “We are not only interested in their (customers) money. We have the desire to improve the living conditions of our customers as well as our reputation”. The CEO of the international luxury hotel explained that the interaction during CSR activities provided his company and the community with a win-win situation because it benefited the community, his staff and the bottom line of the company.

After when we come back to work, it builds relationships between those people because which is very useful in building team spirit within the work as well. And also, it helps us to discover some leadership ability in some people who within their work do not have the possibility to express themselves. So it has allowed me to discover leadership capacity in some people which as a result of have been promoted .... So it (CSR) is beneficial both in image wise, externally and internally as well for better cohesion among workers. (Interview, January 18, 2011)

He even went further to acknowledge the possible financial benefits that could accrue from the internal cohesion generated during the implementation of CSR activities,

It is difficult to quantify but I will say yes, it does affect the bottom line positively based on what I just said. If you have a team that is more cohesive, understand each other better, it will be a more productive team. So definitely it will affect the bottom line. But you cannot quantify that. (Interview January 18, 2011)

For a third of the participants, CSR was purely for moral motives and there was no discernable link with the profitability of their business. An extreme case was a participant who was a partner in the business and asserted that CSR there was no financial benefit to be gained from participation in CSR claiming it “affects our bottom line because it reduces the amount of money our partners can get at the end of the year” (Interview January 13, 2011). For him, their drive in CSR participation was strictly moral and they had no expectations of benefitting from it, claiming,

is a question of goodwill. It’s not about publicity. It is driven by our belief in what needs to be done. It is strictly humanitarian. We don’t have any financial reward. (Interview January 13, 2011)

This attitude was also recorded in the case of a the CEO of an intercontinental bank who did not see participation in CSR as a way getting ahead of the competition,

Our CSR agenda is based on our criteria and not because of competition. There’s no direct benefit to it. We’re doing these things to put back those communities back into the economic mainstream. It is not for us to reap the direct benefits. There is no connection whatsoever with our business” and after some reflection, he added, “May be 20 years down the road”. (Interview January 16, 2011)

Although both motives were supported, the motivation for the moral case was always stronger than the motivation for the business case. Even when the business case was proffered, the participants were at a loss in explaining how this brought business benefits to their companies. A majority of TNCs were characterized by both business and moral concerns but CSR initiatives by TNCs in Cameroon were more motivated by moral rather than business concerns.

### **Summary**

The findings of the qualitative section show that although all coordination mechanisms are employed in corporations in Cameroon, they were utilized with varying currency. Formalization was more common to a majority of corporations than centralization and socialization. More importantly, the study found that the utilization of coordination mechanisms was different for CSR activities originating from the subsidiaries and those designed from the head office. The internationally generated CSR experienced more coordination than the locally generated CSR. In addition, the decentralization of CSR does not only end at the national level but is witnessed at different geographical locations because of differences in local realities. The research also found out that despite the strategic orientation of the international firm, there is a marked prominence of local CSR over global CSR. Even when global CSR is implemented, it is adapted to cater for the immediate issues that impact the local community

## CHAPTER 9 QUANTITATIVE RESEARCH

The aim of this chapter is to present the findings of the data analysis derived from the survey section of the study. The chapter will be split into three sections, with the first providing a descriptive presentation of the survey participants. The second section will present how the findings of the quantitative analysis respond to the research questions. The last section will present a summary of the participants, the findings and how they supported or did not support the propositions. Following is the characteristics of the respondents that cooperated with the survey.

### **Descriptive Analysis**

Out of 120 distributed questionnaires, 45 corporations responded to the study. Eight of these corporations were poor fits for the study because they claimed they were not international corporations and were consequently removed from the final sample. Another five international corporation that responded but did not carry out any CSR activity were also dropped from the analysis. The 32 responses used for the analysis came from 17 countries found in four continents. Therefore the response rate was calculated from a net sample size of 107 corporations that yielded a 30 percent final response rate (Table 9-1.)

Table 9-1. Response Rate

Response Rate	
Total delivered questionnaires	120
Removed as poor fits	13
Net sample size	107
Completed and valid responses	32
Final response rate	30%

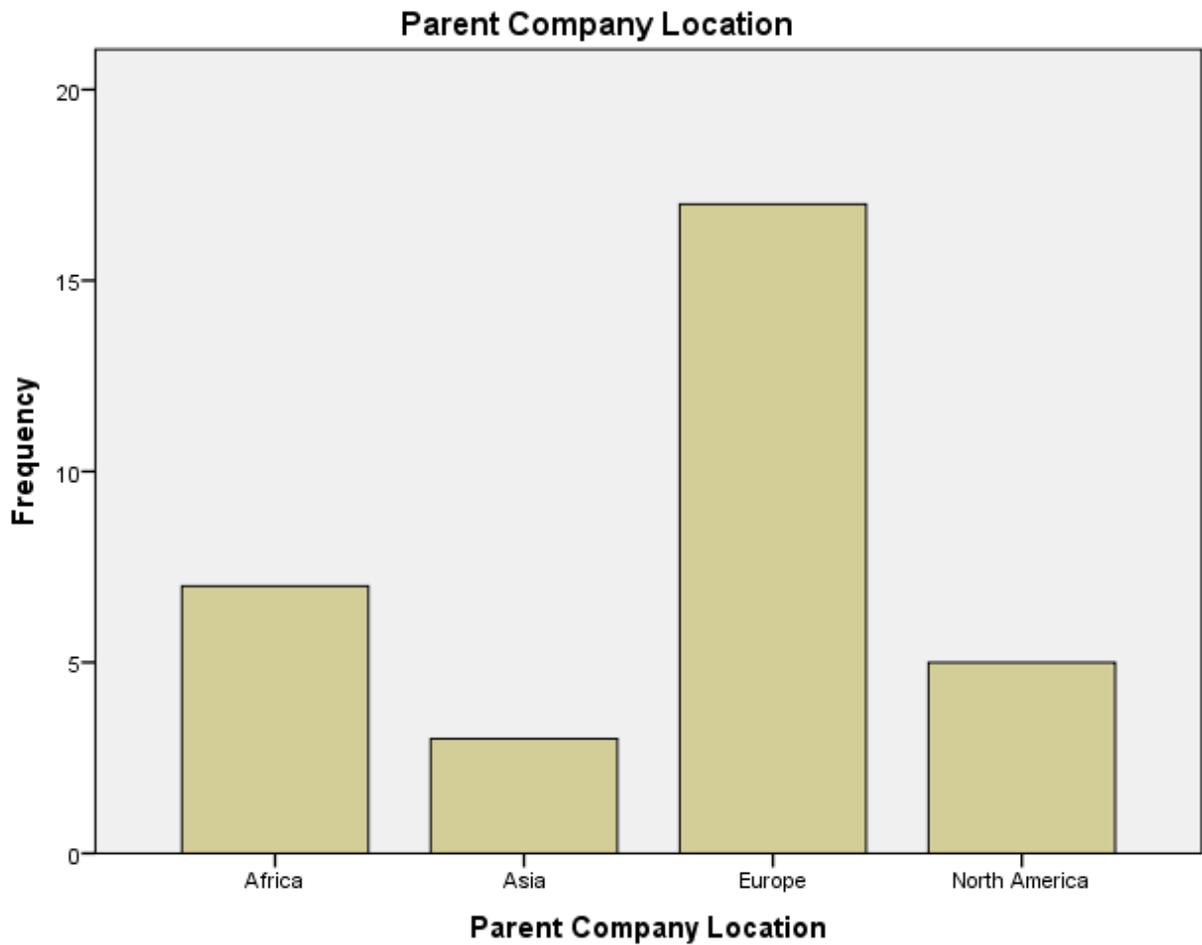


Figure 9-1. Location of Corporations

Banking and Insurance corporations were the main participants in the study (N = 7, 22%) followed by transit and transportation corporations (N = 6, 19%). The parent companies of the corporations that participated were founded between 1800 and 2005. These TNCs had staff sizes that ranged from 150 to 174,000 employees. Their subsidiaries were established in Cameroon between 1949 and 2009. The number of workers in each subsidiary ranged from 10 to 36000. As for the number of subsidiaries the corporation had worldwide, responses ranged from four to 1050 subsidiaries.

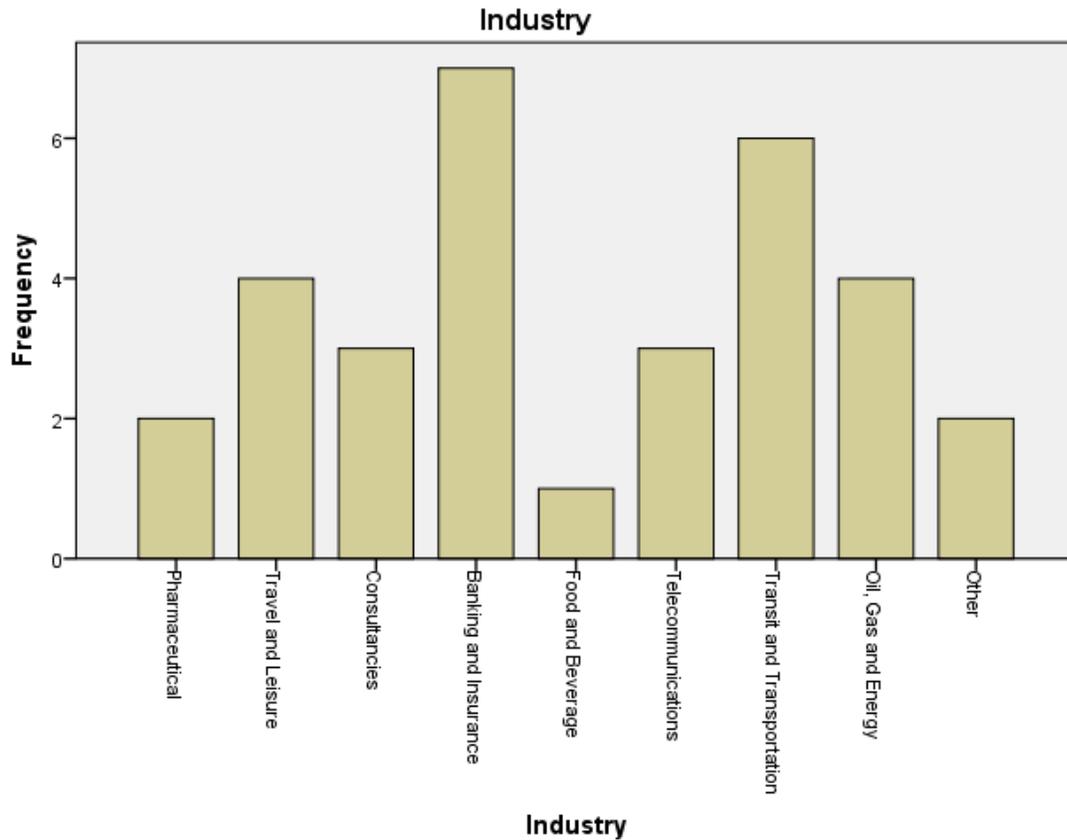


Figure 9-2. Industry Frequency

The data for the corporations were gathered through a multiple contact mixed method survey addressed first to the general managers of all the corporations by personal delivery mail and then to middle management staff of the corporations when a response was not recorded by personal delivery mail and electronically. Based on the responses, half of the participants (N = 16, 50%) were top management officials while the other half (N = 16, 50%) were middle management staff. Of these respondents, a majority was male (N = 22, 68%) and about a third was female (N = 10, 31%).

### **Construct Measurement Quality**

Some of the constructs in the study that had multiple measures were grouped. The multiple item scales were subjected to tests of internal reliability. For each set of

multiple item indices, Cronbach's alpha was computed to assess its internal consistency. Cronbach's alpha is the degree to which items measuring a construct correlate with one another. The table below provides for each of the indices that were grouped. A high internal consistency was obtained for all the indices. The highest Cronbach alpha (.90) was obtained by the four-point index for the measurement of socialization while the lowest (.76) was recorded for Global CSR.

Table 9-2. Cronbach's Alpha for Multiple Score Items

Variables	Items	Cronbach's Alpha
Formalization	Section A, Q3 – 4 items	.79
Socialization	Section A, Q10 & 11, 4 items	.90
Global CSR	Section B, Q 17 – 4 items	.76
Local CSR	Section B, Q 17 – 4 items	.85

### Coordination Mechanisms of TNCs in Cameroon

**RQ1: What coordination mechanisms do TNC's employ in their CSR efforts in subsidiaries in Cameroon?** RQ 1 was interested in finding the prevalence of the various coordination mechanisms in TNCs in Cameroon. As regards centralization, participants were asked to choose from five statements relating to the influence of the head office and the subsidiary in the establishment of CSR policies. Results show that most organizations have a tendency to use decentralized CSR coordination (N = 26, 81%). Further, on a five-point scale (1= Very decentralized, 5= Very centralized), most participants indicated that their organization uses a somewhat decentralized mechanism for CSR coordination (N = 14, 44%), followed by decentralized (N = 11, 34%) with very centralized coming third (N = 6, 19%), and very decentralized occupying the last position (N = 1, 3%). From the results, the use of centralization as a coordination mechanism in CSR was very limited.

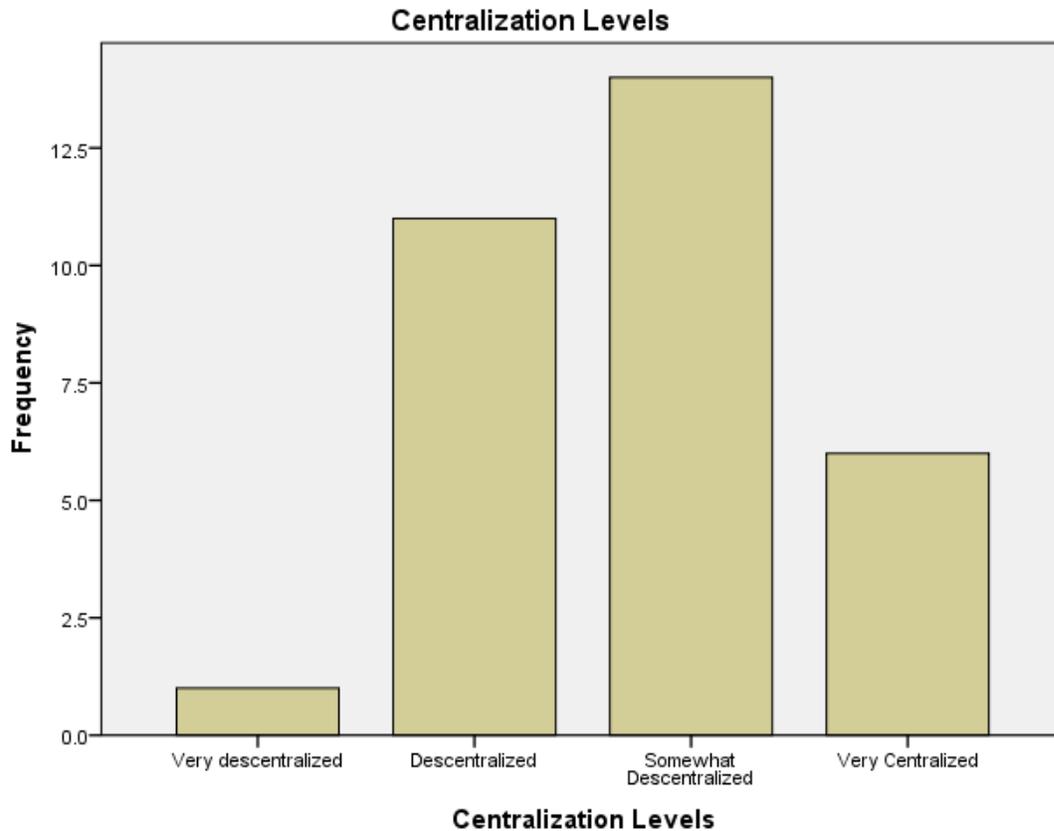


Figure 9-3. Centralization Levels

Formalization was tested by participants disagreeing or agreeing with five statements regarding the existence of a well defined set of CSR rules and policies; the presence of manuals that define courses of action to be taken concerning CSR; the monitoring to make sure CSR rules and policies are not violated by the parent company; the parent company monitoring that CSR goals are achieved; and the presence of job descriptions for the CSR function using a five-point scale. A factorial analysis produced an alpha-reliability score of .79, indicating an acceptable reliability. We added the five variables together to come with a score for formalization for each respondent. Lowest/highest, mean. The monitoring of rules and policies was the most common formalization method (N = 32, SD = 1.153), followed by the presence of rules and

policies (N = 31, SD = 1.157) and then by the monitoring to see if CSR goals were achieved (N = 31, SD = 1.174). The presence of manuals is fourth (N = 31, SD = 1.33) and the presence of job descriptions coming last (N = 30, SD = 1.47).

Table 9-3. Formalization Levels

	N	Minimum	Maximum	Mean	Std. Deviation
Rules & Policies	32	1	5	3.78	1.157
Manuals	31	1	5	3.42	1.336
Rules & Policies Monitoring	31	1	5	3.94	1.153
Goals Monitoring	31	1	5	3.61	1.174
CSR Job Descriptions	30	1	5	3.20	1.472

Overall, the use of formalization as a coordination mechanism was high (M = 3.39, SD = 1.26).

Socialization was measured by a multiple scale of four questions visits of CSR person in the subsidiary to the parent company headquarters; subsidiary CSR person visit to other subsidiaries; parent company CSR staff visit to the subsidiary; and other subsidiary CSR staff visit to the subsidiary. A factorial analysis produced an alpha-reliability score of .90, indicating a high reliability. We added the 4 variables together to come with a score for socialization for each respondent. The highest socialization activity was subsidiary CSR staff visit to the parent company (M = 2.96, SD = 1.68) followed closely by subsidiary CSR staff visit to other subsidiaries (M = 2.59, SD = 1.74) and parent company CSR staff visit to the subsidiary (M = 2.52, SD = 1.55). Visits by other subsidiary CSR staff to the subsidiary were the least common socialization activity (M = 1.81, SD = 1.14).

Table 9-4. Socialization Levels

	N	Minimum	Maximum	Mean	Std. Deviation
CSR Person HQ Visits	24	1	5	2.96	1.681
CSR Person Subsidiary Visits	22	1	5	2.59	1.736
CSR HQ Person Subsidiary Visit	31	1	5	2.52	1.546
Subsidiary CSR Visits	31	1	5	1.81	1.138

Overall, the use of socialization as a coordination mechanism was not high ( $M = 2.47$ ,  $SD = 1.52$ ).

**Proposition 1: There will be a difference in the use of the various coordination mechanisms for CSR initiatives among subsidiaries.** Proposition one that predicted a difference in the use of coordination mechanisms is supported by the descriptive analysis. For the three coordination mechanisms of centralization ( $M = 2.97$ ,  $SD = 1.12$ ) formalization ( $M = 3.39$ ,  $SD = 1.26$ ) and socialization ( $M = 2.47$ ,  $SD = 1.52$ ), only formalization had a high prevalence.

**Proposition 2: There will be evidence of more use of formalization by TNCs in their CSR efforts in Cameroon than socialization.** The descriptive statistics also support proposition two, which predicted that the use of formalization ( $M = 3.39$ ,  $SD = 1.26$ ) for the coordination of CSR will be more prevalent than socialization ( $M = 2.47$ ,  $SD = 1.52$ ).

**Proposition 3: In the use of formal coordination mechanisms, formalization will be more frequently used than centralization.** Formal coordination mechanisms consist of centralization and formalization. The use of formalization ( $M = 3.39$ ,  $SD = 1.26$ ) is more prevalent than the use of centralization ( $M = 2.97$ ,  $SD = 1.12$ ) and thus proposition three is supported.

### **International Business Strategy and CSR**

**RQ2: Is International Business Strategy related to the strategic importance of local issues in the subsidiaries of TNCs?** To answer RQ2, that concerns the relationship between international business strategy and the kind of CSR, the eight perceived kinds of CSR areas were submitted to principal component analysis (PCA) with a Varimax with Kaiser Normalization rotation to explore the pattern of responses

among the multiple items included in the list of CSR activities. The screen plot method indicated that a two-factor solution was a reasonable interpretation of the data. In the two-factor model, the first factor represented 49 percent of the variance and the second represented 18 percent. The first factor is named “global CSR” and the second factor is named “local CSR.” The factor loadings for the component matrix and the means and standard deviations are presented in Table 9.5.

Table 9-5. Perceived CSR Dimensions: Factor Loadings for Component Matrix and Varimax Rotation<sup>a</sup>

<i>Items</i>	<i>Factors</i>		<i>M</i>	<i>SD</i>
	<i>1</i>	<i>2</i>		
<i>Factor 1: Global CSR</i>				
Human Rights		.821	4.27	.828
Labor		.693	4.07	.980
Environment		.816	4.13	.991
Bribery-Corruption		.702	4.48	.626
<i>Factor 2: Local CSR</i>				
Jobs	.732		3.68	1.07
Education – Health	.885		3.81	.080
HIV-AIDS	.860		3.87	1.26
Women	.766		3.52	1.31
% of variance explained	18.2	48.5		
Eigenvalue	3.9	1.4		

*Notes.* Rotation converged at 3 iterations  
 Extraction Method: Principal Component Analysis  
 Rotation Method: Varimax and Kaiser Normalization

### **Global CSR**

The first factor made up of four of the eight CSR items was labeled Global CSR. The two items with the strongest loadings (>. 72) were CSR concerning the protection of human rights and the promotion of greater environmental responsibility. The other two items, the elimination of all forms of forced and compulsory labor and the work against

all forms of bribery and corruption were loaded at .41 and .59 respectively. The means for these four items varied between 4.07 and 4.48 on a five-point scale with the elimination of all forms of forced and compulsory labor evaluated the lowest and work against all forms of bribery and corruption evaluated the highest (See Table 9.5).

### **Local CSR**

The second perceived factor made up the other four CSR items was labeled Local CSR. The two items with the strongest loadings were CSR concerning the upgrade of education and health (.88) and combatting HIV-AIDS, malaria, and other diseases (.86). The other two items, encouraging the emancipation of women (.77) and the provision of jobs in the community (.73) had the lowest loadings. The means for these four items varied between 3.87 and 3.52 on a five-point scale with encouraging the emancipation of women evaluated the lowest and combatting HIV-AIDS, malaria, and other diseases evaluated the highest (see Table 9.5). Overall, the first factor, Global CSR, had higher mean scores than the second factor, Local CSR.

Factor scores using all the items from the factor analysis were created for these two factors. Cronbach's alpha was computed for each to assess its internal consistency. The two internal factors obtained an acceptable internal consistency (Global CSR, Cronbach's  $\alpha = .76$ ; and Local CSR, Cronbach's  $\alpha = .85$ ). This means that they were reliable measures to describe *Global* and *Local* CSR. The overall reliability coefficient for the eight items is Cronbach's  $\alpha = .84$ .

### **International Business Strategy and CSR**

The next step explored the proposition regarding the dimensions of CSR (global and local CSR) with the international business strategy of the corporations. A Pearson's correlation carried out to explore the association between the factors and the

independent variables: international, multinational, global and transnational. The results from the data show that for global CSR the only association was with the multinational business strategy ( $r = .362$ ,  $p < .053$ , a weak relationship). As for local CSR there was association with the international business strategy ( $r = .436$ ,  $p < .018$ , moderate relationship), the multinational business strategy ( $r = .365$ ,  $p < .052$ , weak relationship) and the transnational business strategy ( $r = .005$ ,  $p < .503$ , moderate relationship).

**Proposition 4: The strategic importance of global and local CSR types is related to organizational strategy in the product market.** According to the international business strategy of TNCs, the international, global and transnational strategies are more likely to attend to global concerns while only the corporations implementing the multinational and transnational business strategies care for local issues. Although there is an association between the multinational and transnational business strategies and local CSR, because there is also a moderate association between the international business strategy and local CSR, and no association between the international, global, and transnational strategies and global CSR, these findings do not fully support proposition four that states that the strategic importance of global and local CSR types is related to international business strategy in the product market.

**Proposition 5: Whatever the international business strategy of TNCs, all TNCs will undertake global CSR initiatives.** As a result of international activism, all corporations despite that international business strategic orientation had to pay attention to global CSR. The findings show that only corporations that manifested the multinational business strategy have an association with global CSR, so proposition five

which stated that whatever the international business strategy of TNCs, all TNCs would undertake global CSR initiatives is not supported.

**Proposition 6: Specifically, local CSR practices are more likely to appear on the strategic agendas of corporations following a multinational and transnational business strategy, than those subscribing to the global business strategy.**

Proposition six which stated that local CSR practices were more likely to appear on the strategic agendas of corporations that adopted the multinational and transnational business strategies, than those subscribing to the global business strategy because there was an association between corporations implementing the multinational and transnational business strategies and local CSR and there was no association between the corporations adopting the global business strategy and local CSR.

**Proposition 7: CSR decision-making in the subsidiaries will be affected more by strategic orientation of the parent company than by environmental pressure.**

Proposition 7 was supported by the descriptive statistics. This proposition was to test if CSR decision-making was more influenced by the company's strategic orientation or by the pressures of the local environment. The results show that the strategic orientation of the parent company was more influential (N = 17, 59%) than local environmental pressures (N = 5, 18%).

Table 9-6. CSR Decision-Making

	N	Minimum	Maximum	Mean	Std. Deviation
Parent Company	29	1	4	2.59	1.053
Environmental Pressure	28	1	3	1.71	.763

Specifically, the three local environmental pressures showed a weak influence on CSR decision-making in the subsidiaries with pressure from the government coming first (M =

2.26, SD = .930), followed by pressure from politics (M = 2.07, SD .868). Pressure from social organizations was considered the weakest (M = 1.84, SD = .638).

Table 9-7. Local Environmental Pressures

	N	Minimum	Maximum	Mean	Std. Deviation
Government Pressure	31	1	5	2.26	.930
Social Organizations	31	1	3	1.84	.638
Political	30	1	5	2.07	.868

### Importance of Markets and Coordination Mechanisms

**RQ3: How Does the Importance of Subsidiaries of TNCs Affect the Coordination Mechanisms Used in CSR Initiatives?** This research question was answered by carrying out inferential statistical procedures regarding the strategic importance of the subsidiaries and the use of coordination mechanisms.

**Proposition 8: Subsidiaries with Larger Markets will Experience Higher Levels of Coordination than those that with Smaller Markets.** In order to test this proposition one item (“my subsidiary caters for a regional market”) that assessed market size or the market available to the corporations. Using a five-point Likert scale, participants were asked to indicate their level of agreement with whether their subsidiary catered for an African market. Respondents that chose –one, two, or three (from strongly disagree to somewhat agree) were grouped as “small markets” while respondents that chose four or five (agree and strongly agree) were classified as “large markets.”

The means for coordination mechanisms for corporations in small and large market were compared. A T-test was performed regarding market size and the use of the coordination mechanisms of centralization, formalization, and socialization. As shown the first two rows of Table 9.8, the results of the analysis show that there was

little difference in the use of centralization for corporations in small markets (M = 2.82, SD = 1.053) and those in large markets (M = 2.86, SD = 1.069). The largest difference appeared in the use of formalization in corporations in small markets (M = 13.333, SD = 3.953) and those in large markets (M = 16.286, SD = 4.152). Not much difference was show between the use of socialization between corporations in small markets (M = 8.692, SD = 6.088) and those in large markets (M = 10.833, SD = 6.088).

Table 9-8. Coordination Mechanisms and Market Size

	Market	N	Mean	Std. Deviation	Std. Error Mean
Centralization	Small	22	2.82	1.053	.224
	Large	7	2.86	1.069	.404
Formalization	Small	21	13.3333	3.95390	.86281
	Large	7	16.2857	4.15188	1.56926
Socialization	Small	13	8.6923	6.08803	1.68852
	Large	6	10.8333	2.63944	1.07755

Although the results showed differences in the means as regards the use of centralization, formalization, and socialization of corporations with large market sizes and those with small market sizes, a T-test did not show any statistical significance between coordination mechanisms and market size (Centralization (t (27) = -.085, p = .933 (two tailed), d = .039); (Formalization (t (26) = -1.691, p = .103 (two tailed), d = -2.95); (Socialization (t(17) = -.817, p = .425 (two tailed), d = -2.14). Thus, proposition eight that stated that subsidiaries with larger markets would experience higher levels of coordination than those that with smaller markets was not supported.

**Proposition 9: Subsidiaries with extensive resources and skills will experience higher levels of coordination than those with limited resources and skills.** The findings did not support proposition nine. In order to test this proposition, one item (the skills, capabilities, and resources of the staff of my subsidiary are well appreciated by the parent company who want to channel this ability towards projects of

corporate importance) was used in assessing and distinguishing the resources and skills available to the subsidiary to distinguish the level of skills available in the subsidiary. Using a five-point Likert scale participants were asked to indicate their disagreement or agreement with whether their subsidiary resources were appreciated by the parent company. Respondents that chose one, two, or three (from strongly disagree to somewhat agree) were grouped as subsidiary with limited resources while respondents that chose four or five (agree and strongly agree) were classified as subsidiaries with extensive resources. The means for coordination mechanisms for corporations with limited and extensive resources were compared. A T-test was performed regarding their use of the coordination mechanisms of centralization, formalization, and socialization. The results show that there were minor differences in their use of coordination mechanisms.

Table 9-9. Coordination Mechanisms and Resources

	Resources	N	Mean	Std. Deviation	Std. Error Mean
Centralization	Small	22	2.77	1.066	.227
	Large	8	3.00	.926	.327
Formalization	Small	21	13.4286	4.19012	.91436
	Large	8	16.2500	3.37004	1.19149
Socialization	Small	14	9.7143	5.09039	1.36046
	Large	6	9.6667	6.37704	2.60342

As shown the first two rows of Table 9.9, the results of the analysis show that there was little difference in the use of centralization for corporations with limited resources (M = 2.77, SD = 1.066) and those with extensive resources (M = 3.00, SD = .926). The largest difference appeared in the use of formalization in corporations with limited resources (M = 13.429, SD = 4.190) and those with extensive resources (M = 16.25, SD = 3.370). Not much difference was show between the use of socialization

between corporations with limited resources ( $M = 9.714$ ,  $SD = 5.090$ ) and those with extensive resources ( $M = 9.667$ ,  $SD = 6.377$ ).

Although the results showed slight differences in the means of corporations with limited resources and those with extensive markets, a T-test did not show any significance between coordination mechanisms and resources (Centralization ( $t(28) = -.533$ ,  $p = .598$  (two tailed),  $d = .28$ ); (Formalization ( $t(27) = -1.700$ ,  $p = .101$  (two tailed),  $d = -2.82$ ); (Socialization ( $t(18) = .018$ ,  $p = .986$  (two tailed),  $d = .048$ ). Thus, proposition nine that stated that subsidiaries with extensive resources would experience higher levels of coordination than those that with limited resources was not supported.

### **Importance of CSR**

#### **RQ4: How Important is the Notion of CSR to Corporate Decision-Making?**

This research question was answered by examining the presence of a formal CSR organizational structure and the seriousness given to the functioning of CSR committees.

**Proposition 10: A majority of TNCs will have no formal organizational structure for the CSR function.** Proposition 10 was supported the descriptive analysis. The presence of a formal CSR organizational structure in a corporation was one of the ways used to test the importance of CSR in TNCs. Participants were asked on a scale of one to five to disagree or agree if CSR in their subsidiary had its own formal organizational structure. The maximum score was recorded by corporations who disagreed ( $N = 12$ , 41.4%) while the minimum score was recorded from a single corporation who agreed ( $N = 1$ , 3.1%). The overall, the presence of a formal CSR organizational structure in TNCs was low ( $M = 2.21$ ,  $SD = 1.114$ ).

Table 9-10. Formal CSR Structure

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	8	25.0	27.6	27.6
	Disagree	12	37.5	41.4	69.0
	Somewhat Agree	6	18.8	20.7	89.7
	Agree	1	3.1	3.4	93.1
	Strongly Agree	2	6.3	6.9	100.0
	Total	29	90.6	100.0	
Total		32	100.0		

**Proposition 11: In a majority of TNCs, several departments within the subsidiary will manage the CSR function.** This proposition was not supported by the descriptive analysis was used to test this proposition. The management of CSR by several departments was included to confirm that CSR was not important because of the lack of a formal CSR organizational structure. As regards the management of CSR by several departments, the results show that that maximum score was recorded by corporations that disagreed (N = 10, 37.5%) and the lowest score was recorded by corporations that strongly agreed (N = 3, 9.4%). more than half of the participants disagreed (N = 17, 58%) and only a few participants agreed (N = 7, 23%). As regards the management of CSR function by several departments, the overall result was average (M = 2.53, SD = 1.279).

Table 9-11. CSR Committee Management

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	7	21.9	23.3	23.3
	Disagree	10	31.3	33.3	56.7
	Somewhat Agree	6	18.8	20.0	76.7
	Agree	4	12.5	13.3	90.0
	Strongly Agree	3	9.4	10.0	100.0
	Total	30	93.8	100.0	
Total		32	100.0		

**Proposition 12: Adequate human resources will not be available for the formulation, implementation and evaluation of the CSR function in a majority of the corporations.** This proposition was slightly supported by the descriptive analysis. Participants were asked to disagree or agree about the sufficiency of personnel allocated to achieve the objectives of the CSR function in their subsidiary. The results show that a good number of participants disagreed (N = 13, 41%) about the sufficiency of personnel to achieve the objectives of the CSR function. Nearly the same number of participants agreed (N = 12, 38%) agreed about the sufficiency of personnel while a few participants somehow agreed (N = 7, 22%). The overall response favored the presence of sufficient human resources for CSR (M = 2.91, SD = 1.254)

Table 9-12. Sufficiency of Human Resources

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	5	15.6	15.6	15.6
	Disagree	8	25.0	25.0	40.6
	Somewhat Agree	7	21.9	21.9	62.5
	Agree	9	28.1	28.1	90.6
	Strongly Agree	3	9.4	9.4	100.0
	Total	32	100.0	100.0	

**Proposition 13: Adequate financial resources will not be available for the formulation, implementation and evaluation of the CSR function in a majority of the corporations.** This proposition was supported by the descriptive statistics. Participants were asked to state the percentage of money invested in CSR initiatives. Most of the participants spent one percent or less (N = 8, 68%) of their annual turnover on CSR initiatives and only a few spent more than 1% (N = 4, 33%). The overall results for financial expenditure for CSR was high (M = 3.75, SD 4.61). More importantly, a good number of the participants (N = 10, 44%) felt the amounts invested in CSR was less than the amount invested by other companies in the country. Fewer corporations

(N = 7, 33%) thought their CSR expenditure was higher than those of other corporations. The comparison of CSR expenditure with those of other firms on a scale of one to five was average (M = 2.74, SD 1.287).

Table 9-13. CSR Financial Investment

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	1	3.1	8.3	8.3
	1	7	21.9	58.3	66.7
	2	1	3.1	8.3	75.0
	5	1	3.1	8.3	83.3
	10	1	3.1	8.3	91.7
	15	1	3.1	8.3	100.0
	Total	12	37.5	100.0	
Total		32	100.0		

### Motivation for CSR

**RQ5: What are the motivations for CSR?.** The main motivations for CSR were examined from a list of eight divided equally between the moral and the business case motivations.

**Proposition 14: CSR in TNCs will be characterized by both business and moral concerns.** The descriptive analysis for moral and business motivations supported this proposition. The business motivations consisted of society's objectives; usual industry practices; right thing to do; and enhancing life while the moral motivations consisted of influencing purchase; committing employees; better fiscal treatment; and operational efficiency. The results show that both the business and moral motives matched the business objectives of the participating corporations. Except for better fiscal treatment (M = 2.03, SD = 1.085) more than half of the participating corporations supported each of the motivations.

Table 9-14. Motivation for CSR

	N	Minimum	Maximum	Mean	Std. Deviation
Society's Objectives	30	1	5	3.37	.999
Usual Industry Practices	31	1	5	3.58	.886
Right Thing to Do	31	2	5	3.90	.944
Enhance Life	31	1	5	3.74	1.032
Influence Purchase	31	1	5	2.68	1.249
Commit Employees	31	1	5	3.45	1.121
Better Fiscal Treatment	29	1	5	2.03	1.085
Operational Efficiency	31	1	5	3.35	1.170

**Proposition 15: CSR initiatives by TNCs in Cameroon are more motivated by moral rather than business concerns.** Proposition 15 was supported by the descriptive statistics. The three highest-ranked CSR motivations were moral while the three lowest-ranked motivations were business. Totaling the means for moral and business motivations supported this proposition that the moral motivations outweighed those for business. For the each of the motives, participants were asked to mark the motives that matched the CSR objectives of their subsidiary with one being the minimum and five the maximum. For the maximum for each set of four motives was 20. The results show that although the means of both moral and business motivations were high, the moral motivations (M = 14.55, SD = 2.5) for corporations was much higher than that of the business motivations (M = 11.48, SD = 3.2).

Table 9-15. Ranking of CSR Motivations

Rank	CSR Motivation	Mean	Standard Deviation
1	The right thing to do	3.90	.944
2	To bring life-enhancing changes to a broader society	3.74	1.032
3	Usual industry practices	3.58	.886
4	Improve the commitment of employees	3.45	1.121
5	Responding to Society's Objectives	3.37	.999
6	To improve operational efficiency	3.35	1.170
7	To influence the purchase decisions of customers	2.68	1.249
8	To obtain better fiscal/tax treatment	2.03	1.085

## Summary

Chapter 9 presented the findings that resulted from the responses of the questionnaire of the quantitative section of the study. This chapter described the statistical analyses used to test the propositions presented in Chapter 6. The final response rate of 30%, although small, included 32 corporations from 17 countries in four continents. The responses from corporations of different sizes, ages and industries improved the value of the data. The results of the quantitative analysis show that the use of coordination mechanisms by TNCs in Cameroon was rightly predicted with formalization the most popular over centralization and socialization. The predication of the relationship between international business strategy and kind of CSR was generally not supported by the results as well as the relationship between market size and subsidiary resources and the use of coordination mechanisms. The results also show that the importance of CSR to TNCs in Cameroon in terms of its presence in the organizational structure is low while the level of financial expenditure reported was higher than the level recorded in the qualitative study. The findings also show that TNC motivation for CSR is guided more by moral concerns than by the expected benefits to the business as was rightly predicted. The next chapter will interpret and discuss the findings of both the qualitative and quantitative findings of the study. It will also present the limitations of the study, areas for future research and the implications for public relations practice and theory building in public relations. Following the use of coordination mechanisms in this region, the study will propose a model for the integration and localization of CSR in the subsidiaries. Below is a summary of the findings of both the qualitative and quantitative sections of the study.

Table 9-16. Summary of Results

Proposition	Findings	
	Quantitative Research	Qualitative Research
RQ1: What coordination mechanisms do TNCs employ in their CSR efforts in subsidiaries in Cameroon?		
1: There will be differences in the use of coordination mechanisms for CSR initiatives among subsidiaries.	<i>Supported</i> Only two subsidiaries used heavy centralization and slightly more used centralization. All used formalization	<i>Supported</i> Centralization (M = 2.97, SD = 1.12) Formalization (M = 3.39, SD = 1.26) and Socialization (M = 2.47, SD = 1.52),
2: There will be evidence of more use of formalization by TNCs in their CSR efforts in Cameroon than socialization	<i>Supported</i> All the subsidiaries used formalization and fewer used socialization	<i>Supported</i> Centralization (M = 2.97, SD = 1.12) Formalization (M = 3.39, SD = 1.26) and Socialization (M = 2.47, SD = 1.52),
3: In the use of formal coordination mechanisms, formalization will be more frequently used than centralization	<i>Supported</i> More use of formalization than centralization	<i>Supported</i> Formalization (M = 3.39, SD = 1.26) and Socialization (M = 2.47, SD = 1.52),
RQ2: Is international business strategy related to the strategic importance of local issues in the subsidiaries of TNCs?		
4: The strategic importance of global and local CSR issues is related to organizational strategy in the product market.	<i>Not supported</i> All subsidiaries in spite of strategic international business orientation were heavily engaged in local CSR	<i>Not supported</i> Moderate association with International business strategy and local CSR (r=.436. p < .018)
5: Whatever the administrative heritage of TNCs, all TNCs will undertake global CSR initiatives.	<i>Not Supported</i> No subsidiary showed any leaning towards Global CSR	<i>Not supported</i> Only one weak relationship with multinational IBS (r=.362. p < .053)
6: Specifically, local CSR issues are more likely to appear on the strategic agendas of multinational and transnational corporations than of global corporations.	<i>Not supported</i> Local CSR appeared on the agenda of all corporations irrespective of strategic international business orientation	<i>Not supported</i> Appeared on the strategic agendas of multinational and transnational but also on the international (r=.436. p < .018)
7: CSR decision-making in the subsidiaries will be affected more by strategic orientation of the parent company than by environmental pressure.	<i>Supported</i> All corporations were unanimous in agreement	<i>Supported</i> Parent company (N=17, 59%) Local Environment (N=5, 18%)
RQ3: How does the importance of subsidiaries of TNCs affect the coordination mechanisms used in CSR initiatives?		
8: Subsidiaries with larger markets will experience higher levels of coordination than those that with smaller markets.	<i>Supported</i> More coordination mechanisms was evident in corporations with large consumer bases and oil, energy and gas firms	<i>Not Supported</i> (Centralization (t (27) = -.085, p = .933 (two tailed), d = .039); (Formalization (t (26) = -1.691, p = .103 (two tailed), d = -2.95); (Socialization (t(17) = -.817, p = .425 (two tailed), d = -2.14).

Table 9-16. Continued

Proposition	Findings	
	Quantitative Research	Qualitative Research
9: Subsidiaries with more resources and skills will experience higher levels of coordination than those that with less resources and skills.	<i>Supported</i> More coordination mechanisms was evident in corporations with large consumer bases and oil, energy and gas firms	<i>Not Supported</i> Centralization ( $t(28) = -.533, p = .598$ (two tailed), $d = .28$ ); Formalization ( $t(27) = -1.700, p = .101$ (two tailed), $d = -2.82$ ); Socialization ( $t(18) = .018, p = .986$ (two tailed), $d = .048$ ).
RQ4: How important is the notion of CSR to corporate decision making?		
10: A majority of TNCs will have no formal organizational structure for the CSR function.	<i>Supported</i> Only two corporations had CSR departments	<i>Supported</i> (M=2.21, SD=1.114)
11: In a majority of TNCs, several departments within the subsidiary will manage the CSR function.	<i>Supported</i> In the absence of CSR departments, CSR committees were set to handle occasionally CSR issues	<i>Not Supported</i> (M=2.53, SD=1.279)
12: Adequate human resources will not be available for the formulation, implementation, and evaluation of the CSR function in a majority of the corporations.	<i>Supported</i> Only two corporations had above three staff members specifically for CSR	<i>Not Supported</i> (M=2.91, SD=1.254)
13: Adequate financial resources will not be available for the formulation, implementation, and evaluation of the CSR function in a majority of the corporations	<i>Supported</i> No corporation claimed to spend above 1% of gross revenue	<i>Not Supported</i> M=3.75, SD=4.61)
RQ5: What are the motivations for CSR?		
14: CSR in TNCs will be characterized by both business and moral concerns.	<i>Supported</i> Strong support that CSR was driven by moral and business motives	<i>Supported</i> Moral (M=14.55, SD=2.5) Business (M=11.48, SD= 2.5)
15: CSR initiatives by TNCs in Cameroon are more motivated by moral rather than business concerns	<i>Supported</i> A majority did not see the direct link of CSR to their bottom line	<i>Supported</i> Moral Right thing to do (M= 3.90, SD=.944) Bring life-enhancing changes to a broader society (M= 3.74, SD= 1.032) Usual industry practices (M= 3.58, SD= .886) Business Improve operational efficiency (3.35, SD=1.170) Influence the purchase decisions of customers (M=2.68, SD=1.249) Obtain better fiscal/tax treatment (M=2.03, SD=1.085)

## CHAPTER 10 DISCUSSION AND CONCLUSION

In this chapter, the limitations of the study as well as interpretations and implications of results derived from both the qualitative and quantitative methods of the study are presented. The chapter also discusses the contributions of the study, the implications of the study for public relations practice, and proposes areas for future research. The purpose of this study was to examine the coordination mechanisms of transnational corporations in sub-Saharan Africa in terms of specific mechanisms employed, the relation of subsidiary size to the alternative use of coordination mechanisms, and the relationship between strategic international business orientation and global/local CSR. The study was also interested in the importance of CSR to these corporations and the motivation behind their practices. The results of both the qualitative and quantitative sections of the study presented in chapters eight and nine, answer the research questions:

RQ1: What coordination mechanisms do TNCs employ in their CSR efforts in subsidiaries in Cameroon?

RQ2: Is international business strategy related to the strategic importance of local issues in the subsidiaries of TNCs?

RQ3: How does the importance of subsidiaries of TNCs affect the coordination mechanisms used in CSR initiatives?

RQ4: How important is the notion of CSR to corporate decision-making?

RQ5: What are the motivations for CSR?

This study was primarily concerned with the coordination of CSR in sub-Saharan Africa because much of the research in coordination so far has addressed public relations as a field but not the intricacies of CSR with its corresponding contradictions. The relationship between the head office and subsidiaries has become more important

with the opportunities offered by globalization, and the ease of setting up of outposts in various parts of the world. This relationship is even more poignant in CSR because both the arguments for integration and responsiveness have serious implications to the impact of CSR first to the parent company and then to the environment in which the subsidiary exists.

Coordination mechanisms are general administrative instruments employed to cope with the integration and localization efforts of TNCs and their subsidiaries by assuring consistent policies throughout the corporation. Until now emphasis on coordination generally has been placed on more subtle and informal form of coordination together with doses of formalization to attend to the inherent flexibility that is required to assure the balance between integration and responsiveness (Martinez & Jarillo, 1989). On the broad level, Bartlett and Ghoshal (1989) identified differences in coordination by their four international business models of international, multinational, global, and transnational. Amongst the four models, the transnational model, which simultaneously emphasized global efficiency, worldwide learning, and national responsiveness, was best placed to cater for the balance between integration and responsiveness. Molleda (2000) narrowed the interest in coordination down to the public relations function in specific subsidiaries. Coordination in the public relations function is needed to ensure consistency in campaigns and other efforts between countries, to ensure uniformity in messages when employees communicate with clients between offices and to attend to a more international client base (Newbury & Yulova, 2006). Molleda (2000) found a medium level of centralization in the general public relations function, with different public relations activities experiencing dissimilar levels of

centralization. For example, shareholders or investor relations faced the highest levels of centralization while the opposite was true of the community relations function. In the area of CSR, Husted and Allen (2006) found out that the CSR efforts of TNCs in Mexico conform to the TNC organization strategy established for product-market activities in that multinational and transnational corporations attend to local CSR than global corporations. However, contrary to their expectations, the study also found out that irrespective of organizational structure, all TNCs responded to global CSR.

It is against this background that interest in the coordination of CSR in sub-Saharan Africa was developed. Considering the rapid expansion of corporations into sub-Saharan Africa, and the potential of CSR in attending to the socio-economic realities of this region, it is important to examine the how corporations handle the functioning of CSR between their head offices and their subsidiaries. Considering the paucity of research in CSR in this region, this study hoped to begin painting a picture of the coordination of CSR between the head offices of corporations based in and out of Africa and their subsidiaries based in sub-Saharan Africa. Before we delve into the discussion and interpretation of the results of the research questions, we will examine how the limitations of the work are likely to affect the conclusions.

### **Limitations of the Study**

This study on the coordination of CSR in sub-Saharan Africa is significant because not only are the processes of public relations in TNCs an understudied area, but also public relations research in this region is lacking. However, this study has limitations that must be considered. Pointing out the limitations illuminates the extent to which the findings can be generalized and how useful they are to theory building and future research. The first limitation is the small sample size used for both the qualitative and

quantitative research designs. As a result of a sustained lack of participation of potential corporations despite numerous attempts, generalization of the results has to be cautious. Small sample sizes are a limitation because of the possibility of nonresponse bias in the research (Dillman et al., 2009; Cummings, Savitz & Konrad, 2001).

Nonresponse is a situation that occurs when members of the sample are not willing or cannot participate in the survey (ASA Series, 1998). The bias in the research results is a likely outcome because of differences between responders and non-responders and this distorts the representativeness of the sample.

A small sample size is not unique to this study because research on survey response rates in organizational science report the lowest rates for executive respondents (Anseel et al., 2010). A meta-analysis of 14 years of published studies in organizational research show that mean response rates for top executives was 34% (Cycyota & Harrison 2006) and 38% for organizational respondents (Baruch & Holton, 2008). As regards, the small sample size for the qualitative section, although only 17 participants took part from 15 corporations, additional information being provided by subsequent interviews did not generate any significant new avenues after 10 interviews. The reluctance of top officials to participate in CSR research is evident in Whitehouse's (2006) evaluation of corporate policy and practice in the United Kingdom, which received 10 rejections in its first invitation of the managers of 16 listed companies with big CSR sections of the website to participate in interviews. In a second attempt, another eight managers denied to be interviewed out of 18. Moreover, CSR is still a new concept in this business environment and not much has been happening in these

corporations. It is for the above reasons that I feel, the findings of this study should be seriously considered as starting point to an understudied topic and an uncharted region.

Furthermore, study of CSR was made complicated because of the nature of the topic. Because inappropriate CSR performance can lead to reputation damage, CSR is a sensitive topic with corporations. Lee and Renzetti (1990) described sensitive research topics as those that can expose the participant to sanction if wrongdoing is discovered. Participation is seen as threatening and this makes recruiting participants difficult. Moreover, when they do participate, they try to paint their corporations in a good light. There is a sense of mistrust between the researcher and the researched and the possibility for concealment and dissimulation is high. Evidence of this mistrust was experienced in this study not only in the difficulty of recruiting participants, but also a high level of dissimulation. Some of the participants in the interviews reported CSR levels in the survey that were much higher than those mentioned during the interviews.

Another limitation with this research is that although the corporations are all transnational, the sample is limited to TNCs in Cameroon. Cameroon provides an attractive location for TNCs first because of its central location in Africa, an operating port, the presence of both English and French as official languages, as well as an abundance of natural resources. With these attributes, Cameroon could be considered a microcosm of the sub-Saharan region that can lead one to suspect that the coordination, importance, and motivation of CSR in other parts of this region could be similar if not identical. However, it is also likely that the coordination of CSR in other countries in this region that may not share the same, economic, political, and social characteristics of the prevailing conditions in Cameroon may be different.

The findings of this study may have been affected by the subjective perceptions of top management, social desirability, and the deliberate attempt by participants to withhold information considering the sensitive nature of CSR. This study singled out top officials and some middle-management staff as the most accurate potential respondents and participants to the interviews and survey. Consequently, the findings represent the perceptions of single individuals of the sampled corporations. Although these top officials and the middle-management staff were technically best suited to respond to the research questions, there is a limitation of using the perspectives of key informants in conducting research about organizations (Kumar, Stern, & Anderson, 1993). When this occurs, there is the possibility of introducing the subjective bias present in their perceptions in the findings. So the findings are loaded with how this group interprets CSR coordination mechanisms, coordination, the importance, and motivation for CSR.

Besides, as regards bias in the survey, they study also observed examples of social desirability. Social desirability occurs when participants as a result of influential cultural norms try to please the researcher by hiding unpleasant responses or providing incorrect information because they are bent of giving only information that they consider the researcher wants (Neuman, 1997). Johnson and Vijver (2003) confirmed that social desirability is common with sensitive issues and modes of data collection that are anonymous. In this study, the CSR topic and the survey provide ideal conditions for social desirability. Furthermore, during the interviews, the researcher noticed that some of the respondents were not as articulate about the CSR activities of their corporations as was represented in company productions. Some kept on referring to places where adequate information could be collected about their corporations. On the other hand,

there has been a tendency of participants who believe that CSR should not be used to gain publicity to withhold information (Shen, 2006). Shen confirmed this attitude in a study of the three-dimensional model of CSR management by multinationals operating in China. One of the respondents in this study pointed to the corporation's policy of not publicly communicating their CSR activities for fear of it being misinterpreted as publicity.

One more limitation of the study is the operationalization of local CSR. The main difference between local and global CSR is the community that defines it (Husted & Allen, 2006). This study settled on the convenient delineation of using the principles of the UN Global Compact to determine global CSR and the MDG to identify local CSR. These MDG treat the situation in developing countries as nearly the same. The socio-economic, political, and geographic conditions are not only different from country to country, but also even vary within the same country. It is for this reason that CSR implementation should vary from community to community and thereby justifies the arguments for responsiveness. Consequently a better assessment of local CSR would have needed a specific definition of local CSR as regards Cameroon, an ideal situation that the time available for this study could not accommodate.

However, considering that the limited level of research in CSR processes in TNCs and in this region, this small sample size limitation is still a vital contribution to public relations literature in the absence of any known prior research. In addition, as regards the survey, some of the reasons for the small size were that some of the companies sampled claimed not to be TNCs and for some others that responded, because they did not carry out any CSR activities, their responses could not be analyzed. In addition,

careful consideration was given to limit the nonresponse. Among the nine guidelines to improve response rates: advance notice, follow-up calls, incentives, personalization, preserving anonymity, university sponsorship, personal distribution, use of internet, and making the survey topic relevant to population surveyed (Anseel et al., 2010) this study used eight. The pre-notice letters were sent electronically but the letters for participation assuring confidentiality were personally signed on the University of Florida, College of Journalism and Communications official letterhead paper. Both the initial questionnaires and the replacement questionnaires were personally delivered. Numerous follow up contacts were made by phone, email, and telephone text messages to those who had not responded. Eventually, the nonresponse group was contacted electronically with another copy of the questionnaire.

Although there was not enough data to increase the validity of the study, despite the serious challenges faced in data collection, the findings make sense. The objective of the study was not to generalize the findings although that was an ulterior motive. It was essential to articulate how coordination mechanisms are being used to by TNCs in the field of CSR that has been common in the West for some time now but is just being introduced this region. The field of international public relations research has a good showing in studies on institutional research (Lauzen & Dozier, 1992) and of the structuring of research within organizations (Culbertson & Chen, 1996). Also rampant has been descriptive studies recounting the state of public relations in various countries (e.g., Sriramesh & Vercic, 2009; Molleda & Moreno, 2008). As a result of the paucity of research that examines the public relations processes in TNCs, this study is not only a step in that direction, but also an attempt that specifically handles the coordination of

CSR, the motivation and the importance of CSR in TNCs in Cameroon considering rareness of CSR research in sub-Saharan Africa, a region in which CSR research has been negligible outside Nigeria and South Africa (Visser et al., 2006, Visser, 2008). Most of the limitations provide areas that could be further examined for better conclusions and more generalizable results, which will be discussed later.

### **Contribution of the Study to Public Relations Theory**

#### **Coordination Mechanisms and CSR**

Coordination mechanisms are borrowed from international business studies to handle the need for integration and responsiveness in CSR. Centralization as a coordination mechanism is usually unworkable and expensive (Martinez & Jarillo, 1991). Socialization, although flexible and convenient for the handling of the dual obligations of integration and responsiveness in the coordination of CSR, is also expensive and time consuming (Martinez & Jarillo, 1989). Formalization reduces costs because of the advantages of scale and allows subsidiaries to adapt their operations (Daniel et al., 2009). Baskin (2006) claimed that CSR in developing countries is not strategic, which implies that high levels of coordination are not demanded. When higher levels of coordination are not demanded, then there is less demand for socialization (Martinez & Jarillo, 1991). In addition, because the cost of doing business in Cameroon is high, socialization will not be an attractive option. Furthermore, Molleda (2000) confirmed the low levels of centralization required for community relations amongst the various public relations areas. It is on the above grounds that the study predicted the low levels of centralization and socialization as coordination mechanisms for CSR and believed in the presence of high levels of formalization. Both the qualitative and quantitative results agree with the study's predictions.

## **Integration and Localization**

Generally, the coordination mechanisms of centralization, formalization, and socialization are recognized as the main tools of TNCs in not only integrating, but also localizing the public relations objectives of the parent company in the subsidiaries. Consequently, these tools are also used in the administration of CSR. The alternative application of the coordination mechanisms in this region has not been known before now. This study has examined how transnational corporations in sub-Saharan Africa employ the main coordination mechanisms. Before now, Prahalad and Doz (1987) had proposed the integration-responsive (IR) grid that proposed the assessment of the relative importance of integration and localization demands on a business and use the one that provided strategic leverage at the time. This strategy suggests the supremacy of the head office in making the assessment of demands between integration and responsiveness. Lim (2010) went one step further by suggesting that integration and localization can be simultaneously achieved by interpreting the mission and strategy of the head office in the implementation of locally adapted activities. In this case,

On the one hand, the organizational mission, public relations goals and public relations training programs need to be strategically coordinated by the parent company or MNC's headquarters and shared through the local entities. On the other hand, adapting or responding to the local business environment in terms of public relations practices should be implemented tactically to build effective relationships with diverse stakeholders in a local setting. (Lim, 2010, p. 311)

In Lim's model, the head office is charge of training managers to serve as cross-cultural boundary spanners so that the implementation at the local level, results in satisfying the integration and responsiveness required by the public relations objectives.

Data from the qualitative research in this study contributed to the integration and localization of CSR at two levels. The qualitative data demonstrates a new way in which

TNCs in sub-Saharan Africa accomplish the integration and localization within the CSR function as well as the alternative application of coordination mechanisms. First, the qualitative study shows two streams of CSR activities: one generated locally and the other generated from the head office. While the locally generated CSR activities respond to the realities of the local subsidiary, the formulation, implementation, and evaluation is completely handled by the subsidiary in accordance with the broad CSR guidelines provided by the head office. These were generally small projects that needed a smaller financial investment and were less time consuming. Examples consisted of cash donations or gifts to disadvantaged groups. The subsidiary was responsible for the financing, implementation and the evaluation of these locally generated projects. The involvement of the head office in this tier of CSR activities was to be informed by quarterly and annual reports in order to ensure that rules and policies are not violated and that the CSR objectives are achieved. These projects were generally related to the immediate needs of the local community and fitted the definition of local CSR. Locally generated CSR responded to external effectiveness that comes with responsiveness.

The other stream, is internationally generated CSR which emanates from the head office with specific guidelines different from the broad guidelines which direct all CSR activity. These specific guidelines attend to the implementation of the particular project. The duty of the subsidiary is to implement the CSR activity following the accompanying guidelines as best as the local conditions permit. The evaluation is either carried out by the subsidiary or taken care off in the form of personal head office supervision. The internationally generated CSR benefits from the internal efficiency characteristic of integration because these are usually activities that are carried out in multiple

subsidiaries. One way to make sure that the global objectives of the head office are assured is partnering with local NGOs representing or having affiliations with NGOs in the locality of the head office or having the subsidiary scout for credible local organizations who have to be approved by the head office. The duty of the subsidiary in internationally generated CSR is supervision of implementation with the formulation of the project rests with the head office. Unlike locally generated CSR that leans generously towards local CSR activities, internationally generated CSR activities need not cater for only global CSR concerns. What stands out with them is the level of integration. With this two-tier CSR system, the head office and the subsidiary achieve the benefits of integration through the internationally generated CSR projects and localization through the locally generated CSR projects simultaneously.

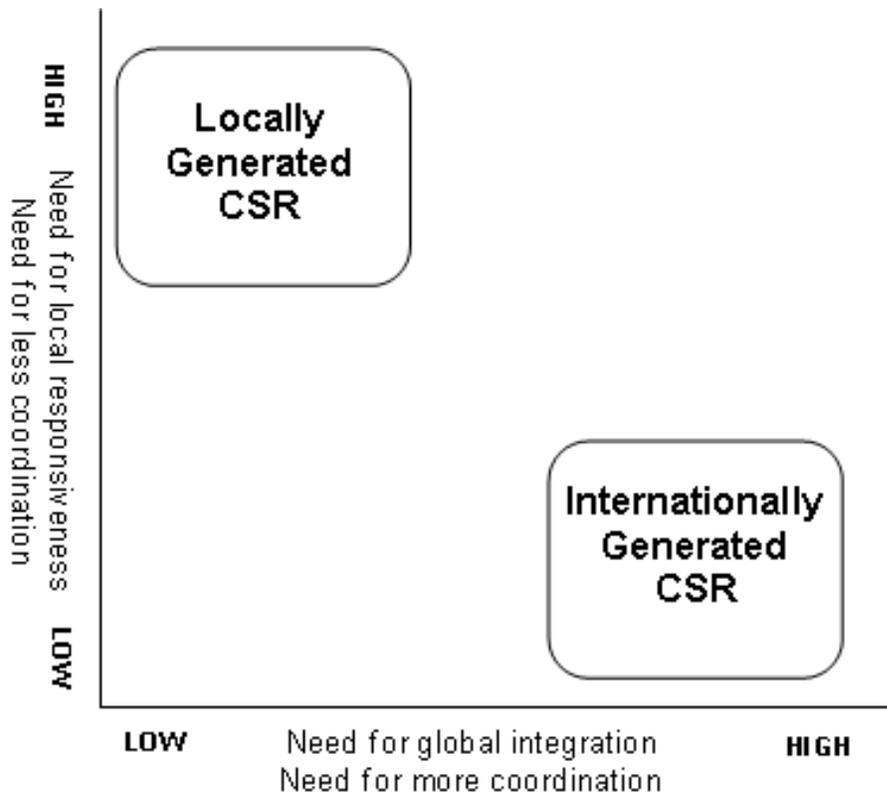


Figure 10-1. Model for Coordination of Locally and Internationally Generated CSR

This model shows how TNCs can respond to the intricacies of integration and responsiveness in that while the locally generated CSR projects allow the local public relations staff to attend to the needs of the immediate society, the internationally generated CSR also has the opportunity to cater for what it considers are the global public relations needs of the parent companies and provides a good example of how CSR can be globally and locally implemented (Wakefield, 2011). By simultaneously engaging in locally and internationally generated CSR projects, TNCs are striking the balance between global standardization and local sensitivity (Walton & Wakefield, 2010).

In terms of the utilization of coordination mechanisms from the point of view of subsidiaries, both locally generated and internationally generated CSR receive different attention with locally generated CSR requiring less coordination than internationally generated CSR. For locally generated CSR, less centralization and socialization is expected while formalization is supposed to be high because even though the CSR activities were locally generated, they had to embody the spirit of the broad guidelines from the parent office. For internationally generated CSR, it was difficult to assess the level of centralization because the formulation was usually handled by the parent company. The subsidiaries are involved only in the implementation and sometimes the evaluation. Although some participants confirmed that there was on going consultation to impact future CSR management, this study could not assess how much of that consultation played a part in designing internationally generated CSR projects. Formalization and socialization are expected to be high in internationally generated CSR activities because of the extra guidelines and supervision that accompanied

international CSR projects. In some companies, persons from the head office were sent to supervise the implementation and evaluation of internationally generated CSR. Table 10.1 summarizes the level of coordination mechanisms employed with the two-tier CSR system.

Table 10-1. TNC's Use of Coordination Mechanisms for the Two-tier CSR System in Subsidiaries

	Locally Generated CSR	Internationally Generated CSR
Centralization	Low	Low
Formalization	High	High
Socialization	Low	High

### **International Business Strategy and CSR**

In examining the coordination of CSR in sub-Saharan Africa, this study also looked at the relationship between global and local CSR to international business strategy. Husted and Allen (2006) had predicted that TNCs in developing countries in the management of CSR would duplicate the prevailing product-market organizational strategy in which corporations with the multinational and transnational orientation cater for local needs while corporations with the global and international are more interested in the needs of the parent company environment. The qualitative research findings show that a majority of the corporations despite that international business orientation laid more emphasis on local issues. This finding is confirmed by the findings of the quantitative research in that all but for corporations with a global business strategy support local CSR. The quantitative research also failed to support the predicted relationship between global CSR and all business strategies.

The socio-economic conditions in this region have made the demand for basic needs a priority and CSR in this regions means giving to society (Amaeshi et al., 2006).

This means that CSR efforts towards global CSR without any immediate impact to resolve the urgent socio-economic needs will not be able to generate any social capital. Considering that limited resources are put in the service of CSR, there is a need for management to make the most of their CSR activities and resorting to local CSR seems to be money well spent. The quantitative research showed that the most popular CSR activities included cash donations and the offer of gifts or educational materials. These activities need little planning and less time for implementation. This less time consuming activities is justified by the lack of human and financial resources. Moreover CSR activities towards global CSR in areas like the protecting the environment, promoting human rights, the elimination of bribery and corruption, and eliminating forced labor are programs that are long term, need more investment and may not be appreciated by the stakeholders. Furthermore, with the Cameroonian governments weak position in human rights and bribery and corruption, these corporations may not cut a good reputation with the undemocratic government. Visser (2007) underlined the dilemma that CSR finds itself in Africa because improvements in certain areas of the society can be considered a loss in other areas. Development can likely lead to the detriment of the environment, the immediate need for creating more jobs cannot assure high labor standards. In this situation, TNCs that have usually been associated with immediate short term profits (Signitzer & Praxl, 2008) are more prone to choose the easier and faster local CSR route than the more complicated global CSR that require heavier, longer and less immediate returns.

### **The Importance of Subsidiaries and Coordination Mechanisms**

The powers which subsidiaries are allowed to wield have been usually linked to the relative importance of the subsidiary (Bartlett & Ghoshal, 1989; Berkinshaw et al.,

2007; Laroche et al., 2001; Martinez & Jarillo, 1989). This importance has usually been measured by the size of the market available to the subsidiary (Martinez & Jarillo, 1989) and the potential of that subsidiary to contribute growth in terms of technological improvements, marketing, and production (Bartlett & Ghoshal, 1989). Berkinshaw et al. (2007) also identified the ability of the take initiatives and profile building as some of the determinants of how much autonomy is left to the subsidiary. Cray (1984) associated the level of autonomy to the size of the subsidiary and its distance in relation to the location of the head office. For Laroche et al. (2001), the skills and capabilities of the subsidiary has much to do with how much power is left to them. It is on the above grounds that the study proposed that large sized subsidiaries or strategic subsidiaries of TNCs will have greater weight than small size subsidiaries in influencing decision-making and obtain more autonomy in the conception, implementation and evaluation of CSR initiatives in their local environment. This pattern common in the offer of goods and services was to be repeated in CSR.

The qualitative section of this study confirms existing theory on the relationship between coordination mechanisms of TNCs in that socialization was more likely to be experienced in some big corporations. The two corporations that mentioned the use of centralization were small subsidiaries with very limited CSR activities. It was more likely for strategic subsidiaries to witness more coordination than less strategic subsidiaries. There was also an indication that corporations involved in oil, gas, and energy carried out CSR initiatives that required socialization. The quantitative research found differences in the use of coordination mechanisms between small and large subsidiaries but these differences were not significant. Failure of the quantitative research to

observe differences in the use of coordination mechanisms by small and large corporations can be attributed to the limited sample. However, there is also the assumption of more autonomy in decision-making by these strategic subsidiaries.

Although, the findings show that size and capacity had little to do with the level of autonomy, it was more likely for larger subsidiaries that benefitted from the availability of sufficient financial resources to have more leverage on their CSR activities. This increased autonomy may not have resulted directly from their size but the method used to derive the CSR budget. In all fairness, the answer to research question three may lie with the parent companies. May be in examining their decision to base the CSR budget on volume of business, they understood the importance of size and already assumed that these subsidiaries would also have a more efficient human resource base. Even as regards the CSR competitions, there may have been consideration for the resources of the subsidiary or the impact as regards the size of the market. If we rest with the findings of the interviews, then all subsidiaries were subject to the same rules as regards their autonomy over CSR activities but strategic subsidiaries have greater weight than small size subsidiaries in influencing decision making from the larger scope of activities they manage. Eventually bigger subsidiaries managed bigger budgets and consequently get to decide on a lot more CSR issues. This power does result from corporate CSR policies about the administration of CSR but from the increased availability of finances for CSR activities.

### **The Importance and Motivation for CSR**

With the absence of reliable regulatory frameworks and lax CSR laws in developing countries (Gugler & Shi, 2009), together with weak CSR drivers (Baskin, 2006, Palazzo & Scherer, 2008), CSR is bound not to occupy an eminent position on

the agendas of TNCs. If CSR does not have corporate support from top management, it cannot garner the heavy resources required for functioning. The heavy government taxation, the unorganized civil society and the docile consumer population further compound the need to place importance on CSR by the TNCs in Cameroon in particular. The measurement of the importance of CSR is likely from the human and financial resources put at the disposal of CSR. The representation of CSR in the organizational structure bears witness to the importance placed on CSR. The findings of both the qualitative and quantitative research confirm that adequate financial and human resources were not put at the service of CSR in TNCs in Cameroon. Although evidence of committee management was supposed to show the little importance placed on CSR by TNCs in Cameroon, the high degree of CSR management left in the hands of CEOs is just another excuse for the lack of consideration for CSR activities. The quantitative findings show slight support for the lack of human resources. This can only be regarded as evidence of social desirability of the respondents when it came to filling the questionnaire because this was not evident in the one-to-one interviews. In some cases, corporations that had confessed to limited CSR activity showed a vibrant CSR involvement from the responses of their questionnaires.

The motivation for CSR has either been for business or moral reasons or both. The business motivation concerns how CSR can simultaneously advance the triple bottom line of people, profits, and the environment. One of the major business motivations for CSR is the need to reduce the effect of activism (Carroll, 1991). The moral motivation hinges on not considering the benefits of business. The possibility of cross-national conflict shifting (Molleda, Conolly-Ahern, & Quinn, 2005) is reduced in

this environment because of the lack of local counterparts (Carey, 2009) to keep TNCs in check. Both the qualitative and quantitative findings show a high regard for the business and moral motivations for CSR and, as rightfully predicted, the moral motivation outweighs the business case.

The situation on the ground in Cameroon shows that for a majority of TNCs despite rhetoric CSR support allocate little importance to it in terms of human and financial deployment towards CSR, and inadequate presence in the formal organizational structure. Consequently, little effort is made in the area of research and evaluation of CSR implementation or impact. As a result the CSR choices are not tactically guided and their impact cannot be properly assessed. In addition, the study also admits the feebleness of environmental drivers like the government, civil society organizations, and political forces in Cameroon. This breeds a situation in which CSR decisions stand little chance of being strategic and CSR performance stands a lesser chance of being challenged.

The drive by corporations to cater for the local environment should be derived from either the strategic analysis of social issues, stakeholder demands, or environmental pressure from the government, the civil society and/or political forces. The scanty CSR programs highlighted by this study lead the researcher to advance the concept of “token CSR” in relation to CSR activities by TNCs in Cameroon. The CSR activities for a majority of corporations bear unclear benefit for the corporations because they do not know and do not bother to enquire how their CSR involvement is beneficial to them or to the society. As a result, we can assume that, the CSR activities are mounted only as a façade to show their engagement in the society and as such justification for the term

“token CSR.” As one participant rightfully put it, “[p]eople do CSR to tick the box because it happens to be en vogue.” Another participant confided that he had lost faith even in taking part in international CSR projects because he had personally noticed that most of the money was spent on logistics and facilitating the heavy bureaucracy that often, little was left for reliably advancing the identified project.

With barely developed CSR plans and barely developed measurement systems in place, the possibility of erratic implementation of CSR activities becomes real. Besides, with the potential of corruption by heads of corporations in Cameroon (Gros, 2003; Fonchingong, 2004; Mbuagbo & Akoko, 2004) and the identified pressure that comes from individuals who mount pressure on corporations to tend to their personal agendas, there is a risk that the social projects do not impact the intended beneficiaries but attend to the self-serving wishes of the corporations of the heads of corporations who single handedly coordinate CSR in most of the corporations. This confirms Baskin’s (2006) assertion that CSR in emerging countries do not have the same attention, are less strategic and less politically founded as in high-income countries. Strategic assessment of issues is neither assured by developed CSR plans nor by engaging with communities, as well as showing an intention for transparent and honest relationships (Pratt, 2003). It is for the above reasons that this study has coined the term “token CSR” to describe the CSR activities of TNCs in Cameroon. Inspired by greenwash, the term used to describe erroneous misleading representation of an organizations environmental products and/or policies for the sake of attracting more eco-conscious consumers, improving their corporate reputation, improving value for share holders, avoiding government regulations, and the wrath of activist stakeholders (Ivey, 2007).

Token CSR occurs when corporations foist CSR projects on local communities without any strategic analysis of the issues that justify that social activity, do not consider the demands of stakeholders and pay no regard to the evaluation and monitoring of these social projects principally to enhance their reputation as organizations that give back to the community and if possible the other benefits that accrue from CSR participation. This phenomenon is more likely to occur in developing more than developed countries because the socioeconomic conditions warrant more social intervention. More importantly, the weak CSR drivers, absent environmental pressure, and low level of activism, permit token CSR to continue unabated. Because enforcement of legislation cannot be assured and the local drivers of CSR are weak, there is a chance that the needs of local communities could be ignored in favor of the exploitative tendencies of TNCs (Blowfield & Frynas, 2005).

### **Areas for Future Research**

#### **Participation of the Local Community in CSR Decision-making**

If public relations is the relationship building and cultivation discipline that facilitates communication with stakeholders to ensure the understanding of ideas, ideals, and culture (Starck & Kruckeberg, 2003; Wilcox et al, 2006), and gives credibility and power to organizations by legitimating its work, CSR provides the vehicle for TNCs to justify their existence, improve their reputation, and cultivate relationships with local communities. This study looked at the coordination of CSR by TNCs and showed how responsibilities are shared between the parent company and the subsidiary. For CSR to be relevant to the local community, there must be engagement of the local stakeholders in the formulation, implementation, and evaluation process. The prevailing sociopolitical and economic conditions in Africa together with the effects of globalization have led to

of poverty, political conflict, rising crime, power shortages, bribery, and corruption (Forje, 2006; Visser, 2008). The UN Millennium Development Goals have identified the need to ameliorate the situation of poverty and hunger; universal primary education; gender equality; child mortality; maternal health; HIV/AIDS, malaria, and other diseases; and environmental sustainability in this region. Besides, development experts see CSR as a potential, pivotal and powerful prospect to immensely curtail these difficult conditions in the region and generate development (Fox, 2004; Ward, 2004).

For the potential for this private sector partnership in alleviating development in this region to be felt, the participation of the stakeholders is a sine qua non for meaningful progress. Bazu and Palazzo's (2008) definition of CSR, as "the process by which managers within an organization think about and discuss relationships with stakeholders as well as their roles in relation to the common good, along with their behavioral disposition with respect to the fulfillment and achievement of those roles and relationships" (p. 124), highlights the importance of the process by which CSR decisions are taken and the importance of participation and relationships that is central to public relations. Participation is the amount of input provided by the beneficiaries or target community in the decision making process and in the implementation of development programs in their various communities (Melkote & Steeves, 2001). It involves the collaboration of the beneficiaries in terms of ideas and execution. The argument for locating CSR in the public relations department is because of its skill and ability to facilitate internal and external communication in an organization (Bowen, 2006) as well as the ability of public relations to carry out environment analyses of stakeholders, to assess their needs and devise strategies on how to communicate and build

relationships with the various stakeholders and secure the support of senior management (Clark, 2000). TNCs have been known to wield enormous power and influence in developing countries and this has generated much resentment from within and without their local environment. It is therefore in the interest of TNCs to show their engagement with the local community. In the course of this study, there was a marked absence of local consultation in the formulation, implementation and evaluation of CSR activities. It is for the above reasons that an examination of how effectively TNCs in this region engage the beneficiaries in the formulation, implementation, and evaluation of their CSR activities considering the serious development capacity of these efforts. Rigor is required in the formulation, implementation, and evaluation of Strategic CSR is for this reason that McKinsey CEO, Ian Davis, observed that CSR “represents a strategic opportunity as well as a set of obligations, and that MNEs would be well advised to analyze CSR issues and opportunities with the same tools and skills they apply to market strategy”. (Oppenheim, 2007, p. 87)

### **CSR Reporting**

Public relations contributes in the communication of CSR activities of clients and organizations (Kim & Reber, 2008). The communication of CSR is important not only to improve the reputation of the corporation but also to provide information on which subsequent research can be based. In the study of coordination of CSR activities in Cameroon, evidence on the field showed that little of the activities of the corporations were documented. While there was one corporation in the qualitative study that had an excellent quarterly publication that condensed its CSR activities, and another with an annual CSR publication, most of the rest limited the documentation of their CSR activities within internal communication channels. For one of the respondents, it was

official policy not to disseminate their activities outside the corporation. One participant acknowledged the low concern for communication of CSR activities to the public claiming it may raise expectations from communities when their capacity to provide was limited. For others, the official CSR report of the parent company was all they could show and this publication did not mention the activities of the subsidiary.

Most importantly, communication of the CSR activities is needed for accuracy. During the fieldwork, there was evidence that some of the information provided during the interviews by some corporations did not match with the information that was recorded on the questionnaires for the same corporations. Communication helps to assure transparency about CSR performance. The GRI sees a need for corporations to report their sustainability performance because it helps to compare the performance of corporations just as company financial reports have served this far. More daunting is the prospect that with the full autonomy witnessed with locally generated CSR, in addition to the pressure mounted by influential individuals on corporations and the always present possibility of unethical behaviors by both top and middle management in corporations, there is always the possibility that allocations for CSR could be badly managed at best or not used at all in the worst case scenario. This may explain the reticence of some corporations towards this study. Research on the communication of CSR would paint a better picture of the situation in Cameroon and may provide a basis for making intelligent solutions the implementation of CSR may be facing.

### **Meaning of CSR**

CSR is based on the simple idea that corporations have responsibilities that transcend their desire to make profit. Undoubtedly, CSR makes sense and means something to everybody but there is no unanimity of what it means to various people,

because there is no agreed universal definition (Palazzo & Scherer, 2008). Okoye (2009) claimed that identifying and defining what this simple idea means is open to contest. CSR is an essentially contested concept with lack of agreement ranging from its meaning, how it should be performed and the areas which it covers. Carroll (1999) identified and discussed 25 different conceptual definitions of CSR from academic literature. Although, the importance of CSR is no longer debated, how it is performed is closely linked to what it means to those who engage in it. The development of CSR has been greatly impacted by what people perceive it to mean. It also has or should have a relationship with the immediate socio-economic and political environment in which it is being practiced. Presently, despite initial attempts by African scholars to define CSR (Akpan, 2006; Amaeshi et al., 2006), their models and theories are heavily embedded in Western democratic-capitalist institutional frameworks (Godfrey & Hatch, 2007). There is a need to define CSR that takes account of African society, economy, politics and culture. Although a new concept in this region, there is need for a common ground for effective implementation without which applicable regulation becomes difficult.

### **Researching TNCs**

Considering the difficulties faced by this study in data collection and also the importance of public relations and CSR of TNCs in this region, it would be fundamental to examine why there was a committed lack of cooperation from the corporations. During the qualitative research, the researcher found non-African and non-Asian respondents more candid, welcoming and corporative with the research. It took less time to recruit them, their interviews lasted longer because they were more open and willing to attend to all the research questions. This cooperative attitude was lacking in the Cameroonian respondents. A study on organizational research issues in this region

will provide guidance to facilitate future data collection so that the limitations experienced by this study regarding the low response rate could be ameliorated for better generalizations about studies about TNCs in this region. Granted that the CSR management processes of transnational corporations are important for theory building and the practice, only when researchers can gain access to these corporations can this effort be accomplished.

### **Implications for Public Relations Practice**

This study has revealed the low level of level human and financial resources employed in the service of CSR. There was a clear absence of CSR in the organizational structure of most of the corporations. In addition, that lack of strategic implementation of CSR was evident may be as a result of the lack of human and financial resources. The absence of strategic implementation of CSR opens corporations up to economic risks because the corporation is more open to the activism of civil society organizations. At the moment, the environmental pressure present in the Cameroon business community may be weak or nonexistent, but we are all too aware that this situation can change rapidly with unfortunate consequences for the corporations. There is always the lingering possibility that the latent power in civil society organizations and consumers can be mobilized at short notice to monitor and expose the irrelevance in the CSR activities of TNCs in Cameroon. With advances in communication technology, the threat may not be limited only to local activism.

It is on the above grounds that this study calls for a more strategic approach to CSR by TNCs in Cameroon. At the moment their participation in CSR is not strategic and may at best help them in building reputations but they lose out on the possible competitive advantage they stand to gain (Porter & Kramer, 2002) in engaging in

strategic CSR as well as the social capital they could amass and which could become handy if the tide changes. This must begin by reacting to the acute shortage of not only CSR capacity but even public relations staff in most TNCs. When asked about how the CSR performance of their corporations could be improved, most respondents identified the lack competent human resources or the lack of time for staff who had been hurriedly designated to handle occasionally CSR activities to meaningful contribute to effective implementation. The financial implications notwithstanding, there are various management permutations that can be put in place and ameliorated as the need arises to immediately attend to CSR concerns especially for corporations where these are nonexistent.

Although a good number of the corporations had very scanty CSR programs, evidence from the qualitative study shows that good number of corporations were overtly leaning on local CSR issues at the detriment of universal CSR, may be in an attempt to fulfill the egocentric intentions behind being seen to be giving back to their society. The ever-present threat from international activism is not lost on this bias for local CSR issues alone. The CSR pressures of globalization require that corporations must simultaneously attend to universal and local CSR issues. This study shows that there is a need for corporations to show more evidence of universal CSR to the demands for integration and responsiveness.

On the other hand, the research encountered some reasons why it may be difficult for some corporations to engage in global CSR. The necessary infrastructure and preparedness of the government is slacking. For example, one of the respondents explained how he was required by rules and policies of the parent company to separate

garbage into thrash, glass, and plastics but the municipal garbage disposal truck, did not have the necessary collection equipment to separate the garbage so lumped everything into one container. As a result, the respondent was at a loss to explain to the staff why garbage had to be separated. As regards human rights, the strong government with a poor human rights record frowns on corporations that may try to highlight human rights violation or even draw their attention of the public to their rights. Even in the face of these difficulties, TNCs have to fathom ways in which they can overcome these difficulties to have a significant showing of global CSR initiatives.

A significant observation to mention is that both companies that had all their operations in sub-Saharan Africa showed no interest in global CSR. There was no mention of any global-related CSR. TNCs domiciled in Africa must adhere to international expectations and also expect to experience the same scrutiny that Western TNCs face by meeting up to their social responsibilities. The study showed that a majority of African based TNCs had very scanty CSR programs.

Interest in international business strategies, coordination mechanisms and CSR have developed and gained interest because of the expansion of corporations internationally and because of the need to pay attention to integration and responsiveness. These expansion strategies and coordination mechanisms were developed to explain the growth of goods and services in the subsidiaries of TNCs. The nature of CSR does not easily render itself into the goods and services framework and so the reason why these theories do not resonate with it. The different needs and customs in different industries may be more appropriate to explain the pressures of formulating, implanting and evaluating CSR. However, examining CSR issues in sub-

Saharan Africa has been a small step in the right direction and the foundation on which future studies can be based.

## APPENDIX A INTERVIEW PROTOCOL

### Introductory question

- Can you give me some background information about your company?
- How long have you been with the company?
- What does your job entail?

### **RQ1: What coordination strategies do TNC's employ in the decision-making process regarding their CSR efforts in their subsidiaries in Cameroon?**

- Could you please tell me how a CSR strategy is developed and implemented in this company?
- What is the degree of involvement of your parent company in the formulation of CSR policies and plans of your company?
- What is the degree of involvement of your parent company in the implementation of CSR policies and plans of your company?
- How is the parent company involved in the formulation of CSR policies and plans of your company?
- What is the degree of involvement of your parent company in the evaluation of CSR policies and plans of your company?
- How is the final decision about implanting a campaign in your company made?
- How does management ensure that set objectives are achieved?
- Can you give me specific examples

### **RQ2: Is organizational structure related to the strategic importance of local issues in TNCs subsidiaries in Cameroon?**

- What do you perceive as the relationship between your company and the head quarters as regards resources, skills, decision making, research and development?
- In your opinion, what role does the overseas unit serve in your company?
- What would you consider the dominant culture of your company?
- What does corporate social responsibility mean to you?
- What do you think are some of the CSR issues that your company is concerned about
- Can you give some examples of CSR initiatives

**RQ3: How does the importance of subsidiaries of TNCs affect decision-making in CSR efforts in Cameroon?**

- How would you describe the contribution of your subsidiary to the overall survival of your company?
- How does your parent company benefit from your existence?
- How does your contribution to the survival of your company (small or significant) affect your power to decide on CSR efforts?

**RQ4: How important is the notion of CSR to corporate decision-making?**

- How would you assess the financial resources available for the achievement of CSR objectives (How would you compare this amount to the percentage of sales?)
- How can the expenses in projects of social interest of you company can be compared to the ones of another company in your own industry?
- How would you assess the human resources available for the achievement of CSR objectives
- How many people are employed in CSR in your company?
- What would you say are the skills and competencies that make these personnel able to carry out CSR initiatives effectively?
- What are their titles?
- Where does the CSR function rest in your company?
- Who do they report to?
- Check the presence of an Annual Report, CSR Audit or Online Reports

**RQ5: What are the motivations for CSR?**

- Does your company benefit from CSR?
- Who else benefits from your CSR initiatives?
- How would you assess the relationship between the your social initiatives and the reputation of your firm, from the point of view of your customers?
- How do you assess the impact of your CSR initiatives?
- What would you consider an effective way to evaluate your CSR strategy?  
(*Social or economic effects*)

To what extent is decision making in your subsidiary affected by either the strategic orientation of the parent company and/or local environmental pressures

- government regulations
- pressure from social organizations
- how political environment imposes CSR practices on my subsidiary

These are all the questions I have for you.

Are there any issues concerning CSR which you will like to add?

On behalf of the University of Florida, I want to thank you for finding time to answer the questions of this study. I will be sending you a draft report of the study for review.

I will be delighted if you can find time to respond to questions that I may have as I summarize the report

I will be delighted to reserve a copy of the final report for you.

**List of Documents to be requested** *(if available)*

- Annual CSR Reports
- Reports of individual projects
- Evaluation reports
- Job descriptions
- Manuals
- Rules and regulations
- Media reports
- Codes of conducts and procedures that apply generally to CSR and not to a particular initiative are also valuable. If possible,
- Correspondence between regional or head office regarding CSR

APPENDIX B  
INVITATION TO PARTICIPATE IN RESEARCH STUDY



**Subject:** University of Florida Seeks your Participation

Subsidiaries of foreign corporations in Cameroon must not only manage their businesses, but must deal with the additional challenges of coordinating corporate social responsibility efforts in their communities. This involves formulating, implementing and evaluating CSR efforts with their stakeholders.

However, it is poorly understood how subsidiaries of international corporations coordinate their corporate social responsibility activities with their parent companies, other subsidiaries and sister companies to manage these relationships. Therefore, the **Department of Public Relations** at the **University of Florida (USA)** is sponsoring a study that examines the coordination of corporate social responsibility efforts of branches of transnational corporations located in Cameroon. Your corporation has been selected as a participant in this project as a branch of a transnational corporation.

We are asking you and three other members of your company to participate in interviews that will be conducted towards the end of this year. No matter how big or small your subsidiary, and whether or not your subsidiary has a specific public relations unit, we are interested in your responses. Your responses are voluntary and will be kept confidential. Your individual responses will not be disclosed to anyone in anyway. They will only be released as part of group summaries.

By taking a few minutes to share your experience on how your corporation coordinates corporate social responsibility efforts in Cameroon you will be helping us a great deal.

Thank you in advance in participating in this study. Without the cooperation of people like you this project will fail. If you have any questions about the study, the persons below will be happy to address your concerns.

Sincerely

**Julius Che Tita**, Project Coordinator  
Doctoral student  
jchetita@ufl.edu  
Tel: xxx-xxx-xxxx

**Juan- Carlos Molleda**, Project Adviser  
Associate Professor  
jcmolleda@jou.ufl.edu  
Tel: xxx-xxx-xxxx

APPENDIX C  
INTERNET PRENOTICE LETTER TO PARTICIPATE IN SURVEY

**From:** Julius Che Tita

**Sent:** Tuesday

**To:**

**Subject:** University of Florida Survey of the Coordination of CSR in Cameroon

**Date:**

We are writing to ask for your participation in an important survey that the **Department of Public Relations** at the **University of Florida (USA)** is sponsoring to understand the coordination of corporate social responsibility efforts of branches of transnational corporations located in Cameroon. In the next few days, you will receive a request to participate in this project by answering questions about the challenges you face in coordinating corporate social responsibility initiatives in your community.

We would like to do everything we can to make it easy and enjoyable for you to participate in the study. I am writing in advance because many people like to know ahead of time that they will be asked to fill out a questionnaire. This research can only be successful with the generous help from people like you.

To say thanks, you will receive a small token of appreciation with the request to participate. I hope you will take 10-15 minutes of your time to help us. Most of all, I hope that you enjoy the questionnaire and the opportunity to voice your thoughts and opinions about the coordination of corporate social responsibility in Cameroon.

Best Wishes

**Julius Che Tita**

APPENDIX D  
INVITATION TO PARTICIPATE IN RESEARCH STUDY



Date

**Address:**

Dear \_\_\_\_\_

I am writing to ask for your help in understanding the coordination of corporate social responsibility efforts of branches of transnational corporations located in Cameroon. The best way we have of learning about these issues is by asking top officials in transnational corporations about to share their experiences and opinions. Your corporation is one of a small number of transnational corporations with rich and professional experience that have been selected to help in this study. Your views are extremely valuable to us.

The questions should take about 15 minutes to complete. Your responses are voluntary and will be kept confidential. Your individual responses will not be disclosed to anyone in anyway. They will only be released as part of group summaries. If you have any questions about this survey, please call Julius Che Tita, the project coordinator by telephone, \_\_\_\_\_ or by email [jchetita@ufl.edu](mailto:jchetita@ufl.edu). This study has been reviewed and approved by the University of Florida Institutional Review Board, and if you have any questions about your rights as a participant in this study, you may contact them by telephone at (352) xxx-xxxx.

By taking a few minutes of your time in sharing your experiences and thoughts on the coordination of corporate social responsibility, you will be helping us a great deal and a small token of appreciation is enclosed as a way of saying thank you.

I hope you enjoy completing the questionnaire and look forward to receiving your responses.

Many Thanks,

**Julius Che Tita**  
Project Coordinator

APPENDIX E  
IRB SUBMISSION

<b>UFIRB 02 – Social &amp; Behavioral Research</b> <b>Protocol Submission</b>	
<b>Title of Protocol:</b> The Coordination of Corporate Social Responsibility in sub-Saharan Africa: the case of Transnational Corporations in Cameroon	
<b>Principal Investigator:</b> Che Tita, Julius, M.Phil.	<b>UFID #:</b> ██████████
<b>Degree / Title:</b> Graduate Student  <b>Program:</b> College of Journalism and Communications	<b>Mailing Address:</b> Department of Public Relations 2085 Weimer Hall PO Box 118400 Gainesville, FL 32611-8400 <b>Email Address:</b> ██████████
<b>Co-Investigator(s):</b>	
<b>Supervisor:</b> Molleda, Juan Carlos, Ph.D.	<b>UFID#:</b>
<b>Degree / Title:</b> PhD Associate Professor & Graduate Coordinator	<b>Mailing Address:</b> Department of Public Relations College of Journalism and Communications University of Florida P.O. Box 118400 Gainesville, FL 32611-8400 E-mail: ██████████
<b>Date of Proposed Research:</b> 12/01/2010 - 02/23/2011	
<b>Source of Funding</b> ( <i>A copy of the grant proposal must be submitted with this protocol if funding is involved</i> ): Not applicable to this study.	
<b>Scientific Purpose of the Study:</b> This purpose of this case study is to examine how transnational corporations (TNCs) in their bid to cultivate, build and maintain relationships with their stakeholders, coordinate their corporate social responsibility (CSR) efforts between the head quarters and the subsidiaries in sub-Saharan Africa. The unit of analysis will be individual corporations and the unit of measurement will be their CSR projects. It will examine the various coordination strategies and tactics used to implement CSR efforts in the local environment. The study will assess the importance that TNCs attach to CSR and identify where CSR is located.	
<b>Describe the Research Methodology in Non-Technical Language:</b> ( <i>Explain what will be done with or to the research participants.</i> ) The research design will include a multiple case study and a survey. The case study will involve interviews with top management and a review of several documents concerning CSR initiatives. Apart from taking part in recorded interviews, participants will be expected to review draft interview transcripts and draft reports concerning their corporations. The survey will involve the filling of a questionnaire by top communication officials of the selected corporations or persons of similar rank with experience in the management of corporate social responsibility.	

**Describe Potential Benefits and Anticipated Risks:** *(If risk of physical, psychological or economic harm may be involved, describe the steps taken to protect participant.)*

Participants of this study will receive a College of Journalism and Communications, University of Florida pen. There are no direct benefits from participating.

There are no anticipated significant physical, psychological, social, legal, or economic risks associated with this project. The risk of any discomfort should be minimal, if it exists at all.

Participants will be provided with email address of faculty members to whom they may contact if they have concerns about the study.

**Describe How Participant(s) Will Be Recruited, the Number and AGE of the Participants, and Proposed Compensation:**

For the case study, a random sample of four transnational corporations in Cameroon will receive emails requesting their participation in the study. Initial contact will be made by email and telephone with an informant within the corporation who will advise and ensure that the invitation to participate will have considerate treatment from the corporation's hierarchy. Having identified the destination for the request, an email will be sent to the appropriate representative with the details of the extent of participation expected from the sample corporation, specifying the likely portfolio of the interview participants and the nature of the documentary information required. The participation of the requested individuals will depend on individual consent and non participation will be kept confidential. This letter will express the voluntary participation of the corporation and will request an official confirmation of permission to use the corporation as a case study by a person with adequate authority. A tentative schedule of the research agenda will follow the confirmation of participation with a Research Briefing Note and Informed Consent Forms. The principal researcher will carry out all interviews.

As regard the survey, a purposive sample of TNCs will be developed from the corporate client lists of the two main mobile telephone companies in Cameroon. Having identified the names and contact information of the participant, an electronic prenotice mail will be sent to all survey participants and this will be followed by a courier delivered package containing an invitation to participate, an Informed Consent Form, an incentive, a questionnaire and a return envelope.

To comply with guidelines specified by the American Psychological Association (APA, 2002) for data collection and research participation and all current HIPAA regulations, as well as the Common Rule (45 CFR 46) regarding human subject research, the researcher will not allow any third parties to have access to or view information collected from the interviews and documents in any way, shape, or form. Although the corporations will be identified, all provided materials will be held in strict confidence and the researcher will prevent the identification of individual participant responses. Individual respondents will be provided with a draft copy of their interviews for verification.

**Describe the Informed Consent Process. Include a Copy of the Informed Consent Document:**

Participants will not be permitted to participate in the study until after they have acknowledged their agreement with the study parameters by endorsing a Consent Form. Because the case study interviews will be conducted face to face, participants will be given a Informed Consent Form before each interview and asked to endorse their approval by selecting a box indicating as such.

As regards the participants of the survey, they will have to sign the Informed Consent Forms which will accompany the questionnaires and send them along with the completed questionnaires.

As indicated in the Informed Consent Form, participants may withdraw their consent and may discontinue participation in the study at any time without consequence. No names will be used in subsequent reports.

<b>Principal Investigator(s) Signature:</b>	<b>Supervisor Signature:</b>
<b>Department Chair/Center Director Signature:</b>	<b>Date:</b>

APPENDIX F  
CASE STUDY PARTICIPANT CONSENT FORM

I agree to take part in the "Coordination of Corporate Social Responsibility" study. I have been told that this interview involves answering questions about my experience as regards corporate social responsibility initiatives in my corporation. I have been told that the interview will be used for a University of Florida research project. I have been told that I do not have to take part in this interview and that if I do take part in the interview my name will never be used in any report or other project materials. I understand that the data resulting from this study will be kept indefinitely in secure office storage for purposes of data analysis. I have been told that there are no anticipated risks or direct benefits to me as a participant in this study. If I decide to leave before the interview is finished, I can do so without anything happening to me. If you have any questions about the research, feel free to contact:

Julius Che Tita  
Department of Public Relations  
2085 Weimer Hall  
PO Box 118400  
Gainesville, FL 32611-8400  
Tel: xxx-xxx-xxxx  
Email Address: [REDACTED]

Juan-Carlos Molleda, Ph.D.  
Associate Professor & Graduate  
Coordinator  
Department of Public Relations  
College of Journalism and  
Communications  
University of Florida  
P.O. Box 118400  
Gainesville, FL 32611-8400  
Phone [REDACTED]  
1227 / E-mail: [REDACTED]

\_\_\_\_\_  
Signed

\_\_\_\_\_  
Date

**Note:** Research at the University of Florida that involves human participants is overseen by the Institutional Review Board. Additional questions or problems regarding your rights as a research participant should be addressed to the IRB02 Office at the University of Florida, Box 112250, Gainesville, FL 32611 0 2250. Tel: 352-292-0433

APPENDIX G  
SURVEY PARTICIPANT CONSENT FORM

I agree to take part in the “Coordination of Corporate Social Responsibility” study. I have been told that this questionnaire involves answering questions about my experience as regards corporate social responsibility initiatives in my corporation. I have been told that the interview will be used for a University of Florida research project. I have been told that I do not have to take part in this interview and that if I do take part in the interview my name will never be used in any report or other project materials. I understand that the data resulting from this study will be kept indefinitely in secure office storage for purposes of data analysis. I have been told that there are no anticipated risks or direct benefits to me as a participant in this study. If I decide not to finish completing the survey, I can do so without anything happening to me. If you have any questions about the research, feel free to contact:

Julius Che Tita  
Department of Public Relations  
2085 Weimer Hall  
PO Box 118400  
Gainesville, FL 32611-8400  
Tel: xxx-xxx-xxxx  
Email Address: [jchetita@ufl.edu](mailto:jchetita@ufl.edu)

Juan-Carlos Molleda, Ph.D.  
Associate Professor & Graduate  
Coordinator  
Department of Public Relations  
College of Journalism and  
Communications  
University of Florida  
P.O. Box 118400  
Gainesville, FL 32611-8400  
Phone [REDACTED]  
1227 / E-mail: [REDACTED]

\_\_\_\_\_  
Signed

\_\_\_\_\_  
Date

**Note:** Research at the University of Florida that involves human participants is overseen by the Institutional Review Board. Additional questions or problems regarding your rights as a research participant should be addressed to the IRB02 Office at the University of Florida, Box 112250, Gainesville, FL 32611 0 2250. Tel: 352-292-0433

APPENDIX H  
QUESTIONNAIRE



**The Coordination of Corporate Social Responsibility in sub-Saharan Africa: The case of Transnational Corporations in Cameroon**

**Sponsored by**

*The Department of Public Relations  
College of Journalism and Communications, University of Florida*

This survey is part of a research project designed to improve our knowledge of how transnational corporations coordinate their corporate social responsibility activities with their parent companies, other subsidiaries, and sister companies. Your participation in this study will greatly enhance the coordination of corporate social responsibility by international companies. The information provided is confidential and will be used purely for academic research purposes. The survey data is collected anonymously. No question will identify your company and the name of your company will not be revealed or included in the final presentation of the research document. Only summarized information will be reported.

A summarized version of the results can be requested by including a business card in the return envelope. The University of Florida Institutional Review Board has approved this research and for any concerns about the survey they can be reached at the IRB02 Office at the University of Florida, Box 112250, Gainesville, FL 32611 0 2250. Tel: 352-292-0433. In case of any other concerns about the general study, contact Julius Che Tita at [REDACTED]

**Section A. Coordination Strategies**

*This section is designed to identify corporate strategy and assess the coordination mechanisms employed in corporate social responsibility (CSR) initiatives*

**1. Does your company organize or support corporate social responsibility (CSR) initiatives?**

Yes

No

*If you answered NO to question number 1, please go to Section F on page 10.*

**2. Please mark the statement that BEST describes in a general way, how CSR POLICIES are established in your subsidiary.**

- Established by my subsidiary with little or no input from my head office.
- Established by my subsidiary, but are subject to the approval of my head office.
- Established by my head office and adapted by my subsidiary.
- Established by my head office with little input from my subsidiary.
- Established by my head office and followed strictly by my subsidiary.
- Other (*Please specify*) \_\_\_\_\_

**3. Please mark your disagreement or agreement with the following six statements concerning the implementation of CSR.**

	<i>Strongly Disagree</i>	<i>Disagree</i>	<i>Somewh at Agree</i>	<i>Agree</i>	<i>Strongly Agree</i>
For most CSR tasks, my parent company has provided a fairly well defined set of rules and policies.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
There are manuals that define the courses of action to be taken concerning CSR.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My parent company monitors to ensure that CSR rules and policies are not violated.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My parent company monitors to ensure that CSR goals are achieved.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My subsidiary has job descriptions for the CSR function.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**4. Is there a person in charge of CSR in your subsidiary?**

Yes

No

*If you answered NO to question number 4, please go Question 11.*

**5. Has the person in charge of CSR in your subsidiary worked in the last SIX months at either your parent company or a regional headquarters?**

Yes

No

6. How long did that person actually work at either your parent company or your regional headquarters combined?

Less than one year

A year or more

7. Does the person in charge of CSR currently have a mentor at either your parent company or regional headquarters?

Yes

No

8. Has the person in charge of CSR in your subsidiary worked in the LAST SIX MONTHS AT either other subsidiaries or sister companies?

Yes

No

*If you answered NO to question number 8, please go Question 10.*

9. HOW LONG did that person actually work at either subsidiaries or sister companies combined?

\_\_\_\_\_ months (number of months)

10. Please mark the typical number of visits in the last three years that the person in charge of CSR in your subsidiary has made to your parent company or other subsidiaries or sister companies.

	Never	in once a year	a year	a year	7 or more often
On average, how many times a year does the person in charge of CSR in your subsidiary visit the parent company?	<input type="checkbox"/>				
On average, how often does the person in charge of CSR in your subsidiary visit the subsidiaries or sister companies a year?	<input checked="" type="radio"/>				

11. Please mark the typical number of visits in the last three years that CSR staff from the parent company or other subsidiaries has made to your subsidiary.

	Almost Never	Once in two years	Once a year	Twice a year	Quarterly or more often
On average, how often do the CSR staff members of the parent company visit your subsidiary in a year?	<input checked="" type="radio"/>				

On average, how often do the CSR staff members of other subsidiaries visit your subsidiary in a year?

**12. Are there any expatriates working or interning in your subsidiary who perform CSR-related activities?**

Yes

No

**13. In the last three years, which of the following activities have allowed CSR staff in your subsidiary to keep in contact with the CSR staff of the parent company, regional headquarters, sister companies, and/or other subsidiaries? (Please check all that applies)**

- Serve on CSR boards of the parent company, regional headquarters or other subsidiaries.
- Attend committees or meetings at the parent company, regional headquarters or other subsidiaries.
- Attend trade shows or special events organized by the parent company, regional headquarters or other subsidiaries.
- Attend annual meetings organized by the parent company, regional headquarters or other subsidiaries.
- Participate in CSR teamwork/task forces developed at the parent company, regional headquarters or other subsidiaries.
- Attend training activities conducted by the parent company, regional headquarters or other subsidiaries.

**Section B. Strategic Orientation and the Importance of Local CSR**

*This section is designed to identify corporate strategy and assess the importance of local CSR issues*

	<i>Strongly Disagree</i>	<i>Disagree</i>	<i>Somewh at Agree</i>	<i>Agree</i>	<i>Strongly Agree</i>
Maximizing the knowledge of the parent company, its capabilities and innovations in all subsidiaries.	<input checked="" type="radio"/> <input type="checkbox"/>	<input type="radio"/> <input type="checkbox"/>			
Adjusting products, services, and business practices to meet	<input type="radio"/> <input type="checkbox"/>	<input type="radio"/> <input type="checkbox"/>	<input type="radio"/> <input type="checkbox"/>	<input type="radio"/> <input type="checkbox"/>	<input type="radio"/> <input type="checkbox"/>

the needs of the market in individual countries.  
 Building cost advantages through centralized global scale operations.  
 Developing global efficiency, flexibility, and worldwide learning capability simultaneously.

<input type="radio"/>				
<input type="radio"/>				

**14. Please mark your level of disagreement or agreement with the following statements about the strategic orientation of your company.**

**15. Please mark your level of disagreement or agreement with the following statements about the role of your subsidiary in relation to your parent company.**

	<i>Strongly Disagree</i>	<i>Disagree</i>	<i>Somewh at Agree</i>	<i>Agree</i>	<i>Strongly Agree</i>
The role of my subsidiary is to adapt and leverage parent-company competencies.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The role of my subsidiary is to sense and exploit local opportunities.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The role of my subsidiary is to implement parent company strategies.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The role of my subsidiary is to contribute ideas, skills, capabilities, and knowledge that can be harnessed for the benefit of the total organization.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**16. Please mark your level of disagreement or agreement with the following statements about the CSR philosophy of your subsidiary.**

	<i>Strongly Disagree</i>	<i>Disagree</i>	<i>Somewh at Agree</i>	<i>Agree</i>	<i>Strongly Agree</i>
The CSR activities we carry out are the same as those carried out by our parent company.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Our CSR response attends uniquely to the social requirements of the local environment of this subsidiary.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Our CSR approach applies the same universal codes of conduct in all our subsidiaries.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Our subsidiaries adapt global	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

codes in ways that conform to the local environment.

**17. Please mark how the following social objectives are important in the business mission of your company.**

	<i>Not at all important</i>	<i>A little important</i>	<i>Somewhat important</i>	<i>Important</i>	<i>Very important</i>
To protect human rights	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
To eliminate all forms of forced and compulsory labor	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
To promote greater environmental responsibility	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
To work against in all forms including extortion and bribery	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
To provide jobs in the community	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
To upgrade education and health	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
To combat HIV/AIDS, malaria and other diseases	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
To encourage the emancipation of women	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**Section C. The Strategic Importance of Subsidiaries**

*This section assesses the importance of the subsidiary to the organization.*

**18. Please mark your level of disagreement or agreement with the following statement the strategic importance of your subsidiary's market to the parent company**

	<i>Strongly Disagree</i>	<i>Disagree</i>	<i>Somewh at Agree</i>	<i>Agree</i>	<i>Strongly Agree</i>
My subsidiary caters for a local market (one or two of the national regions)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My subsidiary caters for a national market (only for Cameroon)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My subsidiary caters for a sub regional market (more than one country)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My subsidiary caters for a regional market (in charge of the	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

African market)  
 My subsidiary caters for an intercontinental market

<input type="radio"/>				
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**19. Please mark your level of disagreement or agreement with the following statements about the strategic importance of the resources of your subsidiary to the parent company.**

	<i>Strongly Disagree</i>	<i>Disagree</i>	<i>Somewh at Agree</i>	<i>Agree</i>	<i>Strongly Agree</i>
My subsidiary is highly competent and we serve as a partner of headquarters in developing and implementing strategy.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The skill, capabilities, and resources of staff of my subsidiary are well appreciated by the parent company who want to channel this ability towards projects of corporate importance.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The skill, capabilities, and resources of staff of my subsidiary are not of importance outside the subsidiary.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The skill, capabilities, and resources of staff of my subsidiary are not even adequate for our own needs.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**20. What percentage does your subsidiary contribute to the financial health of the parent company?**

\_\_\_\_\_ %

**21. How many employees does your subsidiary have?**

\_\_\_\_\_ employees

**22. How many employees does your corporation have worldwide?**

\_\_\_\_\_ employees

**Section D. The Strategic Importance CSR**

*This section assesses the human and financial resources allocated to the CSR function in your subsidiary.*

**23. Please mark how developed your subsidiary's CSR plan is?**

<i>Not at all, developed</i>	<i>Barely developed</i>	<i>Somewhat developed</i>	<i>Developed</i>	<i>Very developed</i>
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**24. Please mark how developed your subsidiary's measurement of the results of CSR initiatives.**

<i>Not at all, developed</i>	<i>Barely developed</i>	<i>Somewhat developed</i>	<i>Developed</i>	<i>Very developed</i>
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**25. What part of the working time each year does your subsidiary allow employees to participate in programs of community interest?**

\_\_\_\_\_ day(s)

**26. What percentage (%) of turnover does your subsidiary invest in CSR initiatives?**

\_\_\_\_\_ %

**27. How can you compare your subsidiary's CSR expenditure to that of other companies in the country?**

<i>Our expenses are much lower</i>	<i>Our expenses are somewhat lower</i>	<i>Our expenses are the same</i>	<i>Our expenses are somewhat higher</i>	<i>Our expenses are much higher</i>
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**28. Please mark your disagreement or agreement with the following statements regarding the human resources allocated to the CSR function in your subsidiary**

	<i>Strongly Disagree</i>	<i>Disagree</i>	<i>Somewh at Agree</i>	<i>Agree</i>	<i>Strongly Agree</i>
There are sufficient personnel allocated to achieve the objectives of the CSR function in my subsidiary.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
CSR in my subsidiary has its own formal organizational structure.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Several departments within my subsidiary manage the CSR function.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**29. Please indicate the department in which the CSR function in your subsidiary is located**

*Top Management  
General Manager,  
Deputy General  
Manager,*

*Human Resources,  
Marketing, Legal*

*Public Relations  
Department or  
related  
departments such  
as Corporate  
Communication or  
Public Affairs*

*Other  
(Please specify)*

\_\_\_\_\_

**Section E. The Motivation for CSR**

*This section is designed assess the motivation for CSR.*

**30. Please mark how much the following CSR objectives match the CSR objectives of your subsidiary**

	<i>Strongly Disagree</i>	<i>Disagree</i>	<i>Somewhat Agree</i>	<i>Agree</i>	<i>Strongly Agree</i>
Responding to society's objectives.	<input type="radio"/> <input type="checkbox"/>	<input type="radio"/> <input type="checkbox"/>	<input type="radio"/> <input type="checkbox"/>	<input type="radio"/> <input type="checkbox"/>	<input type="radio"/> <input type="checkbox"/>
To follow the usual practices in our industry.	<input type="radio"/> <input type="checkbox"/>	<input type="radio"/> <input type="checkbox"/>	<input type="radio"/> <input type="checkbox"/>	<input type="radio"/> <input type="checkbox"/>	<input type="radio"/> <input type="checkbox"/>
It is the right thing to do.	<input type="radio"/> <input type="checkbox"/>	<input type="radio"/> <input type="checkbox"/>	<input type="radio"/> <input type="checkbox"/>	<input type="radio"/> <input type="checkbox"/>	<input type="radio"/> <input type="checkbox"/>
To bring life enhancing changes to a broader society	<input type="radio"/> <input type="checkbox"/>	<input type="radio"/> <input type="checkbox"/>	<input type="radio"/> <input type="checkbox"/>	<input type="radio"/> <input type="checkbox"/>	<input type="radio"/> <input type="checkbox"/>
To influence the purchase decisions of our customers.	<input type="radio"/> <input type="checkbox"/>	<input type="radio"/> <input type="checkbox"/>	<input type="radio"/> <input type="checkbox"/>	<input type="radio"/> <input type="checkbox"/>	<input type="radio"/> <input type="checkbox"/>
To improve the commitment of our employees.	<input type="radio"/> <input type="checkbox"/>	<input type="radio"/> <input type="checkbox"/>	<input type="radio"/> <input type="checkbox"/>	<input type="radio"/> <input type="checkbox"/>	<input type="radio"/> <input type="checkbox"/>
To obtain favorable fiscal/tax treatment.	<input type="radio"/> <input type="checkbox"/>	<input type="radio"/> <input type="checkbox"/>	<input type="radio"/> <input type="checkbox"/>	<input type="radio"/> <input type="checkbox"/>	<input type="radio"/> <input type="checkbox"/>
To improve operational efficiency	<input type="radio"/> <input type="checkbox"/>	<input type="radio"/> <input type="checkbox"/>	<input type="radio"/> <input type="checkbox"/>	<input type="radio"/> <input type="checkbox"/>	<input type="radio"/> <input type="checkbox"/>
Specify any other motivation for CSR	<input type="checkbox"/>		<input type="checkbox"/>		

in your company

**31. Please mark your disagreement or agreement with the following statements regarding the environmental pressures on CSR decision making**

	<i>Strongly Disagree</i>	<i>Disagree</i>	<i>Somewh at Agree</i>	<i>Agree</i>	<i>Strongly Agree</i>
Government regulations exert high intervention in CSR decision making	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Pressure from social organizations force my subsidiary to change our CSR orientation and strategies	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The political environment imposes CSR practices on my subsidiary	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**32. To what extent is CSR decision making in your subsidiary affected by either the strategic orientation of the parent company and/or local environmental pressures (Mark the appropriate box in each section)**

Extent to which CSR decision making is affected by the Strategic Orientation of Parent Company				Extent to which CSR decision making is affected by Local Environmental Pressures (Gov't regulations, pressure from social organizations, political environment)			
Strongly affected	Affected	Somewhat affected	Not affected	Strongly affected	Affected	Somewhat affected	Not affected

**Section F: Profile**

*This final section is designed to gather factual information about you and your corporation.*

**33. In which country is your parent company situated?**

\_\_\_\_\_

**34. About how many subsidiaries does your company have?**



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## BIOGRAPHICAL SKETCH

Julius Che Tita holds a Master of Philosophy (M.Phil.) degree in publishing studies from the University of Stirling, Scotland. He previously completed a bachelor's degree (BA) with a double major in English and history at the University of Cardiff, Wales. Che Tita designed the publishing sequence of the Department of Journalism and Mass Communication of the University of Buea, Cameroon where he taught publishing courses to undergraduate students. He was the founder of DESIGN House, a publishing and printing firm in Cameroon. Che Tita's research interests are corporate communication, corporate social responsibility, measurement of public relations, and communication for development and social change. Che Tita graduated from the University of Florida with a Ph.D. in mass communication in August 2011.