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RESEARCH ARTICLE

Corporate Social Responsibility Reporting: A Study of the Views of MNC Subsidiary Managers in an African Context

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ABSTRACT

There is a general lack of research which directly seeks the views of MNC subsidiary managers about what internal and external pressures they perceive are imposed on them, and how such pressures, in turn, impact their CSR reporting in developing countries. To fill this gap and improve our understanding of CSR reporting practices of MNC subsidiaries, this study aims to investigate how MNC subsidiaries operationalise CSR reporting practices in an African context–Ghana. This study comprises analysis of CSR reports, websites and other publicly-available reports using qualitative data analysis and 15 in-depth, semi-structured interviews with respondents drawn from 8 MNC subsidiaries using legitimacy theory and institutional theory as lenses. The analysis identifies reporting relationships between MNC subsidiary and parent-company (as internal factors), and the supervisory relationships between MNC subsidiaries and local regulatory institutions (as external factors), as factors that induce/sensitise MNC subsidiaries managers to voluntarily disclose social responsibility information. The adoption of voluntary global standards for CSR such as GRI appeared to influence MNC subsidiaries' CSR reporting practices. Additionally, locally espoused (or ingrained) values/expectations and norms that frown on actions and/or inactions that are deemed not to be socially acceptable corporate behaviours appeared to inform the CSR initiatives that MNC subsidiaries voluntarily disclose in order to acquire a sense of legitimacy. The results of this study have implications for research and practice. Generally speaking, MNC subsidiaries operating in an African context may require more local knowledge and support in relation to social and environmental responsibility. Limitations of this study include limited data available, particularly interviews, which provides opportunity for future research.

Keywords: Corporate social responsibility reporting, Ghana, Institutional/legitimacy theories, Multinational Company subsidiaries.

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1. Introduction

Whilst there has been increased attention on research that explores corporate social responsibility (CSR) reporting in developed countries, there is relatively limited research that explores CSR reporting of multinational company (MNC) subsidiaries that operate in developing countries (Ali *et al*., 2017; Fifka, 2013; Islam & Deegan, 2008; Momin & Parker, 2013; Qian *et al*., 2021; Wachira & Mathuva, 2022). CSR reporting research focused on developing countries is crucial, particularly due to concerns that extant CSR reporting research pays less attention to the ways in which MNC subsidiaries in developing countries take into account social, political, cultural, and environmental factors in their CSR reporting decisions (Ali *et al*., 2017; Fifka, 2013; Islam & Deegan, 2008; Momin & Parker, 2013; Qian *et al*., 2021), which may not sufficiently relate and respond to the context and circumstances peculiar to developing countries. For a review of CSR reporting in the context of developing countries, see Wachira and Mathuva (2022), and Qian *et al*. (2021), and for a review of CSR research focused on developing countries, see Amos (2018c).

Altogether, it has been observed that while CSR reporting research in developing countries has begun to emerge, it is still primarily focused on Asian countries, including Bangladesh and Malaysia, as the dominant empirical contexts (Ali *et al*., 2017; Fifka, 2013; Qian *et al*., 2021; Wachira & Mathuva, 2022). There is a general lack of research that directly seeks the views of MNC subsidiary managers about what internal and external pressures they perceive are imposed on them and how such pressures, in turn, impact their CSR reporting in developing countries. This lack of research is particularly apparent with respect to African countries, a context where little is known about the emerging phenomenon of CSR reporting (Ali *et al*., 2017; Qian *et al*., 2021; Tilt *et al*., 2021; Wachira & Mathuva, 2022). To fill this gap and improve our understanding of CSR reporting of MNC subsidiaries, this study aims to investigate how MNC subsidiaries operationalise CSR reporting in an African context–Ghana. This study is guided by the following questions: (*RQ1*) What CSR issues are in focus in terms of MNC subsidiaries' CSR reporting practices in an African context? (*RQ2*) What processes are employed by MNC subsidiaries in their CSR reporting in an African context? To address these questions, this study used archival data (CSR reports, website information, and other publicly available reports) and in-depth, semi-structured interviews with managers of MNC subsidiaries in one African country–Ghana.

The in-depth, semi-structured interview method was deemed to be appropriate as this study requires access to the relevant knowledge and experiences of MNC subsidiaries' managers in terms of their own CSR reporting practices. Additionally, archival data was collected from CSR reports, websites, and other publicly available reports, i.e., written documents. There is a general lack of research which has drawn their data from multiple organisational sources in the CSR reporting literature (Ali *et al*., 2017; Qian *et al*., 2021; Tilt *et al*., 2021; Wachira & Mathuva, 2022).

This study seeks to contribute to the CSR reporting literature in the following ways. First, this study contributes to the theoretical aspect of research as it integrates the insights provided by two key theoretical lenses, legitimacy theory, and institutional theory, to explore MNC subsidiary managers' attitudes to CSR reporting in an African context, which is an area that has received limited attention in the prior literature (Ali *et al*., 2017; Fifka, 2013; Qian *et al*., 2021; Wachira & Mathuva, 2022). Second, although CSR reporting research has attracted some attention, there is an apparent lack of studies that directly seek the views of MNC subsidiary managers in relation to CSR reporting by relying on materials drawn from in-depth interviews and archival data in an African context. The prior literature shows that CSR reporting research on developing countries has focused on few countries (Ali *et al*., 2017; Fifka, 2013), and the research undertaken has relied heavily on the content analysis method instead of in-depth interviews to improve our understanding of CSR reporting (Ali *et al*., 2017; Wachira & Mathuva, 2022). Third, this study seeks to improve our understanding of how institutional pressures and MNC subsidiary managers' desire for legitimacy, internally with the parent company and externally with the local institutional environment, influence CSR reporting in the context of an African country–Ghana. Fourth, this study builds on the findings in Amos (2018a) in-depth interview study focused on how and what drives CSR in host communities of mining companies in Ghana.

The remainder of the paper is organised as follows: Section 2 provides an overview of legitimacy theory and institutional theory in relation to CSR reporting research. Section 3 presents a review of the literature, outlining CSR reporting challenges in the context of developing countries and African countries. Section 4 proceeds by considering the research methods (or procedures) adopted in the collection of data. Section 5 provides the results of our interviews and our analysis of written documents. Section 6 provides a discussion of the results. The paper concludes with a reflection in Section 7, offering research and practice implications as well as opportunity for future research.

2. Theoretical Underpinnings

This study builds on legitimacy theory and institutional theory to improve our understanding of the various internal and external pressures that influence CSR reporting of MNC subsidiaries in an African host-country. Legitimacy theory has been a useful lens for investigating CSR reporting in the prior literature (Ali *et al*., 2017; Amos, 2023; Fifka, 2013; Islam & Deegan, 2008), and can be useful to explore the dynamics between MNC subsidiaries and their parent companies in relation to CSR reporting. Legitimacy theory states that an organisation attains 'legitimacy' when society views its operations as being in accordance with societal norms and expectations. Put differently, organisations adopt CSR reporting practices as a tool to gain legitimacy from, repair or maintain legitimacy with particular stakeholder groups (Dowling & Pfeffer, 1975; Suchman, 1995). The central idea of legitimacy theory is that organisations are social constructs and are thus subject to a 'social contract'. To ensure that the organisation continue to survive, it needs to be seen as 'legitimate' or socially responsible to obtain societal 'support' or 'approval' (Dowling & Pfeffer, 1975; Lindblom, 1994; Suchman, 1995).

Legitimacy theory explains that organisations should be responsive to changing expectations, especially when their legitimacy is called into question due to their actions (or inactions) (Dowling & Pfeffer, 1975; Lindblom, 1994; Suchman, 1995). This expectation stems from the understanding that actual (or potential) threats to an organisation's perceived legitimacy can prompt management to act, aiming to mitigate the impacts of such threats. van Staden and Hooks (2007) argue that organisations can either adopt a 'reactive' or a 'proactive' approach to minimise the impacts of legitimacy threats and/or seek to gain legitimacy from particular stakeholder groups. In admitting to an environmental disaster, for instance, an organisation may employ a reactive strategy to repair its legitimacy with a particular stakeholder group through CSR reporting. Put differently, for an organisation to be regarded as socially responsible, its CSR initiatives should be visible to the relevant public, i.e., both internal and external stakeholders. This is achieved when managers of organisations communicate social responsibility via, for example, the annual report.

Institutional theory explains that the behaviour of organisations is shaped by the institutional environment in which they operate. This explanation would suggest that economic justifications alone are insufficient to fully explain an organisation's socially responsible behaviours (Campbell, 2006; Marquis *et al*., 2007; Matten & Moon, 2008). Suchman (1995, p. 572) explains two branches of legitimacy theory, i.e., 'strategic or managerial legitimacy' and 'institutional legitimacy'. From an institutional theory perspective of legitimacy, it is predicted that managers face pressures from different institutions in society to legitimise their actions (or inactions). The insights provided by institutional theory suggest that organisations seek to gain legitimacy within their respective environment by aligning their practices with the prevailing bounds and norms in an attempt to become isomorphic with the environment (DiMaggio & Powell, 1983; Suchman, 1995).

From an institutional theory perspective, institutional arrangements such as rules and procedures are essential to maintain appearances necessary for society to confer legitimacy upon the organisation rather than to bring about better organisational outputs (Campbell, 2006; DiMaggio & Powell, 1983; Lindblom, 1994). Matten and Moon (2008) explain that peer pressure is an effective mechanism through which an organisation mimics the best practices of other organisations and adopts socially responsible behaviours. To the authors, mimetic institutional isomorphism may lead to socially responsible behaviour when managers "consider practices as legitimate if they are deemed to be 'best practices' in their organisational field" (p. 412).

In relation to MNCs, legitimacy concerns of subsidiaries arise from internal and external sources (Ahworegba, 2018; Hillman & Wan, 2005). This is what institutional theorists have referred to as the "institutional duality" of MNC subsidiaries. From an institutional theory perspective, MNC subsidiaries are expected to react to different institutional pressures from both their host-country environment and parent-company to acquire a sense of legitimacy, i.e., to remain socially relevant. Regarding the pursuit of internal legitimacy, a subsidiary that fails to conform to the established group-wide policies and strategies institutionalised within the MNC risks incurring disapproval from the parent company, whilst threats to external legitimacy arise primarily from behaviours that are deemed not to be acceptable corporate behaviours in the host-country in which the subsidiary operates (Campbell, 2006; Hillman & Wan, 2005). Despite the fact that CSR reporting practices remain a voluntary activity, MNC subsidiaries' CSR reporting can be expected to be influenced by both the formal and informal institutional environment in which they operate.

3. CSR Reporting in Developing Countries: A Literature Review

The prior CSR reporting literature on developing countries has focused on a few countries, including Malaysia, Bangladesh and India (Ali *et al*., 2017; Fifka, 2013; Qian *et al*., 2021), and the research undertaken has relied heavily on the content analysis research method to improve our understanding of the determinants of CSR reporting (Ali *et al*., 2017). Additionally, CSR reporting research on developing countries has focused on measuring companies' social and environmental performance in quantitative terms instead of qualitative terms (Ali *et al*., 2017). This approach is consistent with prior reviews in the CSR reporting literature (e.g., Belal & Momin, 2009; Fifka, 2013). In contrast to research focused on developed countries, most research on developing countries is not grounded on specific theoretical lenses to explore the rationale for CSR reporting (Ali *et al*., 2017). This result is consistent with the conclusions drawn by Belal and Momin (2009) that CSR reporting research is under-theorised in developing countries.

In their review, Ali *et al*. (2017) argue that variations in CSR reporting in developing countries stem from differences in national contextual (e.g., social, geopolitical, economic and cultural) factors. To the authors, the same corporate behaviour which is deemed to be acceptable in one national context may not be acceptable in other national contexts, and this may result in variations in the nature and focus of CSR reporting in developing countries. This is to be expected because some studies have suggested that CSR is a dynamic and socially constructed concept, and also there are "distinctive elements of CSR in developing countries" (Amos, 2018a, 2018c; Attah & Amoah, 2023; Jamali & Karam, 2018, p. 32). Whilst results from the prior literature focused on developing countries differ from one another, the absence of CSR reporting regulations and/or the presence of relatively weak regulatory institutions appear to promote the lack of communication of social responsibility in developing countries (Belal & Cooper, 2011; Belal *et al*., 2015; Momin & Parker, 2013).

In the specific context of Africa, the number of studies is very limited, and the focus is on South Africa, the continent's leading economy. Particularly, de Villiers's research has been insightful in terms of improving our understanding of "the perception of and attitudes towards" CSR reporting in South Africa (Fifka, 2013, p. 22). de Villiers (1999) showed that pressures resulting from competition and from particular stakeholder groups, along with changing attitudes of managers towards CSR reporting, resulted in extensive disclosure in South Africa. A follow-up study by de Villiers (2003) showed that corporate executives have a positive attitude towards CSR reporting, although the results, in part, showed that environmental reporting was weak in South Africa. A worrying finding lies in the work of de Villiers and Barnard (2000), which suggests that decreases in the number of disclosures stem from the fact that companies are unlikely to voluntarily disclose negative information for fear of being held liable for the information provided. The results of a later study by de Villiers and van Staden (2006) showed that the non-existence of pressure that may merit disclosure resulted in less disclosure in South Africa.

Whilst CSR reporting research in other African countries has been rather sporadic, the exploratory study by Rahaman (2000, p. 8) showed that, despite the absence of regulation on CSR reporting in Ghana, there exists "generally an overwhelmingly positive perception" of managers to voluntarily report environmental information in annual reports. Rahaman *et al*. (2004, p. 51) showed that institutional pressures from external sources, i.e., particularly the World Bank, led to the Volta River Authority (VRA) "struggling to effectively manage its social environment" in terms of communicating social responsibility information in annual reports. A study by Lauwo *et al*. (2016, p. 1063) showed that the increasing social and environmental problems in the Tanzanian mining sector are due to a weak regulatory regime that has "imposed constraints on government regulatory capability" as well as little pressure from particular stakeholder groups and NGOs for CSR reporting. A recent study by Khalid *et al*. (2019, p. 70) suggests that mining companies that operate in Ghana partially report social, environmental and ethical information with the motive of "masking of corporate reality" to "placate stakeholders".

In relation to the gap in the CSR reporting literature, Fifka (2013, p. 27) concludes that whilst there are many blank spots in relation to empirical CSR reporting research, it "naturally falls into places where the number of developing or emerging countries is high–Africa", and "countries where only a little research on the subject has been conducted". Both Fifka (2013) and Ali *et al*. (2017) suggest that an understanding of the institutional environment remains an underdeveloped area in CSR reporting research in Africa. Altogether, MNC subsidiary managers' views on how CSR reporting is operationalised in an African context can be expected to be shaped by both the formal and informal institutions of the host country in which they operate.

4. Methods

This study employs a qualitative, in-depth case study approach to investigate how MNC subsidiaries operationalise CSR reporting practices in an African context–Ghana (Yin, 2014). Case studies have been successfully used to investigate CSR and sustainability issues in the prior literature (Amoah & Eweje, 2021; Amos, 2018a, 2018b, 2023; Attah & Amoah, 2023). The case study approach was chosen because of the exploratory characteristics of the research and to gain an in-depth, contextual understanding (Yin, 2014). The eight cases, i.e., eight MNC subsidiaries, were chosen because their CSR reporting practices had been heralded in the local media and were deemed to be appropriate examples to generate insights into the phenomenon of the research interest.

Primary data were collected through in-depth, semi-structured interviews with participants drawn from eight cases. The respondents were purposively chosen (Patton, 2002) to maximise the richness of the data and, hence, the chances that the interview questions could have been addressed (Creswell & Poth, 2017), and saturation. Data collection followed suggestions from case study research (Yin, 2014) and included in-depth, semi-structured interviews with respondents responsible for, or involved in, CSR-related or business and society-related matters (e.g., public/community relations, marketing, safety, health and environment, CSR reports production, human resource) at their firms, and had direct or indirect role in the CSR reporting function. Additionally, archival data, such as CSR reports, website information and other publicly available reports, were part of the data stock.

A total of 15 in-depth, semi-structured interviews with managers from eight MNC subsidiaries were undertaken over a four-month period from March to June 2022 and consumed, on average, one and a quarter hour. The interviews were conducted face-to-face and online (Table I). Interviews were deemed to be the most appropriate way to obtain information because they would allow follow-up questions to ground responses on specific experiences in the empirical context. Following Yin (2014), an interview protocol was developed and pre-tested with three potential participants. The data collection process was executed in accordance with the interview protocol. The questions were derived from the CSR reporting literature, and particularly, they encompassed (a) perspectives on the production and publication of CSR reports, (b) dual pressures in relation to managing the interests of particular stakeholder groups (or local communities) and that of the parent company, (c) subsidiary's discretion in relation to CSR reporting, (d) subsidiary's role in relation to CSR reporting, and (e) public/media pressures for CSR reporting. The interviews were digitally recorded and transcribed. The collected archival data was triangulated with the interview data (Yin, 2014) and then mainly used to validate the information obtained in the interviews.

Following the transcription of the interviews, a thematic data analysis method (Braun & Clarke, 2006) was used to analyse the data. A major strength of thematic analysis is that it guides the *interpretation* of data as well as the application of one's judgement and experience to draw out themes that serve to generate insights and improve understanding (Braun & Clarke, 2006; Spiggle, 1994). Specifically, thematic analysis works most effectively when one seeks themes that address his/her research questions, frames themes conceptually, and explores links among the themes (Bailey, 2007, p. 155). Braun and Clarke (2006) explain that themes may be constructed either inductively, i.e., based on theory or previous research or deductively, i.e., obtained directly from the phenomenon being studied. This study adopts a hybrid approach, i.e., both inductive and deductive, which requires the application of one's knowledge of existing practice and theory in the CSR reporting research field while also looking for new insights that may emerge from the data.

Upon the completion of the initial analysis, the key themes identified were categorised into more general, i.e., conceptual classes (or themes), as suggested by Spiggle (1994). To ensure coherence, i.e., work towards merging the parts of the data together, more concrete categories (or themes) were incorporated into fewer, more general categories (themes), as suggested by Spiggle (1994). Direct quotations from the respondents were used to provide transparency and clarity, thereby enriching the findings (or themes). Thus, unless otherwise stated, the quotes, as well as the findings (or themes), summarise the views of multiple respondents.

TABLE I: Sample Characteristics

Representatives of MNC	Number of interviewees	Interview code	Managers interviewed	Subsidiary core competence	Size of subsidiary
MNC 1	3	1A	Head of operations	Provider of mining-related technical services	230 employees
		1B	Business manager		
		1C	Managing director		
MNC 2	2	2A	Operations executive	Provider of mining-related technical services	160 employees
		2B	General manager		
MNC 3	1	3A	Safety/Compliance Executive	International mining company	900 employees
MNC 4	1	4A	Public affairs executive	Provider of mining-related technical services	650 employees
MNC 5	2	5A	Marketing executive	Provider of telecom services	680 employees
		5B	General manager		
MNC 6	2	6A	External affairs executive	Provider of telecom services	800 employees
		6B	Human resource Executive		
MNC 7	2	7A	Marketing executive	Provider of accommodation and recreational services	160 employees
		7B	Public relations executive		
MNC 8	2	8A	Compliance/Ethics executive	International beverages producer	450 employees
		8B	Corporate relations executive		
Total	15				

Note: The relevant interviewee in the body of the paper is identified with the interview code assigned to them. For example, the Head of Operations (MNC 1) would appear as 1 A, or the General Manager (MNC 5) would appear as 5 B.

In the next section, the results are presented along with reflections from extant CSR reporting research. This is followed by the discussion and conclusion sections of the paper.

5. Results

RQ1. What CSR issues are in focus in terms of MNC subsidiaries' CSR reporting practices in an African context?

5.1. Focus and Content of CSR reports

All managers interviewed recognised the broader 'social' responsibility of MNCs and identified CSR reporting as a voluntary action rather than an activity that is obligatory. When asked about how their companies understand or define CSR, one respondent stated:

"There is no universally acceptable definition of CSR; everyone defines CSR in his/her own way." (Interviewee 5A).

This lack of specificity as to whether there is a generally acceptable definition of CSR corresponds to the mixed results from earlier studies that sought to explore the meaning and/or definition of CSR (Dahlsrud, 2008). There was also a view from some respondents that it perhaps was pointless to expect all companies to have a common view on the meaning (or definition) of CSR and associated reporting. This is because every company can be expected to 'customise' CSR and associated reporting to suit its context. This view is manifested in the following quote:

"The stakeholders of our industry sector have their own expectations when it comes to CSR. I don't even see why all companies must do the same thing in the name of CSR and its associated reporting." (Interviewee 2B).

Data from annual reports and websites and other publicly available reports further show that these MNCs highlight sustainability, particular stakeholder groups, and economic, social, and environmental dimensions when defining their social responsibility (e.g., "*building a relationship based on trust with our business partners, employees, shareholders as well as the wider community*," "*helping society to achieve a sustainable balance of economic growth, environmental protection, and social progress*," "*consumers are our key stakeholders [. . .] other stakeholders are government, public sector institutions, and media*", "*we basically focus on our customers*").

The above results (or comments) would suggest that the subjective nature of CSR and its associated reporting can help these MNC subsidiaries to formulate their own CSR definitions (or priorities) that explain the role of business in society from their own perspectives. All manager interviewed recognised some common elements, such as sustainability, ethical conduct, particular stakeholder groups and social responsibility in terms of the production and reporting of CSR information. The sustainability dimension appeared to be widely taken up as an integral part of CSR definition and associated reporting by the MNCs in this study.

5.2. Implicit/Explicit CSR

Directly tied to the questions that seek to explore what CSR issues are in focus in terms of the MNC subsidiaries' CSR reporting, interviewees were then asked to identify (or categorise) the CSR issues that their companies emphasise in their reports. Here, the respondents hold two opposite and somewhat complementary views. While some respondents emphasised voluntary CSR-related actions, i.e., 'explicit' CSR with strategic intent. Others emphasised that they focus on CSR [. . .] as a reaction to, or reflection of, a company's institutional environment [. . .], i.e., 'implicit' CSR, as suggested by Matten and Moon (2008).

This emphasis on 'explicit' and/or 'implicit' CSR partially highlights the importance of 'context issues' in CSR and is consistent with the results from earlier studies that sought to determine how particular stakeholder groups influence an individual firm's CSR reporting in an African context (Khlif *et al.*, 2015; Noah *et al.*, 2021; Tilt *et al.*, 2021).

The most common reason for the respondents emphasising either 'explicit' CSR or 'implicit' CSR was because of the apparent expectations of various stakeholder groups deemed to be powerful and legitimacy-conferring stakeholders. The respondents unanimously indicated that their firms had to respond to pressures (or expectations) exerted on them through CSR activities and associated reporting so as to acquire a sense of legitimacy. One respondent emphasised that:

"*Today, there is an increased demand for information in terms of how we handle our responsibilities within the social and environmental areas of our operations*."

Most respondents highlighted the need to be proactive and anticipate particular stakeholder groups' expectations, or as one interviewee explained:

"*You must be* proactive *and anticipate what kind of information is expected by particular stakeholder groups and then respond appropriately [. . .] This is central since CSR is a fast-evolving concept and encompasses several activities*."

5.3. Selectivity in CSR Activities to Report

During the interviews, all managers interviewed–with no exception–emphasised or re-emphasised the importance of CSR reporting to avoid a negative impact on the company. Most of the respondents perceived that for a company to acquire a sense of legitimacy, it is crucial to adopt acceptable social and environmental responsibility practices and associated reporting in the context in which it operates. One respondent sums it up this way:

"*If we do not handle our CSR reporting the right way, it can have dire consequences on our business*." (Interviewee 7A)

Yet, another respondent stated that "Engaging in CSR activities and reporting CSR information has become crucial for business success." (Interviewee 1C) Another respondent explained the need to tailor the CSR activities and associated reporting to the company's 'social context' as follows:

"As important as CSR is of benefit to a community, it is equally valuable for a company to communicate its CSR performance to the wider community." (Interviewee 2B)

The above views would suggest that failure to properly communicate awareness through CSR reporting can have a negative impact on a company's performance. It is, therefore, not surprising that all manager interviewed were somewhat reluctant to state, for example, instances in relation to breach of a code of conduct and fines and/or penalties imposed on their firms for non-compliance with a specific regulation. This lack of communication regarding some social and environmental issues and whether state institutions have the tendency to impose or relax fines and/or penalties is consistent with the results from earlier studies that explored how institutions become ineffective in holding MNCs accountable for social and environmental issues in African countries (Khalid *et al*., 2019; Lauwo *et al*., 2016; Noah *et al*., 2021; Tilt *et al*., 2021). This result would suggest that lack of regulation may explain the absence of disclosures that carry negative news on a company's CSR report and which could trigger adverse publicity.

We argue that adverse disclosures can affect an MNC subsidiary's internal approval (legitimacy) and consequently may negatively impact the image of the parent company towards external stakeholder groups for reasons of external legitimacy. Put differently, it appears there are some elements of bias in terms of the content of the CSR reports the managers interviewed produce for their individual firms, a result that corresponds to results from earlier studies (Amos, 2023; Belal & Cooper, 2011; Belal *et al*., 2015; Erin & Bamigboye, 2022; Khalid *et al*., 2019; Lauwo *et al*., 2016; Tilt *et al*., 2021). Belal and Cooper (2011, p. 664), for instance, observe that because there is a lack of regulation backing CSR reporting in developing countries, "*companies effectively control the disclosure agenda and information flow*," and in the process, they "*only disclose favourable news*."

Data from annual reports, websites, and publicly available reports lend support to the interview results, as with the exception of a few isolated cases of workplace infractions, all managers interviewed appeared reluctant to state infractions that arise from their business operations. This would suggest that the selective nature of the content of CSR reports produced by MNCs may lead to suspicion and, thereby, casts doubt on earlier studies suggesting that CSR can effectively address the multitude of challenges that MNCs face (Barkemeyer & Figge, 2014).

Moreover, findings from the interviews and archival data, i.e., CSR reports, websites, and other publicly-available reports would suggest that the presence of MNCs in their home country abroad and characterised by 'mature' CSR institutional infrastructure (Khalid *et al*., 2019; Matten & Moon, 2008) appeared to influence MNC subsidiaries' CSR initiatives and associated reporting in Ghana. The following statements from archival data reveal how MNCs in this study integrate their core competency and CSR initiatives and/or demonstrate their commitment to CSR:

"*So if we can use our expertise rather than focussing on a completely different thing, then we are in a better position to help various groups in the society who need our support*." (MNC 3)

"*When we award bursaries, we target the poor, brilliant and disadvantaged people who can't afford school fees in our community [. . .] so it's about caring for people*." (MNC 2)

"*Our CSR approach focused on social commitment such as enhancing the livelihoods of people and reducing environmental impacts in the communities in which we operate*." (MNC 4)

"*We produce beverages [. . .] we are constantly developing our brands and products to keep pace with the changes in consumers' lives*." (MNC 8)

RQ2. What processes are employed by MNC subsidiaries in their CSR reporting in an African context?

5.4. Subsidiary/HQ Relationships in CSR Reporting Practices

The respondents were asked whether, in their opinion, the relationship between the subsidiary and the parent company plays a role in defining the content of the CSR reports they produce. All managers interviewed recognised the crucial role that the parent company played and indicated that the parent company influences the operations of the subsidiary (particularly practices of social responsibility and associated reporting). Most of the respondents perceived that the CSR reporting of their subsidiary firms is not entirely under their direction and control, i.e., in their capacity as managers of MNC subsidiaries in Ghana. As one respondent described the origin of its CSR reporting:

"*This subsidiary initiated CSR reporting in Ghana 25 years ago [. . .] the decision was taken by our corporate headquarters". (Interviewee 4A) In a similar vein, another respondent stated that 'The CSR activities we report rest primarily on corporate headquarters discretionary decisions that are communicated to and acted upon by our subsidiary'*". (Interviewee 6A)

Even though most of the respondents admitted that they acted on instructions from their parent company on CSR reporting, they were emphatic that MNC subsidiaries could not only import ideas on CSR reporting from their home country. Given the supervisory relationships between MNC subsidiaries and local regulatory institutions, paying attention to issues associated with the safety and quality of life of workers and communities in which companies operate was often seen as central. All managers interviewed recognised that in the event of an adverse incident, such as an industrial accident, they would, first and foremost, notify the appropriate regulatory institution or relevant governmental agencies (RGAs), and the affected community, before notifying their parent company for further directions. Most of the respondents typical of this view noted:

"*We try to emphasise that CSR and associated reporting is a commitment not only with the parent company, but with all stakeholder groups [. . .] with all of the local regulatory institutions [RGAs] that our company has a link with [. . .] as well as our customers, our workers, the investors, the communities where we operate, the suppliers, and partners."*

Archival data analysed in this study suggest the need for MNCs to be circumspect in handling issues that border on 'subsidiary/parent-company' relationships on the one hand and 'subsidiary/regulatory-institution' relationships on the other hand. One of the MNCs in this study specified a procedure it follows in the event of an industrial accident. One respondent explained the rationale for this procedure as follows:

"*For [company XX], there is an instructional manual that we follow in the event of an unusual occurrence [e.g., an industrial accident in our operations] [. . .] We are seeking to create safety consciousness in our workers and management [. . .] We have worked cooperatively with government regulators that impact us directly and indirectly in our business*".

Altogether, this 'dilemma of institutional duality' of MNCs (Ahworegba, 2018; Hillman & Wan, 2005) corresponds to the results from earlier studies that sought to determine how organisations could act in socially responsible ways (Campbell, 2007). Campbell (2007, p. 951), for instance, proposes that companies will act "in socially responsible ways if they do two things. First, they must not knowingly do anything that could harm [. . .] the local community within which they operate. Second, [...] they must then rectify it whenever the harm is discovered and brought to their attention". All of these quotes and/or factors centre around formal and informal institutions, as explained by institutional theory and their ability to influence company practice and/or drive changes in company practice.

5.5. *Location of CSR Reporting Function*

The 'dilemma of institutional duality' of MNCs (Ahworegba, 2018; Hillman & Wan, 2005) also led–consistent with the perspective provided by institutional theory–to the MNC subsidiaries adopting, in a rather heterogeneous manner, different organisation structures for CSR and associated reporting function consistent with the organisation structure for CSR and associated reporting function within the parent company. In regard to where the CSR and associated reporting function sits in the subsidiaries, we obtained two opposite views from the interviewees. Most managers interviewed recognised the broader scope of CSR and associated reporting functions and emphasised how these processes are embedded in their subsidiaries. This, the managers interviewed emphasised, has resulted in situations where there exist dedicated departments and/or managers charged with the responsibility of managing CSR and associated reporting functions. Conversely, there are those respondents who indicated that the CSR and associated reporting function are diffused and assigned to different departments and managers, including Safety, Health and Environment, Human Resources, Marketing, and Public/Community Relations. Here, it is also important to emphasise that some of the subsidiaries managed their CSR and associated reporting practices through an ad hoc committee.

All managers interviewed recognised that CSR and related processes in Ghana are still 'embryonic', as there are few indicators of 'mature' CSR institutional infrastructure (e.g., CSR academic and professional course/training, CSR audit/assurance services, etc.) that appeared to have contributed to developing the CSR institutional infrastructure of Ghana. This result (or pattern of development) in the CSR institutional infrastructure is consistent with the results from earlier studies that sought to analyse the state of CSR reporting and/or accountability in the context of African countries (Khlif *et al*., 2015; Noah *et al*., 2021; Tilt *et al*., 2021;). In their analysis of sustainability reporting in 48 sub-Saharan African countries, Tilt *et al*. (2021, p. 288) observe that sustainability "reporting is clearly growing but is underdeveloped as in other developing countries" and "that there is still difficulty with understanding the concept of sustainability itself and sufficient expertise to deal with it". To that end, all managers interviewed for this study recognised that a major hurdle that explains the limited adoption of CSR and associated reporting in Ghana is the limited expertise to deal with it and the few collaborative efforts (or networks) between companies and particular stakeholder groups. Building on this line of thought, a respondent typical of this view observed:

"*In Ghana, CSR activities and reporting practices are at a nascent stage [. . .] fragmented [. . .] and as such* *the few initiatives that materialise remain [largely ad-hoc] in nature and are often either not communicated regularly and/or communicated in a selective manner*."

This limited expertise in dealing with CSR and associated reporting partially corresponds to the results from earlier studies that sought to analyse the state of CSR reporting/sustainable development goals (SDG) reporting and the issues that need to be considered by firms operating in an African context (Erin & Bamigboye, 2022; Tilt *et al*., 2021).

6. Discussion

According to MNC subsidiary managers interviewed for this study, it was clear that a combination of reporting relationships between MNC subsidiaries and parent company (as internal factors) and the supervisory relationships between MNC subsidiaries and local regulatory institutions (as external factors) induce/sensitise MNC subsidiaries managers to voluntarily disclose social responsibility information. The adoption of voluntary global standards for CSR and associated reporting, such as GRI, appeared to influence MNC subsidiaries' CSR reporting, although there are no legally enforceable fines and/or penalties for non-compliance with particular voluntary global standards for CSR and associated reporting in the Ghanaian context (Erin & Bamigboye, 2022; Khalid *et al*., 2019; Rahaman, 2000; Rahaman *et al*., 2004; Tilt *et al*., 2021). Such voluntary global standards for CSR and associated reporting practices may explain MNC subsidiaries' CSR reporting, as the home countries of the MNC subsidiaries in this study, for instance, South Africa, is noted for excellence in CSR reporting (Matten & Moon, 2008; Tilt *et al*., 2021).

Although the regulatory framework of Ghana fails to provide an environment that may be conducive for CSR and associated reporting, it appears the regulatory frameworks of Ghana partially explain how MNC subsidiaries operationalise CSR reporting. Contrary to Momin and Parker (2013, p. 225), who observed that inadequacies in a host country's laws, regulations and enforcement could "depress the CSR [reporting] of an MNC subsidiary", the findings of this study suggest that isomorphism of the subsidiaries' host-country did depress their CSR reporting, but in a very positive sense. Most MNC subsidiary managers interviewed for this study perceived that the RGAs' statutory right to request reports (or inputs) in relation to the social and environmental performance of their business operations induces (or sensitises) them to voluntarily disclose CSR information.

Despite some notable legislation, such as The Ghana Investment Promotion Centre (GIPC) Act of 2013, the government of Ghana has rather relied on private sector initiatives to facilitate socially responsible corporate behaviours (Abugre & Nyuur, 2015). In fact, until 2006, when the Ghana Business Code was launched, no set norms existed to guide socially responsible corporate behaviours (Ghanaweb, 2022). Additionally, in 1998, the GIPC launched a "Ghana Club 100" (GC100) initiative, which is an annual compilation of the top 100 companies that operate in Ghana (Abugre & Nyuur, 2015). The GC 100 initiative seeks to recognise successful enterprise building by providing a forum for corporate Ghana to dialogue with the government (Abugre & Nyuur, 2015). In this way, the GC 100 initiative is expected to foster business networks and, thereby, enable companies to mimic 'best' CSR and associated reporting practices by other companies that operate in Ghana. This expectation is suggestive of local community isomorphism that resembles what Marquis *et al*. (2007, p. 934) described as "what is right to do around here". In this regard, MNC subsidiaries can be said to be involved in what Jamali and Neville (2011, p. 615) described as "modest patterns of mimetic isomorphism" and that regulatory pressures may not fully explain why MNC subsidiaries act the way they do in terms of how they operationalise CSR reporting in the Ghanaian context.

Moreover, locally espoused (or ingrained) values and expectations that frown on actions and/or inactions that are deemed not to be socially acceptable corporate behaviours, as suggested by Jamali and Neville (2011), appeared to inform the CSR initiatives that MNC subsidiaries voluntarily disclose to the public. The results of this study also revealed an underlying pattern of CSR development that would suggest that the respondents perceived the MNC subsidiaries in this study to be at the 'innovative' stage of Mirvis and Googins (2006, p. 113) 'five-stage path of corporate citizenship'; a stage where companies "begin to monitor their social and environmental performance and issue public reports on the results". The lack of references to instances in relation to a breach of the code of conduct and fines and/or penalties imposed on the company for non-compliance with regulations suggests that the local community is more salient in relation to MNC subsidiaries in an African context. Additionally, the results that MNC subsidiaries are selective in terms of what to voluntarily disclose in their CSR reports is, in itself, indicative of the growing exposure to and interpretations of locally espoused (or ingrained) values/expectations, similar to results reported by Jamali and Neville (2011). Thus, it can be expected that MNC subsidiaries in this study would tailor their CSR and associated reporting to conform to locally espoused (or ingrained) values/expectations and norms to acquire a sense of legitimacy.

7. Conclusion

This study aims to investigate how MNC subsidiaries operationalise CSR reporting in an African context–Ghana. This study is guided by the following research questions: (*RQ1*) What CSR issues are in focus in terms of MNC subsidiaries' CSR reporting practices in an African context? (*RQ2*) What processes are employed by MNC subsidiaries in their CSR reporting in an African context? To address these questions, this study used archival data (CSR reports, website information, and other publicly-available reports) and a total of 15 in-depth, semi-structured interviews with managers from eight MNC subsidiaries in one African country–Ghana.

This study concludes that how MNC subsidiaries operationalise CSR reporting in an African context-Ghana, the issues addressed, and the processes employed are a reflection of their management attitudes, for which reason, MNC subsidiaries appeared to adopt their parent company's policies to legitimise their actions and to acquire a sense of legitimacy. Given that CSR reporting is not required by law in Ghana, regulatory pressures from the government are absent and fail to create an environment conducive to CSR reporting. Additionally, given that all eight subsidiaries in this study have their origin outside of Ghana, regulative pressures from the subsidiaries' home country appeared to influence the content of the CSR reports they produce and the CSR information they communicate. This would suggest that the MNC subsidiaries in the sample of this study have had to address the differentiating institutional behaviours between the home-and host countries, which may require that subsidiary managers adopt different managerial strategies in their desire for internal and external legitimacy.

The results of this study have implications for research and practice. Our data would suggest that there is a need to develop and strengthen the CSR institutional infrastructure in an African context-Ghana (e.g., the role of strong institutions, strong normative pressures, and active civil society groups) to complement voluntary global standards for CSR and associated reporting, such as GRI that will accelerate the adoption of CSR reporting in an African context. It is imperative to draw on the prevailing socio-cultural values and norms that are deemed to be consistent with CSR reporting and to mainstream them into a national CSR agenda that may be of benefit to research and practice. Most importantly, as there are similarities and "distinctive elements of CSR in developing countries" (Jamali & Karam, 2018, p. 32), one might expect to observe much less variability in managerial attitudes to CSR reporting across African countries. To that end, if MNC subsidiaries have adopted CSR reporting to seek legitimacy as institutionalism predicts, then these are likely to be somewhat similar and should reflect the attitudes of subsidiary managers in their CSR reporting. While CSR reporting is primarily a voluntary activity, exploring how MNC subsidiaries operationalise CSR reporting in other African countries may improve our understanding of this emerging phenomenon. Additionally, global institutions, such as GRI and local regulators, should prioritise localised training in social and environmental responsibility in African countries. Generally speaking, MNC subsidiaries operating in African countries may require more local knowledge and support. The results of this study contributes to the knowledge of CSR reporting in an African context and provides some research and practice implications for MNC subsidiaries, governments and regulators. Limitations of this study include limited data available, particularly interviews, which provides an opportunity for future research.

Conflict of Interest

The authors declare that they do not have any conflict of interest.

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