

RELATIONSHIP BETWEEN CORPORATE SOCIAL RESPONSIBILITY(CSR) FULFILMENT AND FIRMS' INNOVATION PERFORMANCE IN THE SERVICE INDUSTRY IN GHANA: A CONTINGENCY ANALYSIS.

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Abstract

The purpose of this study was to investigate the relationship between Corporate Social Responsibility (hereafter referred to as CSR) and the innovation behavior of firms. CSR has received its fair share of attention by researchers, linking it to various organizational outcomes; but not much emphasis has been placed on how it is linked with firm innovation. Aside from the direct relationship between CSR and firm innovation, the study investigated the moderating effect of some external factors (market competitiveness, technological changes, community pressure and awareness) and internal factors (responsible leadership, market orientation, and organizational strategy).

The study adopted the sequential explanatory research approach. The study sampled 600 respondents who were selected using the selective sampling approach. Thus, 600 questionnaires were administered, out of which 491 usable questionnaires were received. A moderator regression was adopted for the study. A case study was conducted on practitioners to confirm the findings of this study.

The findings of the study revealed that CSR fulfilment has a significant effect on firm innovation. Furthermore, the study found that the positive relationship between CSR and firm innovation was significantly moderated by the competitiveness of the market. In all, the study tested eight hypotheses: two were supported, and the other six not supported.

The findings of the study have several implications. The result implies that CSR fulfilment affects the innovative behavior of firms to produce or services that differentiate them from their competitors. However, it is important to note that the degree of how CSR fulfilment affects innovation behavior depends on how competitive the firm's market is. The findings of the study revealed that the degree of how CSR affected firm innovation does not depend on technology changes, competitiveness of CSR, community pressure and awareness, responsible leadership, organizational strategy or the uncertainty of the market.

Keywords: corporate social responsibility, firm innovation, market uncertainty, organizational strategy, responsible leadership, community pressure and awareness, CSR competitiveness, technology changes, market competitiveness.