



UNIVERSITY OF MINES AND TECHNOLOGY, TARKWA

SECOND SEMESTER EXAMINATIONS, MAY 2019

COURSE NO: GM/GL/MN/MR/PE/ES/MC/EL/MA/CE 460

COURSE NAME: CORPORATE SOCIAL RESPONSIBILITY

CLASS: ALL BSc IV

TIME: 2 HOURS

Name: _____ Index Number: _____

Attempt All Questions

Section A [20 Marks]

1. Read the passage below and answer the questions that follow

The Shallem Mining Company Challenge

Shallem, a medium scale mining company has had its operations temporarily curtailed resulting in the loss of millions of cedis in revenue per day. The Shallem mining company is located in a small town 500km from Obuasi, the main town, and employs about 60 workers in its gold mines. Before its downturn, Shallem had started off operations eight years back, on a relatively good start with considerable returns. Before it acquired the land for use for its mining activities, the management of the company, led by its corporate affairs head, had met with the chief of the town and the DCE on the prospects of carrying out mining activities in the town. The chief in consultation with his elders and the DCE had agreed to release the land. The only dissent on the establishment of the mining company came from a group within the community which called themselves Protectors of our Heritage, (POH).

POH's interest was primarily in the preservation of cultural norms against western influence. However, their attention had to be turned to the issue of mining in the communities which they considered to be an intrusion to the way of life of the community bearing in mind the vast destruction of farmlands which was the main occupation of the people. However, POH's concern was not heeded to as the lure of money accruing from the sale of the lands, the promise of skill training and the construction of good accessible roads to the main town to sell their wares overshadowed the issues raised by POH. Additionally, the management of Shallem claimed that people would still have arable land for a period as not all the land was going to be mined immediately. In all their discourse, the corporate team of Shallem had never met with POH, but had addressed their concerns with the chief. The chief, elders of the town and DCE, thus satisfied with the issues addressed by Shallem gave the go ahead for the mining operations to start.

In its first two years of operation, the company profited considerably and began their CSR initiatives of building a basic and Junior High School for the township, offering the various skills training projects for the people and the construction of road leading to the main town. The school built for the community was left to the management of the community members with periodical donations being given by Shallem. In addition to gaining skills in other fields, some members of the community still farmed watering their farms with stream water which flowed through parts of the land. Three years on, an industrial accident spilled toxic chemicals into the stream which was used to water the farms, rendering the water body not useful for farming. Additionally, the company began to mine more into the reserve farmlands, thus, the community members could no longer engage in much farming activities except for a few backyard farming here and there.

Eight years on, the company suffered a major financial setback due to fraudulent behaviors on the part of management. A new management was put in while the old was being investigated. In order to restore shareholders' belief in the company and also calm employees' fears about layoffs and cuts in pay, the new management decided to cut back on money being invested into CSR activities, the major one being the repair of the road they built which has in dire need of repair as the mining company's heavy duty vehicles had damaged the road. Additionally, management has plans of extending their mining activities nearer the road they built and saw no real need in repairing the road then as they would eventually be damaged again. They would rather contemplate a road diversion when they got to that point.

In the meantime, the youth of the community had grown and finished basic and junior high schools and were in dire needs of jobs as most of them could not afford to continue with their education. They sought employment from Shallem, yet were refused due to current financial burden on the company. The company could thus not afford to pay extra workers or invest large amounts of money in the training of new employees. Coupled with this, there had been a decline in the sale of grass cutters (rodent valued as bush meat) and baskets which the older community members had been trained in. This resulted in a loss of revenue to the community members. Additionally, inaccessible road to the main town to buy needed goods from the market. The youth and the community members began to feel cheated by the mining company.

As if loss of livelihood was not enough, the young unmarried women in the community and even some older married ones began sleeping around with workers of the mine who were well paid in a bid to gain resource for living resulting in multiple teenage pregnancy cases and outbreak of some sexually transmitted diseases which they passed on to their local partners. The community members felt twice cheated in the face of their young women and marriage partners and their ailing health.

These conditions made the time ripe for POH who had all the while been in the background. They fueled the negative feelings of the community members, especially the youth who complained bitterly to their chief and elders and demonstrated against the mining company. The chief and his elders asked them to be patient while they consulted with the DCE and the mining company. In response, the management of Shallem asked the chiefs to dissuade the youth from involving themselves with POH in order to see the way forward. Unsatisfied with the response and harboring the suspicion that the chief and elders in conjunction with the DCE were gaining from Shallem hence their laid-back attitude towards issues, threatened to launch an attack on Shallem.

The youth also felt sidelined because Shallem had not engaged in discussions with them personally or with POH either. Shallem, in a bid to protect their mine workers and management from the irate youth gave their workers protection in the form of armed security personnel. The youth urged on by POH saw this action by Shallem as a dare to attack, which they took up and attacked the personnel of Shallem, with arms, farm tools and whatever equipment they could lay hands on, with reinforcement from other POH groups in some countries. They also vandalized the company's office and parts of its housing for its management. The clash resulted in the death of five personnel of the company, serious injuries to a few others, including three workers two of the youth, the corporate affairs manager of Shallem and three elders of the town who attempted to stop the youth. All this happened long before the police could respond to the distress call put in by the management of Shallem.

The POH led alliance, threatened to launch further attacks if Shallem continued with its activities and even threatened the DCE and the police if they failed to restrain the company from engaging in its activities. Finally, a circuit court halted the activities of the mine and a curfew was placed on the town until issues were resolved.

- a. Define and explain stakeholder theory in CSR. [2 marks]
- b. How does the theory explain the case of Shallem? [3 marks]
- c. Identify the various stakeholders in the case study and write short notes on them. [5 marks]
- d. How does the issue of sustainable development tie in with the Shallem case? [4 marks]
- e. How could the issues raised in the Shallem case been dealt with differently to avert the resultant negative outcomes? [6 marks]

Section B [30Marks]

2. With reference to an organisation (Mining, Oil and Gas, Telco Company) you are familiar with, do the following
 - a. Identify and discuss six (6) CSR areas of impact. [12 marks]
 - b. Indicate three (3) challenges associated with the areas of impact and provide recommendations. [6 marks]
 - c. Explain *social license* as used in CSR. [2 marks]
 - d. Name ten (10) groups of stakeholders you are familiar with. [10 marks]

Section C [10 Marks]

3. SDG goal two (2) is *no poverty*
True / False
4. SDG goal four (4) is *gender equality*
True / False
5. SDG goal sixteen (16) is *life on land*
True / False
6. SDG goal thirteen (13) is “climate change”?
True / False
7. SDG goal ten (10) is “reduce inequality”?
True / False
8. The Sustainable Development Goals are also known as.....

A. Millennium Goals	C. Global Goals
B. Millennium Development Goals	D. People Development Goals
9. What time period is the SDG’s targeting.....

A. 2020	C. 2025
B. 2050	D. 2030
10.countries including Ghana adopted the SDG’s.

A. 195	C. 192
B. 193	D. 191

9. stakeholder can choose whether or not to be a stakeholder to an organisation.

- A. Internal
- B. Voluntary

- C. Involuntary
- D. External

10. The three (3) basic principles of CSR are?

- A. Sustainability, Accountability & Ethics
- B. Sustainability, Accountability & Opportunity

- C. Sustainability, Accountability & Equality
- D. Sustainability, Accountability & Transparency

*Course Examiners: **Dr Frank Boateng/ Dr Akyene Tetteh***