Corporate Social Responsibility (CSR): motivations and challenges of a Multinational Enterprise (MNE) subsidiary’s engagement with host communities in Ghana

Lyon Salia Awuah¹, Kwame Oduro Amoako²*, Stephen Yeboah¹, Emmanuel Opoku Marfo³ and Peter Ansu-Mensah⁴

Abstract

This paper aims to explore the motivations and challenges of engaging host communities in CSR practices within the context of Newmont Ahafo Mines (NAM), a subsidiary of a Multinational Mining Enterprise (MNE) operating in Ghana’s mining sector. This paper draws insights from stakeholder theory and interviews conducted with internal stakeholders (management and employees) and stakeholders in host communities (traditional rulers and community members). The findings indicate that effective decision-making, gaining legitimacy, cost savings, management of risks, and accountability are some of the perceived motivations of NAM’s stakeholder engagement in CSR. Nonetheless, the most critical challenges to NAM in improving stakeholder engagement in CSR practices are the lack of community members’ support in CSR projects, communities’ high expectations of NAM on development projects and over-dependency on NAM on the part of host communities. Therefore, it is reasonable for MNEs in emerging economies to attune engagement practices to the host community’s context. This will enable CSR practices and policies to fully exploit the latent benefits of CSR in the mining sector.

Keywords: Corporate social responsibility, Emerging economies, Stakeholder engagement, Motivations, challenges

Introduction

Recently, Corporate Social Responsibility (CSR) is increasingly attracting researchers’ attention, particularly those studies on multinational enterprises (MNEs) (Liu, Napier, Runfola & Cavusgil, 2020; Rodriguez et al., 2006). There is an evolving trend of the literature within the sustainability discipline focusing on examining CSR practices of MNEs (Pisani, Kourula, Kolk, & Meijer, 2017; Tan and Wang 2011). Owing to the overall profit-making objectives, companies have assigned resources for social contributions and investments in people living in the communities they are situated (Mion & Adau, 2020). Today, CSR engagement requires more complex and continuous stakeholder awareness and better-modernized CSR communication strategies (Amoako, Lord, & Dixon, 2017; Morsing & Schultz, 2006). This has also sharpened the importance of CSR and stakeholder engagement among businesses across the world (Abugre, Anlesinya, & Anlesinya, 2019; Van Zyl, 2014). In this paper, an MNE refers to an organisation that deals with a collection of entities operating across the globe.

Accordingly, various firms have introduced and incorporated new policies into their CSR activities to serve their...
host communities (Amira, Azim, & Mustapha, 2018; Ansu-Mensah, Marfo, Awuah, & Amoako, 2021; Bosso, Afrane, & Inkoom, 2017). These commitments to CSR will enhance businesses’ image and allow them to compete (Sharma & Kiran, 2013). The CSR concept refers to the moral issues that influence business decision-making on communal contribution to their stakeholders (Bosso et al., 2017; Olajide, 2014). In short, CSR is the commitment that businesses make to society. Consequently, society is likely to appreciate and reward firms perceived to be socially responsible (Abugre et al., 2019). In so doing, organisations will attain legitimacy from their stakeholders. Thus, the importance of stakeholder engagement aims to urge strategic progression and operating fineness for businesses, the broader society, their entire internal and external stakeholders (Van Zyl, 2014). Similarly, it is worth emphasizing that organisations have realized that the best way forward is to collaborate with stakeholders to roll out CSR initiatives that will be beneficial (Bosso et al., 2017).

Prior studies exist on CSR practices and stakeholder engagement in the extractive mining organisations (Marfo, Amoako, Antwi, Gansah, & Mohammed Baba, 2017), in response to the calls for mining companies operating in emerging economies to progressively account for stakeholder groups affected by their activities. However, the extant literature on CSR initiatives and stakeholder engagement is scanty, especially in emerging economies such as Ghana (Barnieh & Ofori, 2016). As a developing nation, Ghana is striving feverishly to grip the developed nation’s CSR practices and stakeholder engagements in the extractive mining corporations (Barnieh & Ofori, 2016; Bosso et al., 2017). With the rising need for stakeholder engagement strategies for MNEs globally, compared to advanced economies, research on CSR engagement by subsidiaries of MNE operating in emerging economies, in particular, comparatively is at the early stage (Amoako, Amoako, & Marfo, 2018; Hah & Freeman, 2014; Lindgreen et al. 2009; Pisani et al., 2017). This notwithstanding, recently, the focus on CSR research from emerging economies has risen. The trends in growing interest expose the challenges of operating in Western countries and the escalating numbers of MNEs now operating in emerging economies, as they are the possibilities of encountering more challenges (Hah & Freeman, 2014). Based on the previously mentioned, in this paper, we focus on the perceived motivations and challenges of stakeholder engagement practices of an MNE’s subsidiary. The contribution of this paper is three-fold:

i. This exploratory study extends extant knowledge on the motivations and challenges to the efforts of MNE subsidiaries in pursuit of local legitimacy by engaging host communities for ethical business practices. This is relevant because, in their operations abroad, MNE subsidiaries mostly encounter diverse expectations between home and host countries stemming from institutional variations and differences in stakeholder pressure (Hah & Freeman, 2014; Konadu, Owusu-Agyei, Lar- tey, Danso, Adomako, & Amankwah-Amoah, 2020). This is relevant because, in pursuit of external legitimacy, a significant dilemma encountered by these firms is to either maintain a focus of their parent corporations or attune their operational strategies to match the host communities’ expectations, which are locally inclined (Lorenzen, Mudambi, & Schotter, 2020; Tan and Wang 2011).

ii. This paper also places interest on the relevance of CSR engagement and MNEs research within emerging economies context. Particularly in Sub-Saharan Africa, where globalisation has been slow in driving economic prosperity, trade and poverty, alongside slow purchasing power of increasing middle class (Cavusgil et al. 2012; Kodila-Tedika, Asongu & Kayembe, 2016; Pisani et al., 2017).

iii. Again, by shedding light on the perceived motivations and challenges of stakeholder engagement within the context of emerging economies, findings from this study are relevant to practice; MNEs often encounter more pressure because of the unfamiliar environments and institutional failures in emerging economies. This is aggravated as they have to respond to the collective demands from diverse local stakeholders in the various host communities and countries (Reimann et al., 2012).

To explore the motivations of stakeholder engagement in CSR in host communities and the challenges, which impede stakeholder engagement from reaching its full potentials, we adopt stakeholder theory and a qualitative approach to data collection and analysis. Thus, we interviewed thirteen (13) respondents constituting management members, employees, traditional rulers in the area and community representatives to the mining company.

The rest of the paper proceeds as follows; first, we discussed the theoretical perspective, i.e., the authors employ stakeholder theory in an attempt to explore the motivations and challenges of stakeholder engagement, next the theme of the article is introduced, i.e., the concept of CSR and stakeholder engagement with a focus on the motivations and challenges. After that, we focus on stakeholder engagement within the context of emerging economies. A discussion of the methodology and the study findings follows this. The article ends with conclusions based on the study findings and directional propositions for future research.
Stakeholder theory

Stakeholders refer to an individual, a group or parties who might be impacted by or could impact an organisation in an attempt to achieve its goals (Haddaway et al., 2017). Again, stakeholders are essential to an organisation’s continued existence and success (Freeman, Wicks, & Parmar, 2004). Freeman (1994) viewed this as the foundation for linking this valuable trace to view the expanded new stakeholder of Kant’s principle of business ethics of respect for persons. According to Kant, every human being has the right to demand that kind of treatment, where he or she is not seen as a means to achieve the ends of the others, but to be valuable in his/her own right.

Stakeholders are individuals or groups whose activities influence the firm’s activities (O’Riordan & Fairbrass, 2008). Some examples of stakeholders are the general public, employees, customers, business partners, communities, investors and governments. Moreover, there are important interested parties of stakeholders for any company. These, according to prominence, are customers, staff, society and stockholders. Thus, seeking clients’ needs, staff and community would result in long-term motivations for shareholders (Olajide, 2014). From all the definitions mentioned above, it is evident that stakeholders are individuals or groups influenced by an organisation’s policies, processes, and activities. Therefore, in this paper, stakeholders refer to individuals or groups who have a common affiliation with Newmont Ahafo Mines and can affect or be affected by the mining firm and whose decisions and indecisions may equally threaten the Newmont’s existence.

Some scholars had proposed that without an established relationship with the organisation, a person or group cannot be a stakeholder (Ross, 2017). On the other hand, Mitchell, Agle, and Wood (1997), p.859) think the opposite very much. The interested parties, also known as prospective stakeholders, must be admitted to an existing partnership with the organisation for successful stakeholder management and CSR plan implementation (Wilburn & Wilburn, 2011). Again, Freeman (1984) vied that a concept of stakeholders’ recognition and prominence should somehow compensate for passive stakeholders if it should be detailed and compelling. They claim that stakeholders cannot be accounted for unless there is a partnership that will recognize their aspirations. Without identifying who your interested parties are and regarding them, you have no platform to shape an interaction technique (Bice, Brueckner, & Pforr, 2017).

Additionally, there is the need for stakeholder identification and prioritisation, as indulging all the stakeholders is difficult or unfeasible. These initiatives enhance the achievement of social license to operate by shielding mining companies against conflict-related costs (Bice et al., 2017; Owen and Kemp, 2013; Prno, 2013). In every CSR project, the firm will recognize and prioritise stakeholders (Lechler & Cansaniello, 2019). In defining and prioritising stakeholders, it has been proposed that companies should differentiate between crucial stakeholders and relatively insignificant stakeholders, known as stakeholder mapping (Freeman, 1984). Therefore, this research on the motivation for host community engagement is driven by the assertion that stakeholder inclusion depends on the supposition that reformist organisations have moved from responsive to compliance. Thus, managing social issues through practical methods that address external concerns more efficiently and collaborative communication approaches with various stakeholders essential to a company’s network (Blackburn, Hooper, Abratt, & Brown, 2018; Hurst & Ihlen, 2018).

In recent years, stakeholder theory has developed from mere communication to stakeholders (Morsing & Schultz, 2006) to a focus on the importance of engaging stakeholders in long-term value creation. Thus, a process whose perspective focuses on developing a long-term mutual relationship rather than simply focusing on immediate profit (Morsing & Schultz, 2006). We chose stakeholder theory because proponents of stakeholder theory claim that emphasis has moved from a focus on stakeholders being managed by companies to a focus on the interaction that companies have with their stakeholders based on a relational and process-oriented view. This implies an increased interest in understanding how managers can manage not the stakeholders themselves but relationships with stakeholders. As a result, this increases the scope of stakeholder relationships from public relations and marketing managers practicing their authority and communication skills to a strategic potential for all functional managers to relate to multiple stakeholders.

According to Gupta (2019) and Waddock et al. (2003), as part of stakeholder expectations for mining firms to maintain high standards, proper accountability, integrity, respect, and transparency, the perceived environmental awareness of a company includes attending to the expectations of key stakeholders’ equally. Consequently, firms in the mining sector attune their response to CSR concern based on the pressure it assumes and receives from its stakeholders (Amoako et al., 2018) to attain a social license to operate (SLO). We define SLO as the perpetual acceptance and authorisation of the operations of a mining firm by local community members and other stakeholders that can affect its success (Moffat & Zhang, 2014). Freeman (2017) states that more research is needed on understanding what constitutes a company’s overall efficiency, accounting for stakeholders. This
study, therefore, explores the motivations and challenges a subsidiary of an MNE encounters in its efforts to engage stakeholders of host communities in its CSR initiatives.

The concept of CSR and stakeholder engagement

CSR has been with man for many years in books. Yet, there is no general agreement on its meaning due to its constantly changing concept, which has been applied over decades to define an increasingly broader diversity of corporate activities (Sharma & Kiran, 2013). CSR, which is practically associated with corporate philanthropic endeavours, also reflects everything from charitable donations and social engagement, to the immediate integration of disadvantaged people into the daily business activities of a company (Abugre et al., 2019). CSR discusses the duties that a firm has to its close community, how strategic thoughts could be proposed, and in what way the responsibilities could be met, thereby addressing the relations between a business and its stakeholders (Trapp, 2014). According to Blackburn et al. (2018), the concept behind CSR is that a company and a community are intertwined as supposed to be separate entities. Therefore, it is suggested that a fundamental approach to corporate social performance is the setup of standards of social obligation values, social sensitivity procedures and policies, initiatives and measurable results as they apply to the business’ social interactions (Brueckner, Bice, & Pfarr, 2018).

It is worth mentioning that firms have accepted that it is necessary to liaise with their significant stakeholders and manage relationships (Demuijnck & Fasterling, 2016). A crucial and critical characteristic of stakeholder management is stakeholder engagement (Collinge, 2020). Stakeholder management and stakeholder engagement are differentiated by how stakeholders get involved in decision-making (Trapp, 2014). Significantly, to find out what the diverse stakeholders’ desires and anticipations are, necessitate the organisation to engage with stakeholders or make an effort to understand and deal with stakeholders to gain legitimacy (Blackburn et al., 2018). As a result, to set operational boundaries, management must first consider the interests of stakeholders. Under these constraints, however, management should devise strategies that do not optimize the benefits to a single stakeholder group: shareholders (Freeman & McVea, 2001).

According to Greenwood (2007), stakeholder engagement generally refers to “practices the organisation undertakes to involve stakeholders positively in organisational activities” p. 315. There is a distinction between ‘strategic’ and ‘moral’ engagements (Brueckner et al., 2018). Strategic engagement comes from strategic intention, while moral engagement aims to halt barriers to communication that have come about due to power dissimilarities and planned impetuses to come to an accord (Blackburn et al., 2018). Conversely, other scholars have contended that the rigid separation concerning strategic and moral engagement is unfounded. These two concepts cannot be detached but must be linked to the organisation’s plan if it succeeds (Blackburn et al., 2018). Besides, the debate further rages that stakeholders’ inadequate involvement has brought about CSR weaknesses (Prno & Slocombe, 2014). Therefore, CSR, public relations and corporate transactions are becoming the subject of proper management of stakeholder interactions (Khan, Hassan, Harrison, & Tarbert, 2020) increasingly. Current empirical research indicates an economic justification for appropriate management of stakeholders resulting in increased revenue and productivity (Sprinkle & Maines, 2010).

Motivations and challenges of stakeholder engagement in CSR practices

Several motivations drive organisations and all their stakeholders from engaging in CSR practices. Engaging stakeholders in CSR practices could offer numerous significant motivations, such as the increased possibility of influence on decision-making (Haddaway et al., 2017). Again, gaining legitimacy for a mining company is a motivation that stakeholders could get if they engage in CSR practices in the mining sector. As stakeholders are involved in CSR activities, the relations between the companies and their stakeholders are valuable because the stakeholders are buoyed in confidence and goodwill (Amira et al., 2018). Besides, accountability and responsibility on the part of the organisations are exhibited. The organisation takes responsibility for its influences on the society, economy, and the environment (Deus, Michel, & Pais, 2019).

As a result, various researchers have done in-depth studies in the literature of stakeholder engagement. Unsurprisingly, Rodriguez-Melo and Mansouri (2011) have contended that recognizing the relevance of stakeholders and later involving them in CSR practices could bring an added advantage as the organisation would face other likely future outside pressures and changes that would emanate from the society. Similarly, creating stakeholder interactions has an element of risk mitigation and induced prospects for company advantages, which are essential for generating value for the company (Blackburn et al., 2018). Also, engaging stakeholders in CSR practices could result in efficient stakeholder management, which is considered the central success element in implementing CSR accomplishments (Sangle, 2010). Additionally, engaging stakeholders in CSR practices could get backing from some of the organisation’s stakeholders (Andrews, 2016). Furthermore, when
stakeholders are involved in mining companies’ CSR practices, they display an uninterrupted obligation to sustainable development (Mbilima, 2019). What’s more, mining firms must have a planned tactic that fosters good relationships with host communities and engage them continuously, which in the long run will embrace and endowed the less privileged groups in the society (Kemp, 2010).

In Ghana, Jenkins and Obara (2008) explored CSR in the mining sector with much focus on corporate community efforts and the issue of mining dependence nationwide, regional and community stages. They found out that the challenge for mining firms is to create CSR initiatives that retain goodwill for the business and highlight the community’s long-term developmental concerns in a sustainable manner, without promoting a situation of over-reliance. Their results indicate that the major stakeholders, such as the state, businesses, local NGOs and communities, will have to work together. Furthermore, during the early challenging times of establishing a productive livelihood programme, the government needs to help the communities. It is also required for the government to bring community needs into District planning System. Other challenges associated with stakeholder engagement are the deterioration of misunderstandings leading to delay in decision making, the likelihood to favor or disregard some stakeholder groups, and the rise in demand for resources (Haddaway et al., 2017). Likewise, others have argued that it is time-consuming to implement CSR activities (Amira et al., 2018; Amoako, Marfo, Gyabaah, & Owiredu-Ghorman, 2017).

Research context
This section presents an overview of Ghana’s mining sector, Newmont Ahafo Mines’ CSR, and Stakeholder Engagement in Ghana’s Mining Sector.

Ghana’s mining sector
Ghana was chosen for this study because it is the leading producer of gold in Africa. As a heavy mining nation, Ghana encounters various sustainability problems from more than 300 mining registered firms, both large and small and enormous scope mining firms, excluding several illegal miners (Karikari, Castro-Sotomayor & Asante, 2020). Moreover, among its peers in Africa, Ghana was recognised as a model for African development and high notoriety for feasible majority rule government (Kamstra and Knippenberg, 2014).

Through its CSR practices, the mining sector in Ghana contributes significantly to the nation’s socio-economic development. Though other harmful activities of the mining firms have adverse negative impacts on the health, economic, and environment, their positives outweigh the negatives. Therefore, through CSR, the mining companies can advance the sustainable development of their host communities and Ghana as a whole (Barnieh & Ofori, 2016). The Mineral and Mining Law, Act 703 of Ghana urges mining companies to contribute about 3 to 6% of their revenue as part of the royalties they have to pay to the state. However, it is documented that Ghana has not seen a drastic positive revenue improvement. So, the question that ought to be asked is whether these companies indeed do the needful. And if they do, what happens to such monies? Is it bad management and governance, or poor investments by successive governments (Amoako, Marfo, et al., 2017; Barnieh, 2015; Bosso et al., 2017; Marfo et al., 2017)? Nonetheless, from the 1990s up to now, there have been immense improvements in the contributions of the mining sector to the economy and the development of the entire country. These contributions have come in the areas of employment, taxes, and foreign exchange earnings (Barnieh, 2015; Barnieh & Ofori, 2016; Bosso et al., 2017; Marfo et al., 2017; Nyuur, Ofori, & Ampomsah, 2019).

An overview of Newmont mining corporation (Ghana)
Newmont Ghana Ltd. is a subsidiary of an MNE operating in Ghana. As an MNEs in the mining sector, NGGL has operations in the U.S., Australia, Canada, Argentina, Ghana, Mexico, Dominican Republic, Peru, and Suriname (Newmont, 2020). Situated in the Ahafo District of Ghana, the Ahafo site started working in 2006. Newmont was used for the study since it is a global mining firm, with enlistment on the New York Stock Exchange from 1940 to date. In terms of CSR, Newmont was the pioneer gold mining MNE to join the Dow Jones Sustainability World Index, which is based on a thorough examination of corporate monetary, ecological and social executions and it has been remembered for the record each year (Hawn, Chatterji & Mitchell, 2018).

Newmont has two sites in Ghana (the Ahafo mines and the Akyem operations). We chose the Ahafo Mines due to the denial of access to the Akyem Mines. Besides, its Ahafo operations began work in 2006 are the biggest and the first gold producer in Ghana (Boso et al., 2017). Newmont Ahafo Mines Ltd. is known for good CSR practices by the people of Ahafo and Ghanaians (Ampomsah-Tawiah & Dartey-Baah, 2011; Marfo et al., 2017).

CSR and stakeholder engagement in Ghana’s mining sector
The role of CSR and stakeholder engagement in the mining sector is enormous (Dong, Burritt, & Qian, 2014). There is a body of research that addresses CSR and stakeholder engagement in the mining sector and
there are various researchers who have altogether written extensively on CSR and stakeholder engagement (Amponsah-Tawiah & Dartey-Baah, 2011; Barnieh & Ofori, 2016; Boso et al., 2017; Collinge, 2020; Dong et al., 2014). These concepts have become vital in the mining sector due to the adverse effects of exploring, extracting, and processing minerals. The activities of mining firms related to the exploration and processing are seen as disrupting the environment and the social fabric of society (Amponsah-Tawiah & Dartey-Baah, 2011; Marfo et al., 2017). It is little wonder that the general concerns of people about disasters that have befallen Ghana and the world as a whole have mainly been attributed to the extractive industries, particularly the mining sector (Barnieh & Ofori, 2016; Boso et al., 2017; Marfo et al., 2017).

**Methods**

This study adopted a qualitative research design. Since the purpose of the study is to explore the opinions on the motivations and challenges to engaging stakeholders of host communities, we limited ourselves to internal stakeholders (employees and management), external stakeholders (community leaders and residents), Newmont Ahafo Development Foundation (NADeF) as well as an NGO operating in the host communities. Presented in Table 1 is the overview of the interviewees.

Thirteen (13) participants from the various stakeholder groups in this study included Newmont Ahafo Mines management members, employees, chiefs in the area, and community representatives. The sample size of thirteen was chosen as data collection got to a saturated point and again, qualitative research’s intention is not for generalisation (Saunders & Lewis, 2012).

Semi-structured interviews were conducted with participants to collect primary data. We developed interview guidelines for management and staff of Newmont Ahafo Mines Ltd., which comprise two questions with further three sub-questions (See Additional file 1: Appendix). There were ten questions in the interview guides for the stakeholders (e.g., chiefs, community representatives, NGOs, and regulatory bodies). These interviews occurred between 5 September 2019 and 11 December 2019. These interviews were done using interview guides (Patton, 2002), whereas secondary data was also gathered from the company’s annual reports and published information. Notably, semi-structured interview guides were used (Patton, 2002). Having selected the interviewees from the participants’ groups using purposive sampling, the researchers contacted the other respondents based on snowballing technique, where respondents recommended other interviewees. During the conduction of the interviews, the researchers used English especially, with Newmont’s management and staff, while the local dialect ‘Akan’ was used for the community representatives. Similarly, in some instances, the local dialect was interspersed with English. Each interview was recorded with permission from respondents and transcribed.

**Table 1 Overview of Profile**

| Respondents Affiliations                              | Respondents Rank/Status                                                                 | Code   | Interview Duration |
|------------------------------------------------------|-----------------------------------------------------------------------------------------|--------|--------------------|
| Newmont Ahafo Mine Management (MAMM)                 | Manager in charge of Newmont Sustainability Division                                   | MAMM 01| 53 min             |
|                                                      | Manager in charge of External Relations                                                | MAMM 02| 45 min             |
| Newmont Ahafo Mine Employees (MAME)                  | Environment Unit                                                                       | MAME 01| 36 min             |
|                                                      | Community Relation Unit                                                                | MAME 02| 35 min             |
|                                                      | Development Unit                                                                       | MAME 03| 36 min             |
| Community Resident (CR)                              | Members from the Sustainable Development Committee representing communities in the catchment areas | CR01   | 28 min             |
|                                                      |                                                                                       | CR02   | 43 min             |
|                                                      |                                                                                       | CR03   | 34 min             |
|                                                      |                                                                                       | CR04   | 35 min             |
| Community Representative (COR)                       | Chief from Kenyasi No. 1                                                                | COR 01 | 41 min             |
|                                                      | Chief from Susuanso                                                                    | COR 02 | 38 min             |
| Newmont Ahafo Development Foundation (NADeF)         | Community Unit                                                                         | NADeF 01| 37 min             |
| (NGO)                                                | NGO based in Kenyasi                                                                   | NGO1   | 31 mins            |
The transcribed data was read twice by way of data familiarisation. The thematic analysis method was applied to scrutinize the data collected by looking for the themes and patterns in the data (Braun & Clarke, 2017). In other words, the interviews were transcribed, categorized and analyzed into themes. After deducing initial codes, the themes were formed, interesting direct quotations or excerpts from the participants were added to the discussions. Being a qualitative study, as more data were gathered, inferences from data continuously changed and evolved. We, therefore, employed inductive reasoning as we moved our analysis from specific observations about motivations and challenges of stakeholder engagement to broader generalisations and theories.

Accordingly, various themes were derived from the two main research questions: 1) what are the motivations of stakeholder engagement in CSR practices of Newmont Ahafo Mines Ltd.? 2) the challenges of CSR practices of Newmont Ahafo Mines Ltd.? Concerning research question 1, some of the themes that came out were; education, effective decision making, gaining legitimacy, cost savings, risk management, and accountability. For research question 2, some of the themes were; high demands by stakeholders, Lack of voluntary participation in projects, and Heavy community dependence on the company.

We confirmed validity by auditing the various in-depth interviews with management and staff of Newmont and the host community representatives can be well thought out as triangulation. It is worth mentioning that we recorded all the interviews after we had an agreement with the participants. Moreover, participants were guaranteed their privacy and confidentiality and that the study was for purposes of academic work. As a result, participants had the privilege to pull out from the study when they wanted without any punishment being meted out to them.

**Results and discussions**

This study aims to investigate the motivations and challenges of Newmont Ahafo Mines in Ghana as they engage stakeholders in CSR practices. This section reports and discusses on the results of the data gathered and analysed.

**Demographics of participants**

The demographic features of all the respondents included their gender, age and educational levels. The thirteen (13) respondents comprise Newmont Ahafo Mines’ management and employees, community residents, representatives and officials from the district. Among the participants who took part in the study, there were eight (8) males and five (5) females. The ages of the nine males ranged from 25 to 65 plus. Also, participants’ level of education was between no formal education to post-graduate degrees. The demographic features of the participants are indicated in Table 2.

| Demographic variables | Frequency | Percentage (%) |
|-----------------------|-----------|----------------|
| Gender                |           |                |
| Male                  | 8         | 61.15          |
| Female                | 5         | 38.46          |
| Age                   |           |                |
| 25–35                 | 2         | 15.38          |
| 36–45                 | 1         | 7.69           |
| 46–55                 | 3         | 23.07          |
| 56–65                 | 5         | 38.46          |
| 65+                   | 2         | 15.38          |

The results of this study are structured into two extensive categories: 1) the motivations for stakeholders to engage in CSR practices; 2) the challenges of stakeholder engagement in CSR practices of Newmont Ahafo Mines Ltd.

**Motivations of stakeholder engagement in CSR**

It is remarkable that stakeholder engagement in CSR was recognized by the respondents as very essential and contributes to the social and ecological obligation of businesses. The following are some of the reasons why Newmont Ahafo Mines Ltd. engages host communities in CSR practices.

*Understand stakeholder needs*

Interacting directly with a stakeholder not only enables corporations to understand their viewpoint, but it can also offer new perspectives into a product or concern to help organisations achieve a competitive edge. An interviewee narrated:

I have been collaborating with host communities on Newmont’s numerous social and environmental issues for the past five years. I have realised that engaging with different perspectives provides learning opportunities and potentially changes one’s approach to fit the needs of host communities (MAMM 02).

Stakeholder engagement ensures that Newmont Ahafo Mines use different perspectives in their outreach to ensure that management of the mining company hears diverse viewpoint.
**Effective decision making**

The information gathered from the fresh perspectives mentioned above could change your opinion on a matter and enable you to make a more informed decision.

Considering our opinions as community members may culminate into better decision-making. Paying attention to stakeholder contribution is more than just getting the language right. In understanding issues and concerns, stakeholder engagement provides the chance to reflect on what will be (un) successful and why (CR 02).

Thus, listening to host communities will improve decisions you might have taken already. Considering a problem from a different perspective never offends and an informed decision should always be the objective.

**Gaining legitimacy**

If you involve host communities, you let them understand that you respect their input. This partnership helps build confidence and goodwill in you and your organisation.

"Effective stakeholder engagement is crucial in nurturing lasting integrity and gaining legitimacy in the mining company. When management consults us in decision making, it boosts our morale and increases our sense of belongingness" (MAME 03).

Furthermore, it was recorded in the annual sustainability report of Newmont that:

Social acceptance and reputation: Examples of programs and activities that build gaining legitimacy-based relationships with host communities include participatory environmental monitoring with communities at several sites, a workshop series with host communities in Ghana, engaging NGOs on addressing artisanal and small-scale mining challenges in Suriname, and transparently disclosing our performance in addressing human rights matters and community complaints and grievances (Newmont, 2019, p.16).

This would be particularly helpful if you function amid a crisis; restoring gaining legitimacy can be a lengthy, onerous process, but it begins by making sure that all of the host communities feel that they have an equal stake, as buttressed by (Amira et al., 2018).

**Cost savings**

In the end, engaging with host communities will save both time and money. Data indicates that firms that involve host communities increase their chances of completing a project on schedule and budget.

"Early engagement could lead to long-term savings on both time and money. I cannot emphasize enough the significance of early involvement of host communities. Because when certain host communities like the EPA’s needs are not met, you could be sanctioned, which will lead to penalties and fines. It is important not only for designing a comprehensive strategy or product but also for understanding the needs. Before implementing it, you probably have to go back to the drawing board” (MAMM 01).

These savings could come from eliminating roadblocks and reducing surprises that can slow down the company’s operation.

**Risk management**

Groups and individuals will help you define possible threats before they affect your initiative or company. Preventing these risks often reduces the damage they will present.

"When management engages with us, we the community residents, it avoids the issue of us going on a rampage due to disagreement. Sometimes, we mount roadblocks to avoid access to the mining company" (CR 01).

**Accountability**

As regards accountability and responsibility, collaborating with groups and individuals is essential to increasing accountability inside your organisation and outside audiences. The following Newmont employee remarked:

"When we employees are engaged, we get a better understanding of issues about Newmont. So, engaging with us is central to improving accountability within Newmont” (MAME 02).

Management of companies will not forget to maintain relationships with their host communities to know how they are doing. Moreover, stakeholder engagement in CSR was identified by the participants as very necessary as it adds to the social and the environmental obligations and accountabilities as opined by (Blackburn et al., 2018).

**Challenges of engaging host communities in CSR initiatives**

The second objective of this paper is to identify the critical challenges of involving host community host communities in CSR initiatives at Newmont Ahafo Mines Ltd. Interviews guide to address this study objective were presented to both management members and
persons responsible for the CSR operation of the firm. With this objective in mind, some trends were established after the interviews, including intense demand, low voluntary involvement in projects and high dependence on the business.

**Disagreement on projects to be initiated for communities**
A major obstacle facing Newmont Ahafo Mines Ltd. in engaging host communities in CSR is the diverse interest between the management of Newmont and community leaders or members. The study observed that the different host communities seem to put excess demand on Newmont Ahafo Mines Ltd., which mostly ends up making corporate social costs unmanageable. In many of these situations, the community leaders and the youth are threatening violent demonstrations, particularly should their expectations not be fulfilled. It has been made clear that since host communities have different interests, they tend to have divergent views on community development issues. For example, an officer at Newmont Ahafo Mines Ltd. indicated in an interview that:

"...We were faced with a serious challenge in one of the communities when we wanted to initiate sponsorship for students. The traditional authorities of that community firmly opposed and refused the concept of the scholarship and requested the construction of the road with the understanding that at their age they would not profit from the scholarship". (MAMM 02)

**Lack of voluntary participation in community development projects**
Being one of the stakeholder groups, the host communities play an active part in managing the CSR programs run by Newmont Ahafo Mines Ltd. The mining firm has meetings held with them all year round. Host communities play an essential role in monitoring and evaluating the numerous CSR programs, attending scheduled meetings proposed by the secretariat, and reporting on the project's status. Concerning the agreement between Newmont Ahafo Mines Ltd. and the host community within the company’s jurisdiction, it was emphasized that host communities would offer assistance in the form of labour to help implement projects. Initially, the host communities fulfilled their commitment to the firm where they work. Still, somewhere down the line, all the Host communities in the research communities requested pay and compensation to assist their various community. An interviewee said:

"We call them for assistance on projects, but most of them refuse by giving various excuses that they will work. Meanwhile, we sat down with them and agreed on their assistance in projects like schools, hospitals and library" (MAME 03).

However, the study showed that the Host communities had good reasons because their role is time-consuming. The company has issues and challenges related to voluntary work in host communities, particularly in monitoring the projects. Although these issues have been discussed briefly, understanding between top management has not been obtained. On the other side, Newmont Ahafo Mines Ltd. sees no apparent reason to pay for their time, although the company sometimes pays operating allowance, including telephone calls, refreshments and transportation. These consequences of lack of voluntary participation can cost the sustainability of community-based CSR initiatives because the Host communities associated with project sustainability can be hesitant and indifferent to participating in community development initiatives.

**Heavy hosts community’s dependence on NAM**
On how Newmont Ahafo Mines Ltd. can be sustained to the motivation of coming generations, one manager from NADeF raised reservations about the community's dependence on the firm. (Frynas, 2005) argues that when societies depend heavily on a company, it is considered that they do not know the company’s social responsibility programs.

"Among the challenges we are facing as a company is a high level of dependency where the community members see Newmont as the government. All communities would like to have Newmont provide all the resources necessary to develop their communities. (MAMM 01)

We cannot fulfill all the needs of the people within our catchment areas as a company, although we undertake specific development projects as part of our social responsibility. (MAMM 02)

**Discussions and conclusions**
This study investigated why Newmont Ahafo Mines in Ghana engaged host communities in CSR practices by interviewing host communities of host communities in Ghana. The specific objectives were to identify the motivations and challenges of stakeholder engagement in CSR practices of NAM. Indeed, the study’s findings provide important implications. Based on the results, the paper proposes that engaging host communities in CSR initiatives has its attended motivations of effective decision making, gaining legitimacy, cost savings, management of risks, and accountability. This paper emphasises the relevance of MNEs adopting a clear stakeholder engagement plan and structures for effective and efficient
host community stakeholder engagement (Harvey, 2013). Another focus of the paper is the challenges faced by mining companies in working with host communities.

According to managers of NAM, there were several proactive motivations for MNEs to engage with host communities. Similar to the findings of Boadi et al. (2018), the engagement of host communities in CSR initiatives by mining firms in Ghana can improve the company-community relationship. This explains why most studies have demonstrated that MNEs mining companies in Ghana put efforts to provide CSR initiatives for the local communities (Amoako et al., 2018; Lawson & Bentil, 2014). These findings align with the instrumental approach of stakeholder theory, which claims that fusing the host communities’ needs and concerns as part of organisations’ CSR initiatives usually boosts legitimacy (Boadi et al., 2019; Barney, 1991). Managers and employees of NAM explained that having a cordial relationship between the host communities of host communities can minimize the tensions between the mining company and the host communities (Boadi et al., 2019; Lisi, 2015).

Consequently, managers must set up a tight relationship with host communities to build loyalties and improve legitimacy. Another critical finding was gaining legitimacy on community members in the NAM due to CSR engagement. Thus, CSR is the commitment that businesses make to society; society is likely to appreciate and reward firms perceived to be socially responsible and legitimate (Abougre et al., 2019).

Despite the motivations to stakeholder engagements in CSR, several factors hinder CSR engagements of MNEs host communities in Ghana (Brew, Junwu, & Addae-Boateng, 2015). Major challenges identified were the Lack of voluntary participation on the part of community members in CSR projects, communities’ high expectations of NAM on development projects and over-dependency on NAM on the part of host communities. Partly, it could be ascribed to the opinion of host communities on CSR; most host communities regard CSR engagements of MNEs as greenwashes strategy by mining MNEs (Asante Boadi et al., 2019; Okoh, 2014). Again, Visser (2008) explain that within emerging economies, particularly Africa, CSR initiatives are perceived by host communities as philanthropy; there is no need for a reciprocal commitment to the provider (Asante Boadi et al., 2019). Suppose project services rely solely on the mining company for finance, maintenance, or operating ability. In that case, these services will terminate with the mines’ closure and the departure of the mining firm from the region (Lapalme, 2003). Communities that rely solely on Newmont Ahafo Mines Ltd. will likely be lacking in economic and social resources once the Newmont Ahafo Mines Ltd. has been closed. A mining company’s shut-down leads to loss of business activities which can be catastrophic and results in the legacy of environmental degradation, work losses resulting in high local unemployment and related issues. This leaves some impacts on residential property values and services that the mining company initially supported (Laurence, 2006).

This brings new theoretical insights on the relevance of CSR engagement and MNEs research within developing countries’ context (Kodila-Tedika, Asongu & Kayembe, 2016). Notably in Sub-Saharan Africa, where development has been slow in driving economic prosperity, trade and poverty, alongside slow purchasing power of increasing middle class (Pisani, Kourula, et al., 2017). This study suggests a policy structure and joint consultative committees where mining firms will be consonant with their social and environmental obligations. In contrast, host communities will also be abreast with these obligations, thereby stopping their unnecessary high demands and total reliance on these companies. This agrees with Marfo et al., (2017) argument that mining companies in emerging economies should know their responsibilities to increase their social programs as it transpires in developed countries. Moreover, when both mining companies and the host communities know their duties, it will help prevent conflicts and confrontations between mining companies and their host communities (Brueckner et al., 2018; Demuijnck & Fasterling, 2016). This is also supported by Barnieh and Ofori’s (2016) proposal that adopting proper stakeholder engagement tactics could avert confrontations between companies and the community, promoting a friendly environment for smooth work.

A significant limitation of this study is that the results cannot be generalised in the sense that while the research was conducted in just one of the mining operations of Newmont Ahafo Mines in Ghana. Therefore, the results may be different if conducted in smaller mining firms. Also, the sample size indicates that the participants are not representative of the population; therefore, it would not be feasible to generalise the results. It is anticipated that future studies would use a bigger sample size. Even though the English Language was used to prepare the interview guide, some of the interviews were conducted in the local dialect Akan, leading to various biases in translation. The study’s results indicate the need to embark on large-scale research that will seek to understand stakeholder engagement in other extractive mineral organisations in Ghana and Africa as a whole so that a proper comparison can be made.
Abbreviations
NAM: Newmont Ahafo Mines; MNE: Multinational Mining Enterprise; CSR: Corporate social responsibility; NADeF: Newmont Ahafo Development Foundation; NGGL: Newmont Ghana Gold Limited

Supplementary Information
The online version contains supplementary material available at https://doi.org/10.1186/s40991-021-00064-8.

Additional file 1. Interview guide.

Acknowledgements
Our first appreciation goes to all the interviewees for accepting to partake in the research. Secondly, we are very grateful to the managers of Newmont Ahafo Mines, employees and all the stakeholders for sparing a little bit of their time.

Authors’ contributions
All authors played various roles in ensuring the success of this project, right from data collection, drafting, proof reading, and approval of the final manuscript.

Funding
Apart from the article-processing charge (APC) which was borne by the authors, this research received no funding.

Availability of data and materials
Before each interview, respondents were assured of confidentiality and privacy. As such data provided by the respondents would be kept confidential and cannot be shared.

Declarations

Competing interests
All authors declare not having any competing interests.

Author details
1Office of the Registrar, Examinations and Human Resource Development, Sunyani Technical University, Sunyani, Bono Region, Ghana. 2Department of Accountancy, Faculty of Business and Management Studies, Sunyani Technical University, Sunyani, Bono Region, Ghana. 3Department of Entrepreneurship and Business Sciences, School of Management Sciences and Law, University of Energy and Natural Resources, Sunyani, Bono Region, Ghana. 4Department of Marketing, Faculty of Business and Management Studies, Sunyani Technical University, Sunyani, Bono Region, Ghana.

Received: 6 November 2020 Accepted: 20 June 2021
Published online: 21 July 2021

References
Abuge, J. B., Anlesinya, A., & Anlesinya, A. (2019). Corporate social responsibility and business value of multinational companies: Lessons from a sub-Saharan African environment. Journal of African Business, 20(4), 435–454.
Amira, N., Azman, H., & Mustapha, M. (2018). Motivations and challenges of corporate social responsibility implementations: Evidence from manufacturing sector in Malaysia. International Journal of Engineering & Technology, 7(2), 215–218. https://doi.org/10.14419/iet.v7i2.29113320.
Annoako, K. O., Amoako, I. O., & Marfo, E. O. (2018). Comparing sustainability disclosures on corporate websites: A case study of Newmont mining Corporation’s plant sites in Ghana. International Journal of Multinational Corporation Strategy, 2(3–4), 241–275. https://doi.org/10.1504/IUMCST.2018.006699.
Annoako, K. O., Lord, B. R., & Dixon, K. (2017). Sustainability reporting: Insights from the websites of five plants operated by Newmont mining corporation. Meditari Accountancy Research, 25(2), 186–215. https://doi.org/10.1108/MECRA-02-2016-0020.
Annoako, K. O., Marfo, E. O., Gyabaah, E. N., & Owiedu-Ghorman, K. (2017). Achieving a sustainable business: The role of environmental management accounting in corporate governance. International Journal of Academic Research in Accounting, Finance and Management Sciences, 7(4), 11–20.
Amponsah-Tawiah, K., & Darney-Baah, K. (2011). Corporate social responsibility in Ghana corporate social responsibility in Ghana. International Journal of Business and Social Science, 2(17), 107.
Andrews, N. (2016). Challenges of corporate social responsibility (CSR) in domestic settings: An exploration of mining regulation Vis-à-vis CSR in Ghana. Resources Policy Elsevier, 47(40), 9–17. https://doi.org/10.1016/j.resourpol.2015.11.001.
Ansu-Mensah, P., Marfo, E. O., Awuah, L. S., & Amoako, K. O. (2021). Corporate social responsibility and stakeholder engagement in Ghana’s mining sector: A case study of Newmont Ahafo mines. International Journal of Corporate Social Responsibility, 6(1), 1–22. https://doi.org/10.1186/s40991-020-00054-2.
Asante Boadi, E., He, Z., Bosompem, J., Say, J., & Boadi, E. K. (2019). Let the talk count: Attributes of stakeholder engagement, trust, perceive environmental protection and CSR. Sage Open, 9(1), 21–58.
Bamieh, Y. (2015). Mining sector CSR stakeholder management: A case study of Chirano gold mines limited. University of Ghana.
Bamieh, Y., & Ofori, D. (2016). Mining sector CSR and stakeholder management: A comparative developing country study. African Journal of Management Research, 24, 122–146.
Bice, S., Brueckner, M., & Pforr, C. (2017). Putting social license to operate on the map: A social, actuarial and political risk and licensing model (SAM model). Resources Policy, 53, 46–55. https://doi.org/10.1016/j.resourpol.2017.05.011.
Blackburn, N., Hooper, V., Abratt, R., & Brown, J. (2018). Stakeholder engagement in corporate reporting: Towards building a strong reputation. Marketing Intelligence & Planning, 36(4), 484–497. https://doi.org/10.1108-MIP-20-2017-0236.
Boadi, E. A., He, Z., Darko, D. F., & Abrokwah, E. (2018). Unlocking from community stakeholders, corporate social responsibility (CSR) projects for effective company–community relationship. Labor History, 59(6), 746–762.
Boadi, E. A., He, Z., Boadi, E. K., Bosompem, J., & Avoronyo, P. (2019). Consequences of corporate social responsibility on employees: The moderating role of work motivation patterns. Personnel Review, 49(1), 231–249.
Boso, R. K., Afane, S. K., & Inkoorn, D. K. B. (2017). Motivations for providing CSR-mediated initiatives in mining communities of Ghana: A multiple-case study. International Journal of Corporate Social Responsibility, 2(7), 1–15. https://doi.org/10.1108/IJCSR-01-2017-0018.
Braun, V., & Clarke, V. (2017). Thematic analysis. The Journal of Positive Psychology, 12(3), 297–298.
Brew, Y., Junwu, C., & Addae-Boateng, S. (2015). Corporate social responsibility activities of mining companies: The views of the local communities in Ghana. American Journal of Industrial and Business Management, 5(06), 457.
Brueckner, M., Bice, S., & Pforr, C. (2018). Risky business? On the interplay between social, actuarial and political risks and Licences. In building new bridges between business and society, pp. 25–49. Springer.
Cavusgil, S. T., & Cavusgil, E. (2012). Reflections on international marketing: Destructive regeneration and multinational firms. Journal of the Academy of Marketing Science, 40(2), 202–217.
Collinge, W. (2020). Stakeholder engagement in construction: Exploring corporate social responsibility, ethical behaviors, and practices. Journal of Construction Engineering and Management, 146(3), 1–13. https://doi.org/10.1061/(ASCE)1943-7862.0001769.
Danso, A., Adomako, S., Amankwah-Amoah, J., Owusu-Agyei, S., & Konadu, R. (2019). Environmental sustainability orientation, competitive strategy and financial performance. Business Strategy and the Environment, 28(5), 885–895.
Demijnck, G., & Fasterling, B. (2016). The social license to operate. Journal of Business Ethics, 136(4), 675–685. https://doi.org/10.1007/s10551-015-2976-7.
Deus, R. M., Michel, B., & Pairs, R. (2019). Organisational challenges to corporate social responsibility, (pp. 207–219). CSR, Sustainability, Ethics & Governance.
Dong, S., Burritt, R., & Qian, W. (2014). Salient stakeholders in corporate social responsibility. Journal of Business Ethics, 122(4), 723–740. https://doi.org/10.1007/s10551-013-1968-8.
Freeman, R. E. (1994). The politics of stakeholder theory: Some future directions. Business Ethics Quarterly, 4(4), 409–421. https://doi.org/10.2307/3857340.
Freeman, R. E. (2017). Five challenges to stakeholder theory: A report on research in Progress. In Stakeholder management, (vol. 1, pp. 1–30). Emerald Publishing Limited.
Freeman, R. E., & McVea, J. (2001). A stakeholder approach to strategic management. In The Blackwell handbook of strategic management, (pp. 189–207).
Rodriguez, P., Siegel, D. S., Hillman, A., & Eden, L. (2006). Three lenses on the multinational enterprise: Politics, corruption, and corporate social responsibility, 37(6), 733–746.

Ross, D. (2017). A research-informed model for corporate social responsibility: Towards accountability to impacted stakeholders. International Journal of Corporate Social Responsibility, 26(8), 1–11. https://doi.org/10.1186/s40991-017-0019-7.

Sangle, S. (2010). Critical success factors for corporate social responsibility: A public sector perspective. Corporate Social Responsibility and Environmental, 17(4), 205–214.

Saunders, M., & Lewis, P. (2012). Doing research in business and management: An essential guide to planning your project. Pearson Education Limited.

Sharma, A., & Kiran, R. (2013). Corporate social responsibility: Driving forces and challenges. International Journal of Business Research and Development, 2(1), 18–27.

Sprinkle, G. B., & Maines, L. A. (2010). The motivations and costs of corporate social responsibility. Business Horizons, 53(800), 445–453. https://doi.org/10.1016/j.bushor.2010.05.006.

Tan, J., & Wang, L. (2011). MNC strategic responses to ethical pressure: An institutional logic perspective. Journal of Business Ethics, 98(3), 373–390.

Tete Okoh, Emmanuel. (2014). Water Absorption Properties of Some Tropical Timber Species. Journal of Energy and Natural Resources, 3, 20.

Trapp, N. L. (2014). Public relations review stakeholder involvement in CSR strategy-making: Clues from sixteen Danish companies. Public Relations Review, 40(1), 42–49. https://doi.org/10.1016/j.pubrev.2013.11.005.

Van Zyl, A. (2014). The importance of stakeholder engagement in managing corporate reputations. International Journal of Innovation and Sustainable Development, 7(1), 46–60. https://doi.org/10.1504/IJISD.2013.052120.

Visser, W. (2008). Corporate Social Responsibility in Developing Countries, in A. Crane, A. McWilliams, D. Matten, J. Moon and D. Siegel (eds.), The Oxford Handbook of Corporate Social Responsibility (Oxford University Press, Oxford), 473–503.

Waddock, S. (2003) Learning from Experience. Journal of Corporate Citizenship, 4(11), 51–67.

Wilburn, K. M., & Wilburn, R. (2011). Achieving social license to operate using stakeholder theory. Journal of International Business Ethics, 4(2).

Publisher’s Note
Springer Nature remains neutral with regard to jurisdictional claims in published maps and institutional affiliations.