Corporate Social Responsibility Programmes and their beneficiary Organisations:

An examination of the sustainability of the relationships between corporate social responsibility programmes and their targeted beneficiary organisations

By

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ABSTRACT

This study raises important questions about the motivation that is driving companies to adopt social responsibly programmes, and why they should engage in the field of social development in the first place. Many would argue that the role of business is to make profit and that their only responsibility is to act within the law, while others urge the need for business to get more socially involved and become more accountable in terms of their actions. Particular in developing countries, where governments are often dysfunctional and ineffective, private sector hold the key to resources that does not exist elsewhere, and should contribute to improve those societies. As a result of increased awareness of the role of business in society, which has been triggered through numerous corporate scandals throughout the past decades, the term corporate social responsibility (CSR) has gained great attention. Today, most big companies invest a notable amount of money in CSR programmes of various kinds, however, it is not always clear *why* they do this. Is it because they really care and want to make a change, or is it because they want to gain or maintain a good public reputation? CSR has long been accused for what has been called "green-washing", in the sense that it is only an attempt to conceal any forms of unethical and irresponsible behaviour. Nevertheless, there has also been a growing perception that business should play a greater role in the social aspects of society, and by carefully selecting their programmes, this can lead to win-win situations for all the stakeholders involved.

This study aims to examine these issues by addressing the need for more sustainable and transparent stakeholder relationships between the companies and the beneficiary organisations. This attempt is achieved through the selection of case studies, as well as examinations of a wide range of literature existing in the field.

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LIST OF CONTENT

LIST OF ACRONYMS AND ABBREVIATIONS

BEE   Black Economic Empowerment

BBBEE Broad-Based Black Economic Empowerment

CSI   Corporate Social Investment

CSR   Corporate Social Responsibility

CSP   Corporate Social Performance

ECD   Early Childhood Development

DOE   Department of Basic Education

EU   European Union

IOE   International Organisation of Employers

IMF   International Monetary Fund

IIRC   International Integrative Reporting Committee

IR   Integrative Reporting

ILO   International Labour Organisation

ISO   International Organisation for Standardization

GRI   Global Reporting Initiative

GDP   Gross Domestic Product

NGO   Non Governmental Organisation

NPO   Non Profit Organisation

JSE   Johannesburg Stock Exchange

PAT   Profit after tax

PR   Public Relations

SRI   Sustainable Responsibility Investment

UN   United Nations

UK   United Kingdom

UNGC   United Nations Global Compact

WB   World Bank

WBCSD   World Business Council on Sustainable Development

CHAPTER 1: INTRODUCTION

1.1. Background of study

Today, based on country GDPs and the value added of large corporations it has been claimed that in 2000, 52 of the worlds 100 largest economic entities were corporations, not countries. When companies falter or disappear there are significant social consequences. One of the reasons for a company's long-term success and continued success is the skill with which it engages and invests in the community. How the company community feels about a company to build really matters. Reputation takes years to build, but only seconds to destroy. It matters because when the company speaks, government listen and this can not only affect the amount of regulation and the cost of compliance. It also matters because the community and the future customer base (John McFarlane in Fourie, 2005:8).

This quote by John McFarlane clearly illustrates the power of corporations, and why companies need to look beyond profit making and expand their role in society. Many companies are recognizing this by establishing corporate social responsibility (CSR) programmes, urging the need for new partnerships. The world has to date witnessed too many corporate scandals, and it is by far time to reverse the negative effects of growing inequality and environmental degradation. The people of the world are reacting, and so is the environment, the global temperature is increasing and weather becoming more extreme. Public pressure on companies to take action has increased drastically the past years, forcing them to change their operations and become more responsible corporate citizens. As a result one are seeing new cross-sector partnerships and platforms being established to find ways in which they can work together to ensure the sustainability of this planet. These relationships have in many cases moved beyond philanthropy and charitable giving, as a number of

alliances have been developed to address socio-economic and environmental issues, through establishing various initiatives and new codes of conduct. There is today a much greater pressure for business to move away from short-term financial goals toward more long-term and sustainable business policies and CSR strategies. This has led to a greater willingness of corporations to co-operate with stakeholders from other sectors, in particular the non-governmental (NGO) and non-profit (NPO) sector. These organizations often have a greater expertise and knowledge in the field, compared to business and government, and are often more suitable to identify the social needs and implement programmes in the communities. From the organizations point of view, they are dependent on funding and in an era where competition for funding is increasing, many has moved away from traditional funding sources, such as from governments or international aid donors, towards the private sector. Since business usually have vast monetary recourses as well as managerial efficiency and technical expertise, such partnerships can lead to fruitful gains (Jamali and Keshishian, 2009).

Nevertheless, there are many challenges when trying to build such cross-sector partnerships. On the one hand, many types of co-operation between business and other sectors are contract-driven, transaction-based or once-off promotions and events, all of which make an important contribution, but tend to be limited in scale and scope. While others are more inclusive partnerships, where the companies play an active role in the governance of the relationship, sharing the risks, costs and benefits involved (Seitandi and Crane, 2008). Pierce 2002 argues that each sector has "its own unique organizing culture, professional/technical language, norms and definition of success, each sector also has a perception of the two other that is frequently based on negative stereotypes that tend to block mutual understanding and impede collective action…"(Pierce 2002 in Winder, 2002: 8). The different standpoints among the various sectors combined with the dynamic nature of social problems often leads to difficulties to find solutions that are accountable and sustainable. Failed partnerships do not only affect the partnering stakeholders, but it can lead to devastating result for the targeted beneficiaries. It is therefore crucial that good levels of communication and understanding are established among the various stakeholders to avoid such negative impact (Seitandi and Crane, 2009). Through case studies, this research aims to address these issues by examining how the relationships and partnerships are built between companies and their partnering stakeholders in the context of CSR.

Waddock (1988) has defined social partnerships, as "...a commitment by a corporation or a group of corporations to work with an organisation from a different economic sector (public or non-profit). It involves a commitment of resources – time and effort – by individuals from all partner- organisations. These individuals work co-operatively to solve problems that affect them all. The problem can be defined at least in part as a social issue; its solution will benefit all partners. Social partnership addresses issues that extend beyond organisational boundaries and traditional goals and lie within the traditional realm of public policy – that is, in the social arena. It requires active rather than passive involvement from all parties. Participants must make a resource commitment that is more than merely monetary" (1988:18). By using this definition the main aim is to discover whether the relationships among the various stakeholder can be defined as pure partnerships, by which the companies are actively involved in the programmes, or if they are merely based on monetary transactions.

The CSR programmes of the three retail companies; Mr. Price, Game and the Hub, as well as their beneficiary organisations, were chosen as case studies for this purpose. The researcher purposively selected companies from within similar industries in order to give ground for an analytical comparison between the cases. Additionally, in order to get a broader information base, sources from four other companies were also interviewed, these were; Altech MultiMedia and ProjectBuild, and two Norwegian based companies; BDO Norway and NorConsult. Also the regional program officer the World Business Council for Sustainable Development (WBCSD), contributed to the research.

1.2. Problem statement

This research dissertation has been titled " Corporate social responsibility programmes and their beneficiary organizations: An examination of the sustainability of relationships between corporate social responsibility programmes and their targeted beneficiary organizations". The study aims to address the effectiveness of such partnerships and whether and / or how sustainability can be assured to create win-win situations whereby all the stakeholders involved, including the company, beneficiary organisations and the targeted community, can all benefit from CSR programmes.

1.3. Purpose of research

The purpose of this research is to address the strengths and weaknesses that exist in multi-sector partnerships, and how such partnerships can become more effective, resulting in win-win situations for all stakeholders involved. It further seeks to address the importance of private-sector involvement in social development, and how companies can incorporate CSR programmes into their business in a more strategic and pro-active manner than merely handing out money to various charitable causes.

1.4. Structure

The study is divided into the following six chapters; introduction, overview of corporate social responsibility, methodology, presentation of case studies and findings, discussion, and conclusion. Chapter one includes the background and purpose of the study as well as problem statement. In chapter two, the background of CSR is outlined as well as various definitions of the term. Further, different theories that have been linked to CSR will be presented in an attempt to build a theoretical framework that that will create a basis for further analysis. Chapter three present the methodology used for data collection and its limitations that this may have for this research, and in chapter four, the case studies and their findings are presented. The findings are discussed and analysed further in chapter five, which seeks to link the findings together with the theoretical framework. Lastly, the study will close off with some concluding remarks and comments about what opportunities CSR may pose for the future.

CHAPTER 2: OVERVIEW OF CORPORATE SOCIAL RESPONSIBILITY

2.1. Introduction

This chapter will look at the background and evolution of corporate social responsibility as a concept that emerged already in the nineteenth century and evolved throughout the twenty first century, with its emphasis on the past fifty years. After giving this introcudtion to the history of the term, the chapter makes an attempt to define the term, and various definitions will be presented. Further, in order to understand the various approaches to CSR, a theoretical framwork has been created, consisting of the most commonly used theories in regard of CSR. However, this study will not build on one particular theory to follow, but rather use this framework as guiding and analytical tools when discussing the role of business and the relationship between business and society. The chapter will then follow on to describe how CSR initiatives have been introduced globally as well as locally within South Africa.

2.2. Background and evolution of Corporate Social Responsibility

Today's literature on corporate social responsibility (CSR) is vast and continues to expand. People belonging to a broad spectre of areas, from business, consultants to NGO, government, academia and the media, all contribute to this literature and take part in the debates about CSR (Crane et al, 2008). Within this widespread literature, we find a great polarization between those that strongly believe in CSR and those that are more sceptical or oppose the concept completely. However, in the more recent years there has been an increased acknowledgment that corporations have a greater role in society than merely acting as profit making entities. Nevertheless, the literature remains very varied and contested, which has resulted in the lack of a common definition of the term (McWilliams, 2006). Therefore, in order to get a greater understanding of what CSR actually means, it is crucial to study the evolution of the concept.

2.2.1. Corporate Social Responsibility pre-1950

While CSR has been widely discussed in the past forty years, it is not a new idea. Evidence of corporate social initiatives can be tracked back to as early as at least the nineteenth century,

when factory town were built to provide workers and their families with housing and other services (Smith, 2003). As large companies began to emerge in the 1870s, their activities increasingly affected other realms of society, and debate regarding the appropriateness of their actions intensified. Public pressure in the United States resulted in a series of laws attempting to control major corporations and gave the government the right to withdraw the license of a corporation if it failed to act in the public good. Further as the process of globalization increased and large companies were moving offshore, the United States and Western Europe addressed emerging issues around business through regulations such as the formation of trusts and use of child labour and safety. Responding to the growing public dismay, large companies introduced various industrial welfare programs that provided for education, recreation and socialization of workers. This was introduced not only to satisfy the workers, but also, and maybe more importantly, to legitimize their own businesses (May et al, 2007). After the Great Depression and the Second World War, further interest was raised about social issues, such as labour protection, banking reform and public utility controls. Such legislation was accompanied by public debates related to policy on these issues as well as on the nature of the relationship between corporations and society. It was during this period that the formal writing about corporate social responsibility started to develop.

2.2.2. Corporate Social Responsibility post -1950

Although one did see a notion of corporate responsibility during the nineteenth century, formal writing of the topic was largely developed in the twentieth century with emphasis on the past fifty years. One of the earliest conceptions of CSR in modern terms was developed in the early 1950s by the economist professor Howard R. Bowen, also known as the "father of CSR". His book titled *Social Responsibilities of the Businessman,* is argued to mark the beginning of the modern period of literature on this matter (Caroll, 1999). Bowen´s work was based upon the belief that several hundred of the largest corporations were important centres of power and decision-making, and that the actions of these firms touched the lives of citizens in many ways. Therefore, he argued, that in an increasingly aware society, private business would be judged in terms of how they respond to social issues (May et al, 2007). Bowen (1953) referred to CSR as the "the obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society" (1953 cited in Caroll, 1999: 270). In the 1960´s the

literature on CSR expanded, particularly with the work of the management scholar Keith Davis, who argued for an even more expansive understanding of CSR, suggesting that the social responsibilities of business needed to correspond with their social power. He argued that acting responsibly could lead to long-term economic gain to the company, and that this should be an incentive for business to invest in the community (Caroll, 1999). In failure of doing so, Davis argued, would lead to a gradual erosion of the company's social power, and eventually ruin the business (May et al, 2007). Davis (1973) later defined CSR as " the firms consideration of, and response to, issues beyond the narrow economic, technical and legal requirements of the firm" (1973 cited in Crane et al, 2008:5).

Throughout the 1970s and onwards pressure from the public increased, addressing social and environmental issues. The acronym "CSR" has become a global buzz-word as people advocate for more "strategic philanthropy" and "cause-orientated marketing" (May et al, 2007:5). In 1971 the Committee for Economic Development (CED) came with a landmark contribution to the concept in its publication *Social Responsibilities of Business Corporations*. This contribution was important because it was composed by business people and educators and thus reflected a practitioner view of the changing social role between business and society as they were assumed to take on a broader range of responsibilities and not only operating as profit-seeking suppliers of goods and services (Carroll, 1999). However, the most recognized contribution to CSR has been the work of Archie Caroll. Building on Davis´ definition, Caroll (1979) developed a broader model of the term, as he understood the social responsibility of business as "the economic, legal, ethical and discretionary expectations that society has of organisations at a given point of time" (1979 cited in Crane et al, 2008:5). Although Carroll's definition has become to most cited one, the field of CSR continues to remain highly contested and there have been numerous debates and revisions of the concept.

2.2.3. A shift of focus from responsibility to responsiveness

During the 1970s, there was a shift from focusing on corporate responsibility to corporate responsiveness. The term responsiveness was more directed to what companies could do better in order to respond to the worlds agony, rather than what they could do to merely ensure their own survival. An important contribution related to this shift came from Sethi (1975), who used the term corporate social performance (CSP), rather than corporate social responsibility. By discussing the different dimensions of corporate social performance, he

distinguishes between various types of corporate social behaviour, in which he understands to be social obligation, social responsibility and social responsiveness, arguing that "like all other institutions, companies are an integral part of society and must depend on acceptance of their role and activities for their existence, continuity and growth" (1975 in Branco and Rodrigues, 2007:9). This concept suggests that what is important is not how companies should respond to social pressure, but rather the long-term role of the corporation and that the business orientation in any social dimension must be anticipatory and preventative (Branco and Rodrigues 2007). Although Sethi implied that social responsiveness could be seen as a replacement for social responsibility, others, such as Caroll, Wartick and Cochran, and Wood, rejected this arguing that social responsiveness is not an alternative to social responsibility but rather " the action phase for management responding in the social sphere" (Branco and Rodrigues, 2007:9). The idea of social responsiveness and corporate social performance can be seen as the evolution of the concept of CSR rather than replacing it. Wartick and Cochran (1985) suggest that both terms are equally valid concepts and should therefore be included as separate elements of CSR (1985 in Branco and Rodrigues, 2007).

The initial CSP model however, was Caroll´s "three-dimensional conception model", which consisted of the integration of a definition, an identification of social issues and the philosophy of CSR. CSP has recently emerged as a comprehensive concept to embrace both corporate social responsibility and corporate social responsiveness, stressing the concern for corporate action and achievement in the social sphere. The CSP model offers a result-oriented focus by which businesses are assessed on performance, including quantity, quality, effectiveness and efficiency (Caroll, 1991). Caroll developed this model further in order to create a more encompassing CSR model, also known as the pyramid of corporate social responsibility.

This model builds on four kinds of responsibilities; economic, legal, ethical and philanthropic, in which economic responsibilities are the foundation upon which all other responsibilities are predicated and fulfilled simultaneously by the companies (Branco and Rodrigues, 2007). Later Wartick and Cohren (1985) revised this model to consist of a set of principles, processes and policies. They argue that Caroll´s definition of CSR in large embraces the ethical element of social responsibility, which should be thought of as principles, but does not include the social issues management component, that should be thought of as policies (1985 cited in

Caroll, 1999). Wood (1991) extended the CSP model further, by relating it to the theory of organizational studies (1991 cited in Lee, 2007). Wood considered that the basic idea of CSR "is that business and society are interwoven rather than distinct entities, and therefore society has certain expectations for appropriate business behaviour and outcomes" (1991 cited in Branco and Rodrigues, 2007:10).

Later Lantos (2001) developed another useful typology of Carroll's model, which addressed the problem of distinguishing the ethical and philanthropic values with questioning the reasons for why companies engage in social responsibility activities. He considered three different types of responsibilities, ethical, altruistic and strategic, in which the ethical responsibilities are regarded as a moral mandatory such as preventing and addressing social harm. The altruistic responsibilities, however, goes beyond the ethical ones as they address social problems that the company has not caused and which it has no responsibilities for. The strategic responsibilities imply engaging in social responsibility activities only when they are expected to benefit both one or more stakeholder groups and the company. In contrast to altruistic responsibilities, the motive of strategic responsibilities is for companies to contribute to their stakeholders because they believe it is in their best financial interest to do so, and thereby also fulfil the responsibilities to the shareholders. However, Lantos argues that the altruistic responsibilities are only legitimate when they are strategic, meaning that they must also further the objectives of the company (2001 cited in Branco and Rodrigues, 2007).

One of the earliest critiques of the concept of business having a social responsibility came from Milton Friedman in 1970 with his essay; *The Social Responsibility of Business Is to Increase Profits*. Friedman argued that it was political mechanisms rather than market mechanisms, that should determine the allocation of scarce recourses, and he was highly sceptical of expanding the responsibilities of business beyond making money for shareholders. Further he argued that businessmen are not qualified of acting upon social needs, and he saw the danger of shareholder- funds being misused by opportunistic business leaders in the name of CSR, to enhance their own personal social status (1979 cited in Lee, 2007) Other critiques of CSR came from Theodor Levitt (1958), in which he cautioned that "government's job is not business, and business's job is not government" (1958 cited in McWilliams et al, 2006:3). Friedman's and Levitt´s views stands in stark contrast to Caroll, Davis and Sethi, and other proponents of this time, who moved the discussions of CSR

beyond the economic bottom line to what has been called the triple bottom line, in which social, economic and environmental concerns are viewed as one (May et al, 2007).

To contradict the critiques of CSR, it might be useful to study Polyani's theory *of the double movement* and Gramsci's work on the political and civil societies role. Polyani's book *The Great Transformation* (1944) provides insights into societal responses to the failures of nineteenths century's market liberalism (1944 cited in Levy, 2007). Based on the English industrial revolution, Polyani recognised that market liberalism represented a fundamental historical transformation and argued, " instead of economy being embedded in social relations, social relations are embedded in the economic system" (1944 cited in Levy, 2007:17). Further, Polyani was convinced that market liberalism is a dangerous utopian myth, and once disembedded from society, real markets triggers unstable booms and depressions, resulting in massive social and environmental costs (Levy, 2007). This, he argued, leads to the development of a double movement where, one on the one side finds the movement of the free market, and on the other is the movement of protectionists. Capitalism is seen to be a product of both these two movements and reflects the uneasy alliances of power relations between the competing forces (Block, 2008). For Polyani, the core contradiction of market society is that a system of self-regulating markets cannot be a foundation for social order because only state action can produce and maintain economic and social stability. In Polyanis terms CSR is an attempt to establish more socially embedded form of economic governance, and according to Levy (2007), the rise of CSR can be seen as a contemporary double-movement against global neo-liberalism.

Building on Polyani´s work, Palacios (2001) argues that the processes of globalization have entailed social costs in the form of massive unemployment, widespread poverty and generalised malnutrition, in both developed and developing countries, which has in return triggered social unrest in those societies (Palacios 2001). In reaction to this, Utting (2002) argues that CSR "reflects changes that are occurring in the balance of social forces-notably the growth of NGO and consumer pressures"(2002 cited in Levy, 2007:6). Further, to quote Epstein (2001) "the main target of the anti-globalisation movement is corporate power, not capitalism" (2002 cited in Palacios 2001:13). In this regard, companies have a political motivation to engage proactively with societal pressures. This, Utting (2002) argues, will "allow business to not only deflect or dilute certain pressures but also be in the driving seat to

ensure that change take place on terms that are favourable for business (2002 cited in Levy, 2007:6). Similarly, Levy has framed corporate environmental management as an effort to maintain "political sustainability" in the face of social and regulatory challenges. In his view, CSR is a means to accommodate pressures and build the corporation as a moral agent so that any threat of regulation and marginalization can be reduced (Levy, 1997 cited in Levy, 2007).

While Polyani´s illustration of the double movement is an inevitable reaction to the mechanisms of market liberalisation, the Gramscian perspective rather understands CSR as a mechanism to challenge the interests among various actors in society. Instead of presuming a broad social consensus on the need to constrain market forces, the Gramscian concept of hegemony suggests that a construction of consensus is a political project of building alliances, strategic negotiation and public relations. The stability of a governance system relies on a combination of coercive power, economic incentives, and normative and cognitive frames that coordinate perceptions of interest. The particular practices of CSR that emerge around an issue therefore reflect the balance of forces among competing interest groups (Levy, 2007). According to Levy (2007) CSR represents a classic Gramscian accommodation between unfettered market forces and pressures for greater social control. CSR can achieve this hegemonic status because it embodies elements of Polyanis double-movement as well as the business response to the double-movement.

2.2.4. What factors has affected the way of thinking about CSR?

The interest in CSR has continued to grow, and the terms used have become many, from corporate social investment, corporate social responsibility to corporate citizenship, corporate governance and sustainability, which has led to an even greater jungle of definitions. Although Caroll´s definition of CSR has remained the mainstream and most commonly quoted one, others have taken different routes. For instance, Brown and Dacin (1997) define CSR as "a company's status and activities with respect to its perceived societal or, at least, stakeholder obligations" (1997 cited in Crane et al, 2008:5), while Matten and Moon (2004) defines CSR as " a cluster concept which overlaps with such concepts as business ethics, corporate philanthropy, corporate citizenship, sustainability and environmental responsibility. It is a dynamic and contestable concept that is embedded in each social, political, economic and institutional context" (2004 cited in Crane et al, 2008:5). This change of thinking about CSR over the past decades has been affected by several factors, with the most significant

change occurring in the 1980s with the shift from a neo-Keynesianism towards a neoliberal economic order. This transformation led to deregulation of the financial markets as well as privatization of state-owned enterprises, resulting in a much greater freedom for the companies to regulate themselves. This resulted in that the relationship between governments and corporations changed, leading to far less governmental regulation and investment in the social goods (May et al, 2007). This was particularly evident in developing countries with the introduction of the structural adjustment policies of the International Monetary Fund (IMF) and the World Bank (WB), which forced developing countries to liberalise their economies as part of the condition to receive loans. The result was a drastic cut in crucial public services, such as health care and education, leading to devastating effects. Less regulation, meant more power for private sector, and the corporate scandals increased. However, as a result of this transformation, public pressure and awareness increased, and representatives from civil society, NGOs and governments, all called for a better balance between government, the economy and civil society. This forced many companies to change their ways of doing business in order to maintain and improve their reputation. Today, maintaining public reputation is probably one of the highest priorities for most large corporations, and the interest for CSR has never been stronger. Since the 2002 World Summit on Sustainable Development in Johannesburg, one has seen an increase of partnership initiatives between civil society, businesses and governments. Over 220 partnerships were identified in advance of the Summit and around new 60 partnerships were announced during the meeting by a variety of countries. The attendance of business leaders was significant compared to the Earth Summit in Rio ten years earlier, which represented a shift in the attitudes in the business environment (UN, 2012).

However, although one has seen a more openness of business towards engaging in social and environmental issues, many civil society groups and NGOs continues to be critical towards CSR. This is important because they are the main watchdogs of corporate action, and these organisations often remain critical of partnering with private sector because they fear that they might loose their independence and freedom. Vice versa, private sector has been reluctant to partner with NGOs and NPOs, as they are afraid that this may ruin their reputation even further. Husselbee (2010) argues that for the trust to grow stronger between the two sectors, one needs to set clear rules in the phase of developing partnerships that allow both parts to remain independent while working towards the same goals. Implementing mechanisms for

coordination and accountability provides each partner with equal power to influence and question the progress of the partnership. On the one hand, the independence of an NGO within a partnership can be reinforced through links with other NGOs and pressure groups who may be seeking to influence the corporate sector from the outside. With the appropriate level of external pressure, the partnership can be pushed towards its goals, and the NGO that is working within the partnership can help to influence the degree of pressure applied (Husselbee, 2010).

However, for a partnership to be sustainable, Seitandi and Crane (2008) argues that it is necessary to address the underlying management issues that can arise in the implementation of partnerships, such as reputational, legal, accountability, and cultural issues. These issues must be seen as the core of CSR and has to be addressed before the establishment of a partnership in order to create a sustainable CSR practise.

2.3. Defining Corporate Social Responsibility: Moving towards a common understanding

The previous section gave a broader overview of the background and evolution of the term corporate social responsibility, and also touched upon some definitional constructs. Building on these earlier contributions, a number of different definitions have been proposed, but the concept continues to be a contested field. A quote by Wan Jan and Gully at a CSR conference in 2005, illustrates this matter as he stated; "…the lack of a widely agreed definition contributed to misunderstanding and cynicism towards the concept itself. If CSR means different thing to different people then debate on its importance in strategy formulation and stakeholder management becomes confused, if not impossible" (2005 cited in Hopkins 2007:15).

Although there is lacking a common definition of CSR, there are, however, some main factors that the definitional debates often centre around. According to Crane et al (2008), these factors can be divided into the six characteristics; voluntary, internalizing or managing externalities, multiple stakeholder orientation, alignment of social and economic responsibilities, practices and values and finally, actions beyond philanthropy. Many consider CSR to be voluntary and philanthropic activities that go beyond those prescribed by the law. However, the dangers of such voluntary understanding of CSR is that companies are not

obliged to take action or follow up on initiatives they have supported. The EU definition on CSR can be used as an example of this as it suggests, "CSR is a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with stakeholders on a voluntary basis (Hopkins 2007:25). Further, the International labour Organization (ILO) commission defines CSR as " the voluntary initiatives enterprises undertake over and above their legal obligations (Hopkins, 2007:26).

In regard of externalities, it is debated whether CSR as an entirely voluntary action is sufficient in order to keep the best interests of the environment and people affected by the operations of companies. One example of such externalities is pollution, and much CSR activity focuses on how such externalities impacts on the workforce and communities around, and how companies can invest in clean technologies that minimize or prevent such harm. Typically CSR is concerned about the interest of not only the corporation but all stakeholders that are involved, such as illustrated in the International Organization of Employers (IOE) definition, which understands CSR as " a core aspect of business activities throughout a company and recognizes CSR as a means of engagement with stakeholders in the various markets in which a company operates" (Hopkins 2007:27). Although many disagree on the extent in which other stakeholders should be taken into account, it is the expansion of corporate responsibility to these other groups that characterizes much of the essential nature of CSR.

This balancing of different stakeholder interests leads us to the fourth characteristic, namely that of alignment of social and economic responsibilities. The UK government has tried to align these two factors in their definitions, stating that CSR is " the voluntary actions that business can take, over and above compliance with minimum legal requirements, to address both its own competitive interests and the interests of wider society" (Crane et al 2008:6). However, while CSR may be about going beyond a narrow focus on shareholders and profitability, many also believe that it should not conflict with profitability, which is stressed by many companies as being "the business case for CSR" (Crane et al 2008:8). This issue raises another question, namely that of practices and values, which is one of the reasons for why the subject is as contested as it is. For some people it is not only about business practices and strategies, but it is also a philosophy, or a set of values that underpins these practices. This is evident in Gap´s definition which states; "being socially responsible means striving to

incorporate our values and ethics into everything we do - from how we run our business, to how we threat our employees, to how we impact upon the communities where we live and work" (Crane et al 2008:6). The question then, is not what companies do on the social arena, but rather why and how they do it. While many would argue that CSR is about philanthropy, others claim that CSR is more than just giving, that it is about the firms entire operation. CSR needs to be "built in" to the core of business rather than " bolted on", as Nigel Griffiths, the UK minister of CSR, put it (2004 cited in Crane et al 2008:9).

Another common definition is that used of the World Business Council for Sustainable Development (WBCSD), who defines CSR as "continuing commitment by business to behave ethically and contribute to economic development while improving the quality of the workforce and their families, as well as the local community and society at large (Crane et al 2008:6). This definition incorporates the ethical concerns and urges the need for cross-sector partnerships. Further it incorporates the two dimensions of both economic and social development and stresses that business should be committed to CSR rather than seeing it as a voluntary action. For the purpose of this study, this latter description seems to be the most appropriate working definition.

2.4. Theoretical frameworks

According to Lee (2008), there have been two major shifts in the framing of theories regarding to CSR. First, in terms of the level of analysis, researchers have gradually moved from the discussion of macro-social effects of CSR toward organizational-level analysis of the effect of CSR on a firm's financial performance. Secondly, in terms of theoretical orientation, researchers have moved from explicitly normative and ethics-orientated studies to implicitly normative and performance-orientated studies (Lee, 2008). This chapter will reflect on these shifts and examine some of the most commonly used theoretical frameworks in relation to CSR. Some of these theories have been touched upon in the previous chapter, but needs to be examined further in order to gain a greater and more in-depth understanding of the meanings and mechanisms of CSR.

Building on the work of Caroll (1991) and Garriga and Melè (2004), the next sections are divided into four main categories; instrumental, political, managerial and ethical. Caroll divides the responsibilities of the corporations into a four-layered pyramid with the economic

responsibilities at the bottom, followed by legal ethical and philanthropic responsibilities. Similarly, Garriga and Melè (2004) discuss various theoretical frameworks within these four main categories, such as corporate social performance (CSP), stakeholder theory, corporate citizenship, cause-related marketing and corporate sustainability. Although these frameworks offers useful contributions to the CSR- debate, there is to this date no single theory that incorporates all the useful segments found in previous theoretical work on CSR. Therefore, as we shall see as follows, for the purpose of this paper, a variety of frameworks will be used as guiding and analytical tools when discussing the role of business and the relationship between business and society.

2.5. Management theories

The history of management theory shows that cultural changes associated with globalization and information flows, have led to a re-conceptualization of organisations to become more open structures rather than closed entities. In the 1960s there was a shift from the " one best way" approach of scientific management, towards a more open "no best way" approach to business management, paving the way for new ideas and concepts (Benn and Dunphy, 2007). This group of theories demonstrates how business can respond to societal and cultural transformations by catering for new social demands. The general underlying argument here, is that business depends on society for its existence, continuity and growth, and therefore corporate management must take social demands and needs into consideration and incorporate these in such a way that the business operates accordance with social values (Crane et al, 2008).

2.5.1. Corporate Social Performance

Carroll's three-dimensional model of corporate social responsibility helps integrate and explain the different definitional strands that exist within the CSR literature as it incorporates the elements of corporate social performance (CSP), corporate social responsibility (CSR), social issues and corporate social responsiveness. Carroll believed that a definition of social responsibility must be based upon the economic, legal, ethical and discretionary elements of business performance. This four-layered classification was later incorporated into a "pyramid of corporate social responsibility" (Garriga and Mele, 2004). In this model, the economic responsibilities lies as the foundation followed in the order of legal, ethical and philanthropic

responsibilities, and suggests that apart from generating profits, business is expected to obey the law in order to be able to sustain itself. Further, it must be ethical in the sense that they must act just and fair in order to minimize or avoid harm to other stakeholders involved. Lastly, it emphasizes the need for corporations to act as good citizens, which is related to the philanthropic responsibility, whereby business is expected to contribute to society through financial and human recourses (Carroll, 1991).

The CSP framework was expanded further by Wartick and Cohen (1985) and most recently Wood (1991) (cited in Crane et al, 2008), who included three basic elements, whereas the first is the principles of corporate social responsibility expressed on three levels; institutional, organizational and individual. Secondly, we find the processes of corporate social responsiveness and lastly, the outcomes of corporate behaviour (Melé, 2006). The limitations of these theories, however, are that there is a fundamental separation between doing business and social responsibility. Although it is not denied that business has a social impact, it is first and foremost based upon economic rationality. Another limitation is that the normative foundation of the CSP model is not ethics but social expectations, thus it fails to meet ethical objectives. Further, Lee (2008) argues that the model also lacks a critical aspect needed for implementation and the ability to empirically test the model. For these reasons the stakeholder theory, rather than the CSP model, has become a more commonly applied theory within the field of CSR.

2.5.2. Stakeholder theory

The most commonly used theory within the field of corporate social responsibility has been that of stakeholder theory. Management scholars saw the need for a more practical approach to CSR and developed the stakeholder theory to aid managers put the concept into practice. By more narrowly identifying the actors and defining their positions and functions in relation to each other, the stakeholder model solved the previous problem of measurement and testing.

However, the problems of this theory arises when defining who the stakeholders are, as there are different understandings of which actors should be included into the framework. Freeman (1984), who is considered to be the father of stakeholder theory, defines stakeholders as "any group or individual who can effect or is affected by the achievements of the organizations objectives" (1984:46). Stakeholder theory aims to satisfy and add value to all stakeholders

involved, not only shareholders, and is useful in the process of developing partnerships and mechanisms to communicate and listen to all parts. Although the central issue is the survival of the corporation, this is achieved through treating social and economical goals equally, as the survival of the corporation is not only affected by shareholders, but also various other stakeholders such as employees, governments and customers (Lee, 2008). However, despite the importance of stakeholder engagement, the theory does also have its limitations. For instance, it does not really address how to manage a system of governance that will include the concerns of all the stakeholders involved, when catering for different and often, adverse interests. Further, it fails to define who the stakeholders actually are, as these can vary over a range of different actors in different sectors. CSR incorporates rather broad terms, such as governance, stakeholder and sustainability, which can easily be manipulated to favour a particular interest, resulting in very different interpretations of who these stakeholders are (Benn and Dunphy, 2007). Further, it lacks a critical perspective on the power relations within and between the stakeholder groups, and often, the term tends to act as a cover up of conflicts between economic and social or environmental values (Banerjee, 2003).

Based on empirical research, Clarkson (1995) has made some improvements to the stakeholder model in order for it to become more applicable in the field of CSR. He distinguishes between stakeholder issues on the one side, and social issues on the other, and argues that one must consider according to existing regulation whether or not issues are stakeholder issues, social issues or a combination of both (1995 cited in Lee, 2008). Further, once the nature of issues is identified, it is crucial to define the appropriate levels of institutional, organizational and individual analysis. Only when these have been identified, managers are able to effectively analyze and evaluate the social performance of the corporations and managers (Lee, 2008). In another study, Berman et al (1999) compared two distinct perspectives in stakeholder theory; strategic stakeholder model and the intrinsic stakeholder model (1999 cited in Lee, 2008). Their findings suggest that the strategic stakeholder model, which is based on the business case logic of CSR, has more empirical support than the intrinsic stakeholder model, which emphasizes the moral aspect of CSR. Shortly after these findings, Jones and Wicks (1999), proposed a convergent stakeholder theory that integrates both strategic and intrinsic perspectives on one broader theoretical framework (1999 cited in Lee. 2008). These attempts to adapt CSR to the stakeholder's

framework forced researchers to specify CSR more clearly according to the particular stakeholder relations that the corporations engaged in.

2.6. Political theory

This group of theories focuses on the interactions and connections between business and society and the intrinsic responsibility of the business. In this debate, political considerations and analysis is included as a major factor when deciding on what responsibilities corporations should have. Although there are a variety of approaches, the theory of corporate citizenship stands out in terms of CSR

2.6.1 Corporate Citizenship

Corporate citizenship is one of the most commonly used political theories in CSR. It is based upon the idea of being a "good citizen", and highlights the political nature of the concept. Through, for instance, responsible forms of advertising carried out in close cooperation with political actors, the theory reveals the changing nature of the role of business in society towards some degree of participation in political governance (Crane et al, 2008). However, understanding the term is not an easy task, much because understanding and performance can differ depending on the circumstances and contexts. NGOs and activists are increasingly challenging the operations of business, their strategies and codes of conduct, which in many cases forces companies to change their ways of operation in order to maintain credibility. But simple efforts to prevent criticism, such as donating money to charities, is not enough to establish companies as good social actors or provide enough credibility for the companies to be viewed as accountable corporate citizens. Many questions have arisen about the strategies and operating practices that have led companies to economic success. It is believed that it is needed something more than charitable contributions in order for a company to become a "good citizen" because a corporation does not only depend on external perceptions of its social contributions but also on its internal business model and practices (May et al, 2007).

Although the concept of corporate citizenship presents a useful contribution, the debate about the political nature of CSR is still relatively young and needs further elaboration. While some writers, such as Swanson and Niehoff (2001) and Waddock (2001) view corporate citizenship and corporate social responsibility as synonymous, others argue that whereas corporate citizenship focuses more on internal organizational values, corporate social responsibility

focuses on the externalities associated with corporate behaviour (Birch, 2001, Wood and Logsdon, 2001 cited in Banerjee, 2003). Further, there are also disagreements about the roots of the two discourses, as some view corporate citizenship as a more practitioner-based approach whereas the discourse of corporate social responsibility initially emerged as a more academic discourse (Davenport, 2000). Matten et al (2003) has distinguished three views of corporate citizenship; a limited view, a view equivalent to CSR and an extended view of corporate citizenship. The first view, they argue, is closely linked to corporate philanthropy, social investment or certain responsibilities assumed towards the local community. The second view is the most common one today, and is seen as a new conceptualisation of business within society, which largely overlaps with other theories of CSR. The extended view however, sees corporations enter the arena of citizenship at the point of government failure in the protection of citizenship. This view arises from the fact that some corporations have gradually come to replace the most powerful institution in the traditional concept of citizenship, namely government. This is particularly evident in developing countries where public resources are poor and governments inefficient (2003 cited in Garriga and Mele, 2004).

Despite these many disagreements about the meaning of corporate citizenship, most authors generally agree that the term incorporates a strong sense of business responsibility towards the local community and environment, and that business must commit themselves to act responsibly through building new partnerships with other stakeholders operating in the communities (Crane et al 2007).

2.7. Instrumental theories

Initially, the instrumental theories see CSR as a strategic tool for companies to maximise their profits and generate wealth. However, in contrast to Friedman and other opponents of CSR, strategies for meeting economic objectives do not need to exclude the companies social responsibilities, rather, McWilliams and Siegel (2001) argues, an adequate investment in social activities can be positive for seeking profits. The next sections explore two suggested theories that focus on how companies can use CSR to achieve advantages through incorporating strategies that both benefit the company and the surrounding societies.

2.7.1. Cause-related marketing

Cause-related marketing has been defined as "the process of formulation and implementing marketing activities that are characterized by an offer from the firm to contribute a specified amount to a designated cause when customers engage in revenue-providing exchanges that satisfy organizational and individual objectives" (Garriga and Mele, 2004:55). Its aim is to increase the revenues of the corporation and improve customer relationship by building the brand through associating itself with ethical or social responsibility dimensions in order to gain public and social recognition. In a way, it seeks product differentiation by creating socially responsible products that affect the company's reputation by making them seem more reliable and honest. In this context, McWilliams et al (2006) argues, it is important to distinguish between vertical and horizontal product differentiation. Vertical differentiation occurs when most consumers prefer one product to another. In the context of CSR, this can for example be that people prefer a hybrid version of a car that generates less pollution than a standard version of the same car in order to act more responsibly. In contrast, horizontal differentiation occurs when consumers prefer a particular product, but the preference is based on taste, rather than quality. For example, some consumers choose a particular car because of its colour or design, which does not contribute to the reputation of the firm (McWilliams et al 2006). Other typical cause-related marketing activities can be the support of charity events that benefits both the company in terms of reputation, and the targeted beneficiaries in terms of money and support (Garriga and Mele, 2004).

On any given day, average people come into contact with some 1500 brands, and when they go to supermarkets in developed economies, they will be confronted with up to 50.000 brands, which illustrates the competition that producers face in terms of making their product and brand stand out (May et al, 2007). In a world facing environmental problems and challenges, it is notable that many of the corporate giants see it as a necessity to mark themselves as "green" as they claim to operate in a fair and environmental friendly manner. However, consumers are becoming increasingly critical towards the operations of companies, and they often find it difficult to determine if a company's operations actually meet their moral and political standards for social responsibility, or if it is just glossy words. Although most of the large companies today publish annual reports on CSR, this information can be biased and is often perceived as advertising or "green-washing" of other harmful activities,

rather than actually being socially responsible. This increased public awareness and scepticism has amplified the pressure on companies to both improve and verify the activities undertaken throughout the entire business and its operations.

2.7.2. Strategies for achieving competitive advantage

This theory focuses on how a company can allocate resources in order to achieve long-term social objectives and create a competitive advantage. By addressing context, companies are enabled to not only give money but also leverage its capabilities and relationships in support of charitable causes. Business leaders increasingly see themselves in a non-win situation, caught between critics who demand higher levels of social responsibility, and investors pressuring to maximize short-term profits. As a result, many companies seek to be more strategic through using CSR as a form of public relation or advertising, where the company's image or brand is promoted through cause-related marketing. However, such cause-related marketing, Porter and Kramer (2003) argue, only accentuates publicity rather than social impact, and it falls short of improving a company's competiveness. In the long run, social and economic objectives go hand in hand because economic competitiveness depends on both productivity and demand. This can only be achieved through having healthy and educated employees, as well as customers. A company can enhance its competitive advantage by for example focusing on educational or training programmes within the area of their operations, thus creating employment opportunities as well as an employee base for their company. Further, Jackson and Nelson (2004:55) argue that in this "post-Enron" era it is simply a prerequisite to link profits with principles in order to restore trust and confidence while delivering long-term value to shareholders. Although the benefits of "getting it right" might not always be clear, the costs of "getting it wrong" is undoubtedly more obvious and can have devastating effects on the company. Overall, they conclude that by "getting it right" through incorporating ethical, social and environmental issues into their business operations, this is most likely to translate into better overall operational performance and profitability for the company.

2.8. Ethical theories

Within academic research and teaching, the term "business ethics" has often been used as an umbrella term to discuss CSR (Caroll, 1999). Business ethics look at specific ethical issues such as payment of bribes, discrimination or ethical marketing, but it is also addresses the broader role of business in the global economy and its social and environmental impact. The various ethical theories are based on principles that express the right to do, or the necessity to achieve, a good society. Although there are a variety of different ethical theories, the one of sustainable development has been chosen for the purpose of this study.

2.8.1. Sustainable development and corporate sustainability

The concept of sustainable development is almost impossible to avoid when discussing the role and meaning of CSR. With its origin in forestry and environmental management, sustainability in the context of business aims to map out how an organisation successfully can survive without compromising the ecological, social and economic survival of its current and future environment, reflecting the notion of the triple bottom line that increasingly is becoming a theme in corporate reporting (Crane et al, 2008). At the heart of the debate lies the question of whether and to what extent any form of development can actually be sustainable. Critiques argue that development is not possible without compromising with the environment, while proponents believe that economic stewardship will itself result in social and environmental sustainability.

For many however, sustainable development comes under the umbrella of social responsibility, whereas society is dependent upon its social and natural environment, and only through responsible actions can development be sustainable (May et al, 2007). The concept of corporate sustainability has become increasingly important and so has the need for organisations to address sustainability issues in order to both solve existing environmental and social problems, as well as prevent future damages.

Until now the research on corporate sustainability is rather limited and theoretical, and is a highly contested area. While Diesendorf (2000) on the one hand, argues against the use of the term, warning that it only refers to "the long-lived corporation that does not necessarily contribute to ecological or social sustainability" (2000 cited in Dunphy et al, 2003:3). Garriga and Mele (2004), on the other hand, states that " sustainability is an ideal toward which

society and business can continually strive, the way we strive is by creating outcomes that are consistent with the ideal of sustainability along social environmental and economic dimensions" (2004:62). These two strands reflect the ambiguity of what corporate sustainability entails. The first understanding relates to the self-enlightenment of business in its drive for economic outcomes and sustainability. Although making profits is a crucial part of business, many suggest that the continued progression of corporate sustainability requires a movement away from solely focusing on economic outcomes, to also include environmental, social and ethical outcomes. Further, one finds those who support a more holistic view on corporate sustainability, such as Gladwin et al (1995), who states that a sustainable management should embrace " the full conceptualization of political, civil, social, economic and cultural human rights" (Benn and Dunphy, 2007:51). Proponents of this understanding emphasize a systems-thinking approach to corporate sustainability, which sees corporations as part of a larger system where the interests of the various other stakeholders cannot be ignored (Benn and Dunphy, 2007).

2.9. CSR in a Global Context

> Never before in the 33 years of the World Economic Forum's history, has the situation in the world been so fragile, as complex and as dangerous as this year. We feel that we are living in a new world- with new rules and new dangers- but certainly also with new opportunities… Today we need a new, and enlarged concept of business leadership! Klaus Schwab, President, World Economic Forum (2003 cited in Jackson and Nelson, 2004:13)

As a result of globalisation, large multinational companies are continuing to spread throughout the world and they are increasingly being pressured to act more socially and environmentally responsible. There has been done significant work to develop CSR frameworks, both through international regulations and conventions, as well as national initiatives such as labour laws and standards, anti-corruption laws and environmental regulations. Although these regulations can be placed under the umbrella of CSR, the instruments that are directly linked to CSR activities are to date voluntary guidelines rather than actual regulations. Some of these initiatives, as we shall se below, are the Global Reporting Initiative (GRI), International Organization for Standardization (ISO) and the United Nations Global Compact.

2.9.1. The Global Reporting Initiative (GRI)

The Global Reporting Initiative (GRI) is a NPO that provides companies and organisations with a sustainability reporting framework that sets out principles and indicators that organisations can use to report their economic, environmental and social performance and to ensure a greater transparency throughout their operations. The GRI network consists of people and organisations from all over the world, which all play key roles in the work towards sustainability reporting (GRI, 2010). Increasingly many companies are incorporating sustainability reporting as part of their practices, and research shows that nearly 80 per cent of the largest 250 companies worldwide issued such reports in 2008, increasing from 50 per cent in 2005. By location, the biggest growth was in Brazil, followed by Switzerland in Europe, Canada in North America, China in Asia while South Africa remains the largest producer of sustainability reports within Africa. The majority of reports come from large, publicly listed companies, however reporting by small and medium enterprises (SME´s) is also rapidly increasing (GRI, 2010).

2.9.2. The International Organization for Standardization (ISO)

The international organization for Standardization (ISO) provides business, governments and civil society organizations with practical tools to ensure sustainable development through more than 18400 different standards. In particular, ISO 26000 addresses social responsibility through seven core subjects which are, human rights, labor practices, environment, fair operating practices, consumer issues and community involvement and development (ISO 2012).

2.9.3. United Nation's Global Compact (UNGP)

The UN´s global compact is a strategic initiative for business to commit themselves to act responsibly through aligning their operations and strategies with ten universal accepted principles in the areas of human rights, labour practices, environment and anti-corruption. The aim of this compact is that businesses can help ensure that markets, commerce, technology and finance, advance in ways that benefit economies and societies all over the world trough a greater collaboration and partnership between governments, civil society, labour unions and the UN. The members committing themselves to the compact is rapidly growing with more

than 8700 corporate participants and other stakeholders from over 130 countries, making it the world's largest voluntary corporate responsibility initiative (UNGP, 2012). The Global Compact consists of a practical framework for the development, implementation and disclosure of sustainability policies and practices, offering participants various management tools and resources developed to assist business to become more sustainable (UNGP 2012).

2.10. CSR in South Africa

In South Africa, political change and efforts to balance out socioeconomic inequalities, has been the main driver of CSR. In the decades before 1994 when South Africa achieved its democracy, people of African, Indian and Colored decent were denied economic opportunities, resulting in severe poverty and an imbalanced economy (Juggernath et al, 2011). However, due to a lot of international pressure during this time, several CSR initiatives were introduced within the mining, banking and oil industries. In 1977, the Sullivan Principles where introduced to South Africa, which required American companies doing business in South Africa to contribute a percentage of their profits towards charitable cases with "…the objectives to support economic, social and political justice by companies where they do business; to support human rights and to encourage equal opportunity at all levels of employment, including racial and gender diversity on decision making committees and boards; to train and advance disadvantaged workers for technical, supervisory and management opportunities; and to assist with greater tolerance and understanding among peoples; thereby, helping to improve the quality of life for communities, workers and children with dignity and equality" (Jennings, 2009: 242). This further also encouraged other large companies to contribute to social causes through the establishment of certain social funds, such as the Anglo American and De Beers Chairman's Fund, Gold Fields Foundations, the Gencor Development Fund and the Liberty Foundation (Fourie, 2005). Later, the publication of the King Report on Corporate Governance in 1992 was a fundamental contribution to the idea of CSR, as it focused on leadership, sustainability and corporate citizenship. With this report, companies are urged to act as "good citizens" and to incorporate the notion of a triple bottom line in their business. The report emphasizes that "the success of companies in the 21st century is bound up with three interdependent sub-systems – the natural environment, the social and political system and the global economy. Global companies play a role in all three and they need all three to flourish" (IoD, 2009: 11).

The King Report explicitly requires companies to implement the practice of sustainability reporting as a core aspect of corporate governance, through initiatives such as the Johannesburg Stock Exchange (JSE) Socially Responsible Investment (SRI) index, which was the first of its kind to use SRI as a requirement for companies to be listed on the stock exchange. The latest King Report that was updated in 2009 (King III), further supports the notion of sustainability reporting, but states that whereas in the past it was done in addition to financial reporting, it now should be integrated with financial reporting (Trialogue, 2011). Although integrated reporting (IR) has been practiced in some international companies for several years, it achieved a greater recognition with the formation of the International Integrated Reporting Committee (IIRC), which brings together the foremost accounting and sustainability standard-setting bodies in the world to develop and promote guidance on integrated reporting. In 2010, South Africa formed its own Integrated Reporting Committee (IRC), aiming to provide guidance and ensure good practice of integrated reporting (Trialogue, 2011).

Perhaps one of the biggest incentives for South African based companies to introduce CSR into their business, has been the Broad-Based Black Economic Empowerment (BBBEE) legislation, which aims to even out the racial imbalances an promote economic empowerment of historically disadvantaged people. This policy includes all South Africans who are African, Indian or Coloured, including women, youth, people with disability and people living in rural areas. This is done through various codes in which government gives companies BEE points according to the extent to which they comply with the policies. Those companies that show a high integration of previously disadvantaged people will benefit more from public sector work and procurement policies (Juggernath et al, 2011).

2.11. Conclusion

Chapter two gives an overview of corporate social responsibility and seeks to provide the reader with a greater understanding of the history and meaning behind the term. This is done through outlining the historical background of the concept and the major conceptualisations and shifts of it's meaning. It is clear that in order to fully understand the meaning of CSR, it is crucial to study the various theories that have been suggested. In this regard, the works of

Carroll (1991) and Garriga and Mele (2004) have had the most significant impact. In a similar manner, their proposed theories have been divided into four main categories; instrumental, political, managerial and ethical. Caroll divides the responsibilities of the corporations into a four-layered pyramid with the economic responsibilities at the bottom, followed by legal ethical and philanthropic responsibilities. Similarly, Garriga and Melè (2004) discuss various theoretical frameworks within these four main categories, such as corporate social performance (CSP), stakeholder theory, corporate citizenship, cause-related marketing and corporate sustainability. Although these frameworks offers useful contributions to the CSR-debate, there is to this date, however, no single theory that incorporates all the useful segments found in previous theoretical work on CSR. Therefore, a variety of different frameworks have been suggested as guiding and analytical tools in the discussion of the role of business in society.

Further, the chapter outlined the various policies and strategies that have come into practice within both the global and South African context. As discussed, most these strategies have been based on more voluntary mechanisms rather than forced regulations. However, South Africa has taken a more progressive approach as the first country in the world to introduce sustainability reporting as a criterion for companies that want to be listed on the stock exchange. Also the BEE policies have forced many companies to be more socially responsibly, however, as it will be discussed more in detail in chapter five; the motivations for why companies adopt CSR programmes are rather debated.

Despite numerous attempts and efforts to define and describe the meaning of CSR it remains a largely contested area. Critics view CSR as just another way of avoiding responsibility through fooling their customers into thinking that they are responsible through the " green-washing" of products, while others argue that CSR can be of benefit for both the company and society if incorporated into the business in a more strategic manner. Porter and Kramer (2003) for instance, argues that a company can enhance its competitive advantage by focusing on educational or training programmes within the area of their operations, thus creating employment opportunities as well as an employee base for their company, resulting in a win-win situation. This point will be further elaborated upon in chapter four and five,

Chapter 3: Methodology

The following section presents the research methodologies used in this study and elaborates on the motivation for selecting particularly these methods. Further, it describes how the data was collected and highlights both the strengths and weaknesses of the methods used, and how these factors may have impacted on the study.

3.1. Research Methodologies

This study used qualitative data collection and case study methodologies, as well as the use of primary and secondary data sources. While quantitative methods presents statistical results represented by numerical or statistical data, qualitative research is presented through narration, aiming to draw an understand of a phenomena in "its natural setting, attempting to make sense of, or to interpret, a phenomena in terms of the meanings people bring them" (Denzin and Lincoln, 2000:3). Because qualitative research is more inductive and investigative in nature, this approach was more suited for this study, as its purpose is to explore the various stakeholder relationships that exist between companies and organisation in the relation of CSR programmes. The case study method for data collection was selected because of its ability to produce intimate and context dependent knowledge, which cannot be achieved through quantitative methods. Flyvbjer (2006) argue that the advantage of case studies is that it can " close in on real-life situations and test views directly in relation to phenomena as they unfold in practice" (Flyvbjerg, 2006:235). In other words, it is an effective method to gain a greater understanding and knowledge of a specific context, and through personal interactions with various stakeholders, the researcher gets an inside-out view rather than seeing things from the outside. This helps the researcher to indentify issues and topics that would not be captured through the use of a more rigid and structured research design. Further, because of its descriptive and investigative nature, it is also a useful method to help generate theory and initiate change (Burton 2000).

The two sources of data used for this research were primary and secondary data. The primary data sources includes mainly representatives from the selected companies as well as their beneficiary organisations, but some other CSR practitioners made inputs as well. The case

studies were selected by means of stratified purposive sampling, in which members of a sample were identified and elected in advance on the basis on some criteria. According to Richie and Lewis (2003), this is a useful method to ensure that all the relevant key constituencies are incorporated, and that some diversity is included within each of the key criteria's. Patton (2002) defines stratified purposive sampling as " a hybrid approach in which the aim is to select groups that display variation on a particular phenomena but each of which is fairly homogeneous, so that subgroups can be compared (2002 cited in Richie and Lewis, 2003:79). The three case studies were selected on the ground that they were all based in Durban, thus being accessible for the researcher. Further, the three companies are all within the same industry, which was decided for the purpose of enabling comparisons between the cases. A total of thirteen semi-structured interviews were conducted, of which eleven were conducted face-to face and two via e-mail. The data includes information from four respondents representing the companies, and another four belonging to the beneficiary organisations. The remaining five interviews were responded to by participants that do not belong to the case studies, but however, employs significant knowledge and experience in the field of CSR.

According to Hart (2005) the advantage of using the method of semi-structured interviews is that "it can generate substantial in-depth qualitative information usually from a small number of respondents, and it allows participants to expand beyond the framework of the interview, thus opening up for ideas and concerns that were not included in the questionnaire. Two separate questionnaires were developed, one intended for the companies and another for the beneficiary organisations (See appendix 2). The secondary data was sourced from academic books, journals, published articles, documents, reports, newspaper articles and previous dissertations and research on the topic.

3.1.2. Table of participants and key functions

Participants and key functions	Company / organisation
Group sustainability manager	The Mr Price Group
Senior CSI practitioner	Game
Marketing Executive Director	The Hub
Marketing manager	The Hub
Manager	RedCap foundation, Mr Price CSR executive body
Director	Catalyx Consulting, main implementing partner of the Jumpstart Programme
Income generation manager	TREE, partnering with Game on the tool-to-play programme
CSI and marketing executive manager	East Coast radio
President	The Rotary club, D- 9270, Durban
Training manager	Altech Multimedia
CEO	Project Build
CSI practitioner	Norconsult
Head of investigations, BDO and former Deputy Director and Acting Director of the Norwegian Serious Fraud Office (ØKOKRIM)	BDO Norway
Program officer, regional network	Word Business Council for Sustainable Development (WBCSD)

NB: Please note that the group sustainability manager of Mr Price ais lso the manager of Redcap Foundation

3.2. The selection of case studies

As mentioned above, the case studies were selected based on stratified purposive sampling, where the cases were selected up front based on certain criteria's, such as accessibility to key stakeholders and finding cases that where somewhat similar making it possible to compare between the cases. Mr Price, the Hub and Game, were identified as suitable case studies, as they all have their head offices based in Durban, and operate within the same industry. These companies, although fairly young, are rapidly growing nationwide which makes them interesting cases as they are among the leading and competing retailers in the South African market. In terms of the NGO´s that were selected, these are some of the beneficiary organisations that form part of the various CSR programmes. However, due to limited resources and considering the companies' national outreach, the researcher was restricted to focus on the beneficiaries that had their base in the Durban area, these were; TREE, Rotary Club, East Coast Radio and Catalyx Consulting. In addition to this, representatives from the company Altech Multimedia and their beneficiary organisation, Project Build, were interviewed, as well as three other CSR practitioners, in order to gain a more holistic view of the concept.

3.3 Process of data analysis

The case studies were selected for the purpose of developing a data base for a comparative analysis of the motivation behind the adoption of CSR programmes and the sustainability of these programmes, both in terms of the actual impact on the targeted beneficiaries and the relationship between key stakeholders and partners. The main base for such an analysis was created through primary data collection by the means of interviews, aimed at answering the key questions identified by the researcher. Further, secondary data was used to give the reader a greater understanding of the concept of CSR, and to build a theoretical framework with the aim of giving the primary data a more solid base for analysis.

3.4 Research limitations

This research poses three main limitations. Firstly, the most common limitation of qualitative research methods is that it may rely too much on the researchers opinion, thus becoming subjective rather than objective. Qualitative research methods are often seen as less rigorous

than quantitative methodologies, which test theory deductively from existing knowledge, through hypothesized relationships and proposed outcomes (Lincoln and Guba, 1985). Diamond (1996) for example, observed that case studies suffer from what he called a "crippling drawback" because it does not apply "scientific methods" by which Diamond understood as useful methods for "curbing ones tendencies to stamp ones pre-existing interpretations on data as they accumulate" (2006 cited in Flyvbjerg, 2006: 234). This indicates that qualitative research methods maintain a bias toward verification as it is clamed to reflect the researcher preconceived notions that affect the reliability of the study, making it invalid for generalization (Duffy, 1985). However, Flyvbjerg (2006) argues that although these limitations are important to keep in mind, this criticism falls short of understanding the knowledge producing process that is gained through the study of different case studies, which are about making analytical generalizations rather than statistical interferences, as Burton (2000) argue. Similarly, Yin (2003) argues that case studies are used for analytical generalizations, where the aim of the researcher is to generalize a particular set of results to some broader theoretical propositions. For these reasons, despite the limitations of the methods, the data collected for this study had the purpose of gaining in-depth knowledge and understanding of specific context dependent matter where the particular sets of findings can be linked with a proposed theoretical framework, and not to produce data that can be scientifically generalized to all contexts.

The second limitation is based on the dependency on key participants to get sufficient information to lay the ground for analysis and discussion. Initially, the aim was for the data collection to be completed earlier, however, it was very challenging to get through to the key stakeholders, as they seemed to be on a very busy schedule or in some cases, reluctant to participate despite that they had been consulted up front. For these reasons, the research process took longer than anticipated, and fell short of some desired information, in particular from individuals holding senior management positions withii both Mr Price and Game. Because the group sustainability manager of Mr Price is also the manager of their beneficiary organisation, Redcap Foundation, senior management was repeatedly directing the researcher to her. However, despite of significant effort both by the researcher and the group sustainability manager to schedule interviews with senior management staff, these attempts failed. In regard of Game, several attempts were made to get through to senior level, however,

with no luck. The senior CSI practitioner of the company was the only representative that the researcher managed to get hold of, after several failed attempts. In the Hub, this process was easier, in which this might reflect the smaller size of the company. In regard of the beneficiary organizations, the researcher was able to speak to key stakeholders in charge of one or several CSR programmes. However, as will be discussed in chapter four, the lack of management participation reflects one of the main findings, namely that there is a lack of real engagement from the corporate side. Nevertheless, the respondents from each case study that did participate each represent the companies and organisations most significant spokespersons in terms of CSR and the information collected does give way for in-depth analysis and discussion.

Lastly, it is important to mention the limitations posed by the nature of this dissertation in it self, as it restricted to a certain size, thus not allowing for further in-depth analysis and exploration of the topic. Considering the vast literature and expansive nature of CSR, this dissertation falls short of capturing the size and scope of the concept, as this would require considerably more space and time.

Chapter 4: Presentation of the research and findings

4.1. Overview and background of the case studies

4.1.1 The cases

The case studies were selected by the means of stratified purposive sampling, as they were selected up front based on certain criteria, which were as discussed in chapter three; that the key respondents would be geographically accessibly and that they would all fit into a similar category of companies in order to lay the ground for a valuable comparative analysis. The companies chosen were Mr. Price, Game and the Hub, and the organisations representing some of the beneficiaries of their CSR programmes, which were TREE, Rotary Club, East Coast Radio and Catalyx Consulting. Additionally another five participants were interviewed in order to get a broader understanding and ground for discussion. Eleven out of the thirteen participants were interviewed face-to-face using semi-structured questionnaires, which gave room for an open and in-depth discussion. In regard of the two participants who were not able to meet in person, questionnaires were responded via e-mail. These responses reflected less in-depth information and did not give room for the researcher to follow up on questions like in face-to-face interviews, which emphasizes the advantage of qualitative research methods when studying social phenomena.

4.1.2 Questionnaires

Two questionnaires were developed, one for the companies and another for the beneficiary organisations, these can be found in appendix 2. Common questions enquired for the companies included the motivation for companies to adopt CSR programmes, whether or not a CSR policy is incorporated, if there exists a special division for CSR, and how the companies relate to other stakeholders. Further respondents were asked about their perceptions about CSR and what factors influenced these, whether any patterns of change in how the companies selects and engages in programmes can be seen, and what elements that might reflect such change. Lastly, the questionnaires include questions about the challenges as well as opportunities, both in regard of CSR and in terms of the relationships with their beneficiary organisations. The beneficiary organisations were asked similar questions, but more related to their relationship with the companies and what they believe drives companies

to take on CSR programmes. The questions aimed for the organisations were in addition to be explorative also intended as a follow up and verification of the information given by the companies. The next section gives a presentation of the cases, before moving on to the findings.

4.2. The Companies

4.2.1. Game

Game is a discount retailer of general merchandise, trading a wide range of products for home, business and leisure use, such as stationary, furniture, indoor and outdoor equipment, electronic appliances. Traditionally Game has been a discounter of non-perishable goods, but with the newly introduced food brand, Foodco, their brand name has been pushed towards a multi-category format. Opening up in Durban 1970, Game now operates throughout 94 stores in South Africa and in 13 major cities in sub-Saharan Africa. The company is part of Massdiscounters, which is one of the four operating divisions of the Massmart Holdings Group. The Group is publicly listed on the Johannesburg Stock Exchange (JSE), and has become the second-largest distributor of consumer goods throughout Africa. The groups total revenue after tax for the financial year of 2012 was Rand 61.2 billion, an increase of 15 per cent from the previous year. Massdiscounters, which consists of Game and DionWired, contributed to 25 per cent of the groups total sales, with Rand 13.3 billion.

The groups main competitors are other discount retailers, such as Pick`n Pay, Spar, Checkers, Mr Price and Incredible Connections. Game aligns their CSI policy with the Massmart Groups central CSI commitment, which is that each trading entity is to spend a minimum of one per cent of total profit after tax (PAT). In total the Massmart Group spent two per cent PAT in 2011 compared to 1.6 per cent in 2010, while Game annually spends one per cent of its PAT (Massmart, 2012). The group's main CSI focus has been in the area of education and nutrition for young and disadvantaged children.

Game funds several projects aimed at enhancing children's education through focusing on feeding, stationary and disability. In the Cape peninsula feeding scheme, Game adopts six schools in the Western Cape area each year and invests about Rand 300 000 to ensure that each child in these schools receive a meal. The second project, the Game/Vodacom

Wheelchair Fund, has provided hundreds of disabled school children throughout South Africa with new wheelchairs. This partnership was established 13 years ago and has to date donated Rand 10 million worth of wheelchairs to disabled learners throughout the country. The third initiative is called Causal Day, and is a fundraising event in favour for the National Council for the Blind, the SA Federation for Mental Health, Disabled People SA, the Deaf Federation of SA, Epilepsy SA and the National Council for Persons with Physical Disabilities in South Africa. Game has been involved in Casual Day since 2005, raising Rand 3.7 million. The donation is the total sum raised by customers who bought Casual Day stickers at Game stores across the country three weeks in advance of the event. The fourth program that Game is involved in, is the stationary for schools project called Tools to Play, which is an initiative aimed to improve early childhood education (ECD) and development through donating a kit full of educational toys targeted at helping children in problem-solving, numeracy, music and self-expression. Since started in 2009, Game has annually donated 50 such kits to the most needy sites. In KwaZulu-Natal, Game has provided tools-to-play kits to nine sites in cooperation with theTREE (Training Resources for Early Education), who is the main facilitator of the ECD sites, providing training on how to use the play kits.

Within Game, it was problematic to get response from higher management, as the researcher was repeatedly directed to speak to the CSI practitioner of the company. However, although having the main responsibility for the company's CSR programmes, the respondent was not able to answer all the questions from the questionnaire on behalf of the company due to confidentiality reasons. This limitation put serious constraints on the in-depthness of the study of this particular case. However, through conversations with the income generator at TREE, Game´s main beneficiary partner in KwaZulu-Natal, basis for analysis and discussion was made in regard of the tools-to-play project, which will be the main focus for this case. TREE focuses on Early Childhood Development (ECD) and assists parents from disadvantaged communities, to provide their young children with access to qualified ECD programs, that promotes the child's development, support, health and welfare.

4.2.2 Mr Price
The Mr Price Group is South Africa's largest listed clothing retailer group, comprised by four operating divisions; Mr Price clothing, Mr Price Home, Miladys and Sheet Street. The group

retails fashion apparel targeted for all age groups, homeware and sportswear and is one of the fastest growing retailers in South Africa. Currently the group has 940 stores throughout South Africa since it was founded in 1985, and an additional 24 stores internationally. In the 2012 financial year, the group's total sales were Rand 11.7 billion compared to Rand 10.6 billion in 2011. The main competitors are the Foschini Group, Truworths, Ackerman's and Woolworths, and leading homeware stores such as home etc. and @home.

The Mr Price group has handed over their CSR division to the Redcap Foundation and Redcap Sport, which are affiliated to the group and receives the majority of its funding from here, which was Rand 8.6 million in 2011. In addition to this the Foundation managed to raise another Rand 800.000 through various fundraising initiatives, such as cause-related products sold in the stores, from which the full process is given to Redcap Foundation. Mr Price customers can also choose to donate a monthly amount of five Rand that is automatically deducted from their account. Other means of raising money has been through various fundraising events, such as book sales and sports events.

The main focus of the projects is to create social change through focusing on young people up to the age of 25 by providing them with education and employment opportunities. The organisation decided upon this areas after doing research of Mr Price customers and workers, asking them about what they thought should be the main focus of its social responsibility. Through two different surveys, both groups responded that children and education should be the main focus. Also sport came out strongly, and Redcap Sport was started as a separate entity because of separate funders, with its main focus being on sport for development, using sport as a vehicle to give children something healthy to do and keep them off the streets. Both the Redcap entities receive its majority of its funding from the Mr Price group, but also receives funding from government and through the various fundraising initiatives mentioned above.

Redcap Foundation is currently driving three programmes, these are called; Young Heroes, Jumpstart and the RedCap schools. The Young Heroes project aims to develop a passion for regular exercise and healthy lifestyles among children in less privileged schools. In partnership with the National Department of basic Education (DOE), Redcap Foundation

donates all equipment necessary for physical education in selected schools within the nine provinces. The Jumpstart programme is currently offered in seven out of the country's nine provinces, and aims to assist unemployed matriculates between the ages of 18-25 by facilitating work experience opportunities in Mr Price stores. Recently, the organisation launched the RedCap schools programme, which has the objective to improve leadership, teacher and learner performance and promote parental involvement. Through doing this, the organisation hopes to create a better learning environment that will lead to greater results. To date, more than 200.000 children and youth have benefited from the various Redcap programmes (Mr Price, 2012).

Through the Jumpstart project special attention are given to employing graduates from previously disadvantaged backgrounds and preparing them for future management and specialist retail positions. Pre-employment internships are offered as a way of evaluating young potential employees while the Jumpstart programme provides soft skills training and work experience in Mr Price stores. In 2011 about 1500 of these graduates were given employment, which was a very low rate as this only equalised 20-30 per cent. The reason for this was a new assessment test that was enforced by Mr Price that mostly assessed mathematics levels and bar code recognition, which the majority of the participants failed. However, with assistance from the main implementing partner, Catalyx Consulting and the introduction of the new jobs fund project, the students has this year been given tutoring and sample tests, and the pass rate has increased to around 70 per cent and the number of graduates that are getting jobs has increased to about 50-70 per cent.

4.2.3 The Hub

The Hub is a rapidly growing fashion brand retailer, selling mainly sports and fashion clothing for all age groups, cosmetics and homeware. The first Hub store was opened in Durban in 1934, and has now expanded to 21 stores across South Africa. The company is privately owned and therefore has not been reported with publically listed companies on the JSE. In the 2011 financial year, the company had a turnover of Rand 500 million, however, their total PAT value is kept confidential. The main competitors of the Hub are other fashion and brand retailers such as Mr Price, Jet, Ackerman's, Edgars, Woolworths and Thruworths.

The Hub has relatively recently started to engage in social development projects and there is to date hardly any published information about their projects as they are not listed on the JSE. However, they do engage in several smaller projects, which differ from branch to branch, as they do not have an overall CSR strategy. The various stores keep their own CSR budget and embark on their own projects. The head office in Durban, sets aside Rand 5000-8000 per month for social spending. They prefer to rather keep their CSI spending to a personal level and engage in smaller projects, such as donating clothes and items from the stores and help out on an individual basis. The annual Winter-Warmth campaign, in collaboration with East Coast radio and the Rotary club, is the biggest and most recognized of the projects that the Hub is involved in. The aim of this project is to raise blankets to disadvantaged people all over KwaZulu-Natal to help them keep warm at winter. Every year customers are encouraged to either donate money, or to buy blankets in the Hub stores and donate these to the project. Each blanket costs Rand 35 and in return for purchasing blankets, customers get ten per cent discount on the next item that they purchase. In addition to this, East Coast radio holds live broadcasts all over KwaZulu-Natal to raise money from the different areas, and urge people to purchase blankets from the Hub stores. They also have a corporate fundraising day, whereas last year they managed to raise about Rand 1.5 million. The Hub uses its stores as drop-off points and facilitates in stocking the blankets until the Rotary club collects and distributes the blankets to the communities. In 2011 the project raised 44.000 blankets that was handed out to all over KwaZulu-Natal.

4.3. Findings

In the following section, the main findings from the research is presented and divided into …

4.3.1. The duty of corporations is to give back to society

Despite some variety among the responses to the questions posed, strikingly many of the participants expressed similar views. This was in particular the case for the questions about why they believe that companies should take on CSR programmes. The majority of all participants argued that corporations needs to act as more responsible citizens and give something back to society. One of the arguments for this was that companies rely on operating in a healthy society that generates both customers as well as employees. If they operate in a dysfunctional society, this cannot be guaranteed. Similarly, if they operate in an

irresponsible manner, they risk loosing both their reputation and their customer base. This latter point was further raised as part of the main responses to the question about what the respondents believe to be the main motivations for companies to adopt CSR programmes.

4.3.2. Reputation

Reputation was also highlighted as one of the main factors for why companies adopt CSR programmes. This was in particular expressed among those working for the NGO´s and charity organisations, whom also believed that the "feel good" factor plays a significant role. There was a general belief that the companies feel a need to "pay back" to a society that has been abounded and exploited for years. Further, representatives from both the companies and the beneficiary organisations pointed out BEE as one of the main incentives for South African companies to engage in social responsibility projects. Although some of the interviewees did mention that the large multinational companies have been giving a percentage annually as its common practice before BEE was introduced, they all viewed the BEE incentives acting as a major factor of motivation. Also the requirements of the JSE to submit sustainability reports, has forced the publicly listed companies to contribute towards social development aspects.

Although the introduction of BEE was initially seen as something positive, several of the respondents experience that the way companies use BEE is misunderstood because they use it as they see it as an incentive to gain points as well as PR. It was mentioned that the result of this is that they are contributing to a development of a dependency culture because many companies create short-term and unsustainable projects with the aim to enhance their reputation. Such programmes, one of the respondents argues, only feeds into this dependency culture, making the people want more and more things, instead of actually being given the chance to make a substantial change to their own lives, such as through long-term education and skills development programmes. "People expect things, especially as a Mr Price brand, and we disappoint because we don't arrive with a truck full of t-shirts and so fourth which people expect from us. Instead we ask `what do you need and how can you change your situation and how can we help you do so?" (Interview with respondent from Mr Price, 07/03/2012). Further, another of the respondents working for one of the companies, argued that this matter is a "…a two-edged sword really, because the more PR one gets, the more people will come back to you, and among the lets say hundred people that does come back to the stores, most likely some of them are motivated to donate to social responsibility

programmes, such as in our case the winter-warmth campaign" (Interview with respondent from the Hub, 19/03/2012).

In terms of BEE ratings, the Mr Price Group achieved compliance as a level six BBBEE contributor in 2011, while Game (under the Massmart Group) scored as a level four contributor towards BBBBEE. The Hub has chosen to remain privately listed and has not integrated BBBEE policies in their business. Despite the respondent's arguments of PR being the main incentive for CSR, apart from being BBBE compatible, none of the three companies spend any significant amounts of money on CSR advertisement other than the required annual reports and the information that can be found on their webpage's.

4.3.3. Strategy

In regard of how the companies select their CSI policies, similar patterns can be seen within both Mr Price and Game, which both have education as their key focus. The Hub on the other hand, does not operate under any particular CSI policy, as they prefer to help out in the communities on a more personal basis rather than donating money into large projects. The respondents form the Hub told that they are more willing to assist with requests such as helping disadvantaged children to get school uniforms and raising money for individual cases. "We don't put large amounts of money out there and say we are going to spend it on this and that. Our social responsibility activities all comes out of individual budgets, but generally we keep about Rand 5000-8000 aside each month. We never give out cash, we would rather give something tangible that people can use" (Interview with respondent from the Hub, 19/03/2012). The company has many people and organisations contacting them, asking them to donate vouchers and clothing, which they happily oblige to because they feel that those types of involvements make a difference and a tangible development to that person. In regard of the two other cases, both Mr Price and Game are committed to spend at least one percent of PAT towards social responsibility programmes. Both the companies select their programmes around education and skills development, with the main focus being disadvantaged children and youth from poor communities. In addition to this, they also offer their employees certain benefits such as medical aid packages and cover for Hiv/Aids treatment and medication.

4.3.4. Dysfunctional government

In response on why they selected these areas as their core focus, they told that this was based on the low education levels in the country, and since government are not doing enough, someone needs to step in. Not only are the low educational levels inhibiting growth and social improvement of the country per se, but it is also impacting directly on business because business relies on operating in an educated and healthy society. "Because of the bad educational system it is quite hard to find employees that are suitable for working in the Mr Price stores, which is quite bizarre considering that it does not required a lot of skills to sell clothes. The societal dysfunctional system actually impacts on business, you cannot ignore that, and one has to ask what can we do to address this? That's why I think CSR is so important" (Interview with respondent from Redcap Foundation, 07/03/2012).

This view was expressed by several of the other respondents as well, and in particular, all the participants repeatedly expressed the frustration with government. Those working within the civil society organisations expressed that since they find it very complicated to work with government they prefer working with private sector, because in contrast to government, private sector has the resources and efficiency to get things done. There was a general notion that working with government was challenging as everything takes a long time and the system is generally very bureaucratic and ineffective. It was a common perception that the corporations in general have a greater understanding of various processes and that they turn talk into action, whereas with government, talk has a tendency of remaining talk. Further, they find that there is a gap between the information government provides and reality, as there is not enough communication between government and the organisations that are working in the field. Also those representing the companies shared this frustration, and one of the respondents pointed out that business and government work very differently; "for us, we put a strategy out, we work out a plan and then implement it, otherwise it is no point. We would not just put strategies out if its no resources behind it and spend all that time producing a plan that is never going to be implemented, in business, that just doesn't make any sense" (Interview with respondent from Redcap Foundation, 07/03/2012). Although working on the ground with local government was seen to be less problematic than working at national level, local government does not have enough mandate since all decision-making needs to go through national level. Another of the respondents told that its almost like government views the

businesses as a threat, and they constantly have to push their way through. The company agreed to work together with government on one of their education and skills development projects, but government has not delivered the funds that they promised to.

4.3.5. The sustainability of CSR programmes and their targeted beneficiary organisations

In regard of the relationships between the companies and their beneficiary organisation, there seems to be less tension, and all the participants in this study expressed that the relationships are mutually beneficial. In particular, the case of Mr Price came out strong, as the respondents expressed that the company, NGO and the targeted beneficiaries were all directly benefitting from the partnership, creating a win-win-win situation. Evaluation of the programmes show that a lot of jobs have been created and that 75 per cent of the schools continue implementation after Redcap Foundation and its implementing partners have withdrawn from the projects. In terms of the implementation partners, they have grown extensively and the amounts of people that have got training and jobs working for these projects are also significant. This has aided these people to sustain themselves within their communities and has further enabling them to reach for new opportunities and careers. On the corporate side, Mr Price has benefited directly from the Jumpstart programme because the youth are taught how to work in their stores and the managers of these stores has first option to employ them after the training period is completed. With a substantial staff turnover, the demand for employees are high, thus being able to employ young people who has been trained specifically to work in Mr Price stores is a valuable asset for the company. Although unemployment levels in the country are high, because of the poor educational levels, it is not easy to find qualified employees, and this programme enables Mr Price to employ qualified people with knowledge about their business, as well as opening up job opportunities to previously uneducated and unemployed youth. This was further expressed by one of the implementing partners of the Jumpstart project; "the non profit partners benefit from having an outlet to employ their people and receive income from their programmes, while the unemployed and their families benefit from job opportunities and the income as a result. The Mr Price group benefits from better quality employees and the positive credibility from the programme" (Interview with respondent from Catalyx Consulting, 31/08/2012).

In the case of Game, the there was not really given enough in-depth information about how the company benefit from their partnerships, other than that they found it fruitful and that it complies with their CSI policy. On the other hand, the respondent working for one of the beneficiary organisations and the main implementing partner of the tools-to-play project, experience that the communities they work in have benefited significantly from the various partnerships that they have created with different funders. Not only are the children benefitting from the ECD education, but one can also see that the projects are creating knock-on effects, whereby the children come home and actually teach their parents and other household members what they have learnt. One needs to remember that many of the family members come from disadvantaged backgrounds and have not received education themselves. However, the NGO did express that they wish for a greater sustainability of the project, and explained that a weaknesses of their partnerships with the companies, is that there is always an uncertainty about the future of the relationship because the companies does not commit themselves on a long-term basis. This is particular the case with Game, which only set out a yearly plan, whereas the other large companies they partner with commit themselves to three years at a time. The organisation urged that it would be of great advantage if Game would see the project in more holistic terms and provide support beyond the donations of toy kits, so that training can be provided along with the donation of these kits. This would benefit the larger communities as well as the children and practitioner to a greater extent; " a long-term strategy is important because one needs to provide support for all the aspects to build a model centre. Nutrition, water and sanitation and immunisation, are all components that are important to ECD. We want donors to commit to a full package and work towards a model centre. Certain donors understand this, while others might understand it, but only wants to focus on one aspect… We want these children to change the future of our country" (Interview with respondent from TREE, 18/09/2012). Although the organisation appreciate their relationship with Game and find the donations of kits of great importance, they would like to take the project to another level and make it more long-term and sustainable, but they can only do this given that they receive more funding. Also in the case of the other projects where companies commit themselves to three years, they would like to expand this to five years, to ensure the sustainability of the programmes.

Several of the respondents stressed that it takes about five years for a programme to sustain itself, which can be achieved through various means and strategies. In regard of the Mr Price

Jumpstart program for instance, the introduction of tutoring and sample tests to prepare the students for exams, have resulted in a higher pass rate. Further, they plan to develop a statistics system where they can follow up on how many stay in the jobs, how many leave and the reasons for this. The goal is not only to provide jobs, but that the graduates get a chance to move or "jump" up in the system, referring to its name "Jumpstart". In regard of the Redcap schools, sustainability is ensured through a long-term strategy of implementation, monitoring and evaluation. The foundation has implemented a five-year strategy, which entails that that by the end of the fourth year, the teacher should be able to perform 75 per cent of what is a needed to be done, so that during the last year, the teachers are monitored and couched through the process of improvement. After the years of implementation, the Redcap Foundation carries on to use those schools for continuous innovation and they also provide information about progress to the government who can use this information at a national level. A project is only considered sustainable if it is successfully handed over to the beneficiaries after the implementation period and they can themselves manage to continue the work. In other cases, success can be measured from the

4.3.6. Challenges

In terms of challenges the respondents from the NGO and charity organisations all agree that the biggest obstacle is to raise funds. There are many organisations competing for funding and companies tend to have their own agenda, focusing on projects that they can align themselves with and that will give them exposure and a sense of ownership. On the other side, those companies that do not embark on projects that operate in conjunction with a specific course and objective are also seen as a challenge because these projects often only lead to short-term outcomes. The challenge for companies is to fund projects that do not perpetuate the circle of dependency but rather empowers people and enables them to take control over their own lives and make a positive change. Many companies lack the patience to embark on such long-term strategies however, as they want to see immediate effects. In particular, those beneficiary organisations that are not BEE compatible, find it difficult to raise funds because many of the companies look for ways in which they can increase their BEE score.

Although the respondents believe that there is a certain motivation from companies to do something, they often need a vehicle to put this motivation into actions. Companies have a tendency to take a re-active role rather than being pro-active, and if they find some organisations that are willing to do most of the work, they will donate the money in return for

the information needed to write their annual reports. Several of the respondents from the beneficiary organisations expressed this point and have tried to get the companies to show more interest and follow up on the projects. However, it was also indicated that more recently, there has been change towards companies taking a more proactive stance. This, the respondents believe, is because of a change in people's mindset and a greater understanding and acknowledgement of CSR. They experience that when representatives from the companies actually see for themselves what their money is contributing to, they become more engaged. But many companies remain reluctant to get involved in CSR, and respondents from both the corporate side and their beneficiary organisations, believes that the reasons for this is either ignorance or insufficient knowledge of the field, and / or lack of resources and dedicated personnel to do so. Often CSR becomes an ad-hoc on employees already working in another department. This latter point was expressed several of those respondents working with CSR in the companies as they feel that they do not have enough allocated time to work on CSR programmes. They agree that it does not matter much if a company has a comprehensive CSR policy, if it does not have dedicated staff to make policy into action. Out of the three cases, only Mr Price has its own CSR department, as these functions are handed over to Redcap Foundation, who works closely together with top-level management. In the two other companies, CSR responsibilities forms part of the RR and marketing departments, having one or to employees allocated the role as CSI practitioners.

One of the major challenges for companies is to deliver shareholder value while at the same time deliver social value. This requires looking at new opportunities related to the company's ethical, social and environmental performance, and finding programmes that can both benefit the company, as well as contributing to social change. Various views where posed on how companies could become more motivated and engaged in the field of CSR. Some of the respondents mentioned that the only way to get business more involved was for government to regulate more. For instance, it was suggested that government could set criteria's for receiving BEE points, such as for example having to put money into a joint fund. But for this to be successful, the playfield would need to change and government would need to prove itself as an accountable and trustworthy institution. Instead, a kind of industry fund was suggested, much like the Tshikululu Fund, but experience show that it is difficult to get other businesses on board and collaborate. "We have approached some big businesses and said this

is the space we are in and this is the space you are in, lets work together rather than work separately, and we don't hear from them. I think so much more could have been done if the businesses took their money and put it in to one pot, but sadly this just doesn't seem possible. We have had discussion with many different companies but they want ownership, while we on the other hand, say let's share" (Interview with respondent from Mr Price, 07/03/2012). They hope that when companies see the success of other CSR programmes and how this brings value to the companies, more and more businesses will come on board. The introduction of BEE has in itself put more pressure on business to take on CSR programmes, however, it tends to act as an mechanism of self-enlightment rather than actual motivation and interest. Further, public pressure remains as a strong incentive for business to start taking more responsibility for their operations, which we have seen many examples of.

4.3.7. Opportunities posed by CSR

All the respondents were of the opinion that great opportunities could be created through CSR if a situation is created whereby more open and true partnerships and real coordination between businesses, government and civil society can develop. This would lead to a greater impact on target groups, as they believe that collaboration among multi-stakeholders can achieve more together than in isolation. "Business brings to the table certain skills and contracts that government and the non- profit sector often do not have. If managed appropriately, government, civil society and business partnerships can lead to a win-win-win situation" (Interview with respondent from Catalyx Consulting, 31/08/2012). This latter point illustrated here will be discussed further in the next chapter, where several mechanisms for how to make such partnerships successful will be presented.

4.3.8. Conclusion

In this chapter the main findings from the conducted research has been presented. Most of the respondents beleived that one of the main reasons for companies to adopt CSR programmes, was that it is the duty of business to give something back to society, but also reputation and in the context of South Africa, the BEE policies, were seen to be strong incentives. Further, all the respondents expressed their frustration with government and argued that in a society like South Africa, where government is dysfunctional, private sector must step in and take action

in order to maintain a healthy society with productive employees and a vigorous customer base in order to survive. The relationship between the companies and their targeted beneficiary organisations, on the other hand, seemed to be generally positive, and the majority of the respondents expressed that they were all benefiting form the partnerships. However, several challenges were also posed, such as the need for more open and transparent relationships and also more openness' from companies to collaborate with other companies. Also some of the beneficiary organisations wished for more proactive engagement by the companies in the projects. These matters will be raised and discussed in more debt in the following chapter.

Chapter 5: Discussion and Analysis

5.1. Discussion

In this section the main findings from the case studies will be summed up and elaborated further. The discussion will take part as an comparison of the cases with a focus on the achievements and outcomes of the various projects and whether or not these are sustainable, both in terms of the relationships among the various stakeholders, and in regard of the actual projects. As presented in the introduction, one of the key questions that this research aims to address whether it is possible to create win-win situations for all the stakeholders involved in the running of corporate social responsibly programmes, and how this can be achieved. To answer this, one needs to question the motivation for companies to invest money into social responsibility projects and how these in return this can benefit the company. Similarly, one needs to question the beneficiary organisations representing the targeted community about how they experience the relationship with company x and what has been the outcomes for the communities. If the company, the beneficiary organisation and the targeted community all seem to benefit from the relationship, and the results are seen to be sustainable in the long run, one can conclude that the result is a win-win situation. On the other hand, if the programmes are leading to some benefits, but are not seen to be sustainable in the long-run, then one can argue that the company is most likely getting involved for reasons of self-interest, such as BEE and PR, rather than to contribute to social change.

For a project to be considered successful, it needs to be sustainable, which in this context implies that the program have a long-term strategy and implemented in a way that gives the targeted communities themselves a chance to take control over the projects after a certain period of time. IFAD (2009) has given the following definition of sustainability in regard of social development projects, which is to "ensure that the institutions supported through projects and the benefits realized, are maintained and continue after the end of the project …." (2009: 8). Further, it acknowledges that assessment of sustainability entails determining "whether the results of the project will be sustained in the medium or even longer term without continued external assistance" (2009: 8). Also, several of the respondents participating in this research, viewed successful and sustainable programmes as those in which the targeted beneficiaries themselves are enabled to continue after the implementing

period is over. Some of the respondents highlighted that it takes about four to five years for a project to fully sustain itself, and it therefore becomes crucial that CSR programmes have long-term goals. However, it is important to bear in mind that some of these programmes are fairly new, and that it takes time before one can measure and evaluate the real long-term effects on both the company and society.

In the following section, six key questions will be discussed with references to both the case studies as well as the broader literature and theoretical frameworks that was introduced earlier on, in an attempt to draw lines between the knowledge and findings presented so far in this paper.

5.1.2 What is understood by the concept of Corporate Social Responsibility and why is it important?

When the respondents were asked about what they understand by the concept of CSR, the response somewhat varied, and a few did not even comment on this as they where not really sure how to define the concept. Others highlighted that business has been involved in social development long before CSR got its acronym, but that a more definite need has emerged for a broader spectrum of business to set aside funding. The majority however, understood CSR as the responsible actions of business and the need for business to operate as good corporate citizens. Especially strong was the notion of giving back to the community because business cannot operate in a society without customers and it is thus only the right thing to do to give something back. Especially in a country like South Africa, where corporations for decades have been taking advantage and exploited both human and environmental resources, several of the respondents expressed CSR as "pay back time". Further, because government has failed to deliver adequate social services, in particular healthcare and education, someone needs to step in and do it, and business have both the efficiency and the resources to do so. Although, the major responsibilities should lie within government, business must also realize that they do not operate in a vacuum. The Mr Price Jumpstart project is a great example of this in that the company has addressed the great need for productive employees to work in their stores, by focusing on educational and skills development and opening up job opportunities for unemployed youth. Also Altech Multimedia highlighted this, as they are partnering with the Programme for Technological Careers (PROTEC), which is a national independent non-profit

educational service provider that specialises in science, mathematics and technology education. This is important because the levels of mathematics and sciences are so low in South Africa, and it is very challenging to find qualified employees for their business. Althech Multimedia are involved in several projects aimed to enhance both the technological and scientific skills among children and youth. In return, they hope that students will flow into the company, through developing an internship programme that will both give the students experience and work opportunity in the company.

5.1.3. Which factors motivate corporations to involve themselves within social development?

The motivation for adopting CSR programmes are closely linked to the above factors about the need to be a responsible citizen and to address the dysfunctions in the societies they operate. However, this is not the only motivation for corporations to get involved, there are many other factors that plays in, and the debate about why corporations adopt CSR programmes is vast and conflicting. There is no doubt that public pressure and consumer pressure is playing a large part in why more and more companies see the need to act as responsible citizens. After numerous corporate scandals and increased consumer pressure, companies needs to work harder to gain accountability and trust. Especially in the large multinational corporations, one has seen a greater demand for these to act more responsible both within their own business, and also become more critical towards the operating circumstances and standards of their outsourcing partners in order to ensure acceptable conditions for the workers that are producing the products, goods and services that they order.

In a study conducted by Dittleiv Simonsen and Midttun (2010), efforts where made to discover what *does* motivate managers to pursue CSR, and what *should* motivate them. Their conclusion suggests that branding and reputation building is assumed to be the prime motivator companies to adopt CSR. This, they argue, reflects the strong brand orientation, that is particularly evident in Western business practice, and its entanglement in the world of media and communication. However, also political and managerial factors came out strong, indicating that cluster building and stakeholder management are also seen as central CSR drivers. Ethics and sustainability scored alarmingly low, which they argue, might indicate a view that social responsibility has mainly been adopted for self-serving and functional reasons, rather than moral ones (Dittleiv Simonsen and Midttun, 2010). However, when it

comes to questions about what factors *should* motivate managers to undertake CSR programmes, it was argued that sustainability, followed by ethics, should be the central drivers of CSR. Further, there was a clear assumption that business needs to change their perspective from short-term value maximization to a long-term and more sustainable way of thinking value creation. Nevertheless, as this study indicates, the gap between theory and practice is to big, and even though there is an agreement about what *should* be the driving force of CSR programmes, this does not necessarily lead to action. For this to happen, Dittleiv Simonsen and Midttun (2010) argue that more formal regulations are required to close the gap between actual and ideal CSR behaviour.

In another study conducted by Trialogue (2005), similar results where found. The sample groups, which included formal interviews with senior management from more than 100 publicly listed South African companies, where asked about their motivations to pursue CSR programmes. The findings indicate that good citizenship practices were a corporate priority. However, when asked about what they meant by "good citizenship", most respondents indicated that good corporate citizenship contributes to the protection of their reputation, which is achieved through their annual CSR reports (Trialogue, 2005). Banerjee (2003) argues that corporations claiming to be "good citizens" are only another form of green-washing, and transnational corporations responsible for major environmental disasters and negative social impacts, such as, Nike, Exxon, Shell to name a few, has through the disguise of acting as responsible citizens managed to actually become stronger and more powerful, whether through mergers, restructures or relentless public relations campaigns. One cannot ignore the power that large companies hold, and they will do anything to keep or restore their reputation. "The secrets of success in business are honesty and transparency. If you can fake that, you've got it made" (G. Marx quoted in Banerjee, 2003: 64)

In the case of South Africa, several regulations have been introduced to attempt a greater commitment by business to promote social change and sustainability. This has been both due to pressure from civil society, but also in large due to the introduction of BEE and the criteria's of the JSE about sustainable reporting. The majority of the respondents in this study saw BEE and PR as the main motivation for business to take on CSR programmes. Although it was highlighted that most of the large multinational companies have been running CSR programmes prior to BEE, many companies have been forced to change their policies. PR

also ranked high as a clear motivator among the respondents, however, none of the companies that were represented here, advertise their programmes, other than mentioning them on their website and in their annual integrative reports. To find information about their programmes, one needs to log into their web site, where one can read briefly about their CSR policies and programmes. An exception of this however, is the Hub´s winter-warmth campaign, which through partnering with East Coast Radio, receive significant exposure through live broadcasts. This finding might indicate that BEE plays a larger role than the actual PR factor for the two publicly listed companies, while the Hub seeks PR through other means, as they are not BEE compatible. On the other hand, giving value to a brand by doing social good is also assumed to be a form of marketing. Through purchasing products in which a percentage will go towards a good cause, the customers feel a sense of pride and satisfaction, contributing to a positive image building for the company.

5.1.4. How do the companies incorporate CSR into their business?

In relation to this question, it is interesting to bring in the early discussion about corporate social responsibility and theory. We have seen that there is a very strong notion of giving back to society and acting as responsibly citizens, which can be correlated with the theory of corporate citizenship. It was discussed in chapter two, how there are three main views of corporate citizenship. In the two first views corporate citizenship is seen as a conceptualisation of business in society and is linked to the notion of corporate philanthropy and social investment. These two views largely overlaps with other common theories of CSR. The third view, however, goes beyond this as it sees corporations enter the arena of citizenship at the point where government fails and corporations have to various degrees come to replace it (Matten et al 2003 cited in Garriga and Mele, 2004). Although, business as such has not yet replaced the South African government or any government in the world, one can see that there is a great concern about the inadequacies of government and many companies are addressing these issues. This latter and extended version of corporate citizenship goes beyond both the philanthropic perception of CSR and the notion of being a "good citizen", and is often linked to what Porter and Kramer (2003) call "strategic" or "context focused" philanthropy, which they explain as strategies to achieve long-term social objectives and competitive advantage. Companies often practice their CSR programmes in a too diffuse and unfocused manner, often through small cash donations in the hope of

generating goodwill among their employees, customers and local community. In doing this however, Porter and Kramer argues that executives and employees promote their own personal values rather than contribute to long-term and strategic objectives that will benefit both the community and business. If a company instead use their donations to enhance context it will bring social and economic goals into alignment and improve a companies long-term business prospects, and produce benefits that far exceeds those provided by individual donors (Porter and Kramer, 2003). For a company to be productive they rely on having workers who are healthy and educated, and by focusing its charitable efforts towards educational or training programmes within the area of its own operations, it will enhance the companies competitive advantage as well as creating social value (Porter and Kramer 2003). By doing so Smith (2003) argues, companies are encouraged to play a greater role in social problem solving that incorporates the best thinking of both government and civil society organsations, and by brining together their different skills and abilities, they are better equipped to find sustainable solutions.

Coming back to our case studies, these perspectives of "strategic philanthropy" can be demonstrated. While the Hub seems to have adopted the more "old-fashion" philanthropic approach to CSR, keeping their donations personal and using their charitable resources to an individual basis, Mr Price has taken on a more context-focused approach to their donations. They are doing this through shaping their CSR programmes to strategically gain the community and their own competitiveness by promoting educational and skills development programmes, which in return are benefitting the company in that they are getting a steady flow of trained and productive employees into the workplace. Similarly, Altech Multimedia has also adopted a CSR approach that to a great extent is in align with Porter and Kramer ´s idea. They have chosen to focus on the improvement of maths, science and computer skills, and by doing so, they are both adding value to an area in need, as well as aiming to get educated graduates to work for their company. However, they do not have the same human capacities and CSR-targeted resources such as Mr Price, which limits their scope and commitment.

In regard of Game, it seems like the company has realised the need to focus on education by promoting feeding schemes and learning tools, however, one of the representatives from their beneficiary organization expressed concerns about the sustainably of their relationship and the

programmes. They wished the company would be more actively involved and willing to incorporate other developmental aspects that would contribute to greater outcomes and further ensure sustainability of the projects. Perhaps Game could look at ways in how they could develop this programme in a more strategic manner that would benefit both the company and the beneficiaries to a greater extent.

5.1.5. Are the stakeholder relationships sustainable?

> The urgency and magnitude of the risks and threats to our collective sustainability, alongside increasing choice and opportunities, will make transparency about economic, environmental, and social impacts a fundamental component in effective stakeholder relations, investment decisions, and other market relations. To support this expectation, and to communicate clearly and openly about sustainability, a globally shared framework of concepts, consistent language, and metrics is required. The underlying question of sustainability reporting is how an organization contributes, or aims to contribute in the future, to the improvement or deterioration of economic, environmental, and social conditions, developments, and trends at the local, regional, or global level (GRI 2000-2011:2).

This citation is taken out of the Global Reporting Initiatives´(GRI) guidelines on how business can integrate sustainability reporting, highlighting the need for business to contribute to sustain future social, environmental and economic conditions. This it argues is only possible through effective and mutual cross-sector stakeholder relationships, an argument that is becoming increasingly evident in the CSR literature. In order to build successful multi-stakeholder partnerships, special leadership skills are required as well as the motivation and desire to engage in such partnerships. In order for this to be possible, Winder (2002) argues that one needs to be overcome the notion of "command and control" or top-down approach, which tends to impede the process of building partnerships and stakeholder relations. In order to address these issues, Winder (2002) has adopted the term "bridging leadership" to describe a new style of leadership needed to bridge societal divides. This term has been defined as "an approach to leadership characterized by the capacity to initiate and sustain a collaborative process designed to achieve meaningful social change through the collective action of multiple and diverse stakeholders" (Winder, 2002:9). Leaders and other stakeholders need to

be capable of putting together partnerships that develop creative and innovative solutions to societal issues.

According to Bryson et al (2006), the design and implementation of partnerships can be broadly categorized into five main areas; initial conditions, structure and governance, process, contingencies and constraints, and outcomes and accountabilities. Further, the litterateur suggests there are differences in the structures of cross-sector relationships ranging from formal agreements to informal loose collaborations. In order for partnerships to succeed, six steps of implementation have been suggested, which are; defining clear goals, obtaining senior level commitment, engaging in frequent communication, assigning a professional to lead the work, sharing the commitment of resources and evaluating progress/result (Seitandi and Crane, 2009). When linking these six steps to the various stakeholder relationships and partnerships of the case studies, the responses varied, however, again it was evident that Mr Price came out strongest of the three companies examined. The fact that Redcap Foundation was established as an independent organization with the purpose of carrying out the group's CSR initiatives has been of great effectiveness for the company, as well as the beneficiaries. This is because the foundation has employed people with knowledge and experience in the field of social development and the specific targeted projects, which was not evident for the other cases. The problem of not having qualified and dedicated staff to handle the companies CSR activities was expressed as a major concern by all the respondents arguing that in the absence of dedicated staff, the firms CSR policies becomes more of a burden than an opportunity. This is because the employees given the responsibility of handling the company's CSR programmes do often not employ the knowledge needed in the field, nor the time and energy to build and maintain constructive stakeholder relationships. This is also seen as the main reason why companies tend to be passive donators rather than pro-active partners in the projects.

In terms of defining clear goals, many of the respondents believes that too many companies lack a mission and vision for what they want to spend their money on, and therefore ends up donating money randomly to various charitable causes. This was expressed by one of the participants that used to be manager director for a leading South African bank, but now works in the NPO sector. "I used to be director manager at Standard Bank and I used to say that the

they should find causes they are interested in and that will also gain value for the bank, instead of just giving away money to random projects. Today, as president of the Rotary club, I am the one approaching companies for money, and now most banks have their own strategically integrated CSR programmes, and they wont give us money" (Interview with respondent from the Rotary club, 30/07/2012). Nevertheless, he sees this as a positive development, even though it also makes it more difficult to find donors since more and more companies are developing more strategic CSR programmes that are aligned with their own operations. Today Standard Bank has a large and well managed CSR budget and strategy that is aligned with their own business objectives. Although the majority of the respondents believe that business only engage in tactical and well thought through programmes one of the respondents from the beneficiary side stressed that this can also be a challenge because companies often tend to focus on what is the current trend on the development agenda, which makes it harder to get funding for other areas that are also important. Nevertheless, it is without doubt that defining clear goals from the beginning of a partnership is important in order to establish a clear vision of what the parts can expect from the partnership, and whether or not the partners have a short- or long-term focus. This latter concern was also raised in regard of the sustainability of the projects, emphasizing that if the goals are not clearly identified from the beginning of a partnership, it is difficult for the beneficiary organisations to develop a proper plan for implementation. This concern was in particular raised in regard of Game's support of the toy-to-play programme, as no long-term strategy is established. In the developmental aspect, such uncertainty is very unhealthy for the projects and the people in them, because it is these people who will feel the effects that a sudden cut in funding will cause. For instance, one cannot start a training programme and six months or a year later, suddenly cut it off in the middle of the training. This would cause a great loss of opportunity and hope for the participants enrolled in the program, and the effort made seem meaningless.

Further, the role of a dedicated leadership cannot be expressed enough, and for CSR pogrammes to be effective, it is crucial that senior level commitment is obtained. However, within the companies studied, senior level management was very difficult to get in contact with, especially in the case of the two largest companies, Mr Price and Game. This is not per se to say that senior level is not committed, however, there seems to be a notion of leaving CSR management to those practitioners dealing with this. In the case of Mr Price, the group

sustainable manager is also the manager of Redcap Foundation, and naturally she is the one responsible for this area, both on the corporate and beneficiary side. Nevertheless, it would have been useful and interesting to get more senior level management contribution to this study, for the exact reason that they are not directly involved in the CSR operations of the company, in order to get a broader database. Also in Game, the response was low from both management level and from the PR department, who deals with CSR, which mentioned earlier on, put constraints on the research. In the Hub, senior management seem take a greater role, however, one also needs to keep in mind that this is a smaller company and even though the head office is in Durban, all the other branches are responsible for their own projects as they do not follow any specific CSR policy. A respondent from one of the other companies studied, expressed that the lack of involvement and interest from senior management level, often is the reason for why companies do not have well-functioning CSR programmes, or any CSR initiatives at all.

In regard of the third point stated above, which highlights the importance of engaging in frequent communication, this is achieved through telephone, email and meetings. In some of the cases, also forums where set up, where stakeholders could all meet and discuss openly about the progress, outcomes and challenges in order to ensure best practice. Most respondents seemed happy about the levels of communication, however, some of the respondents on the beneficiary side wished for more follow up and interest from the companies in regard of the programmes. Moving on to the fourth point, all the respondents agreed that having professionals employed specifically to drive the CSR programmes, is a crucial. Most of the big multinationals by now have separate CSR divisions, however, for many companies, this is still fairly new area, and the administration of CSR is often handed over to to other departments that already have enough on their plate. The respondents believe that it would benefit the company to have a full-time CSR practitioner, who can work together with the other departments towards making CSR a strategic part of the business operations. Lastly, in terms of sharing the commitment of resources and evaluating progress, this seemed to be where the case studies demonstrated the most weakness. Although most of the case studies commit to their projects in terms of the resources agreed upon, the evaluation process is often one-sided, where the beneficiary organisations report to the companies, so that the companies can use this information for their own annual reports. However, although some of

the companies do make attempts to evaluate the programmes themselves, there is a lack of follow-up on this, and most of the tasks of monitoring and evaluation are in the hands of the beneficiary organisations. They cannot afford to not follow up on the results because they need to be able to point out successful projects in order to gain accountability and credibility in order to maintain funding. Some of the representatives from the companies in this research, admits that this is a weakness and that they wish to get more involved in the follow-up and evaluation process, however, this requires more time dedicated to CSR.

5.1.6. What are the main challenges facing CSR programmes and stakeholder relationships?

The main challenges that have been expressed by the respondents relates to the lack of dedicated personnel and/or the lack of time, to deal with CSR. This has put serious constraints on their engagement and further impedes the partnership process, with a tendency of becoming a re-active relationship from the companies' side. Further, the beneficiaries note that one of their biggest challenges is to track money. Especially for those organisations that do not comply with BEE regulations, find it difficult to get donors. This problem was also raised by Mbanjawa (2012) the Durban based newspaper "Daily News". His article highlighted the recent government proposal about changing the BBBEE code, which if adopted, will have significant effects on those organisations whose beneficiaries are not all black. The current code states that if black people constitute 75 per cent of the beneficiaries, the whole donation made to that organisation is regarded as having wholly benefited black people, and the donor company receives up to five points on the code´s socio-economic development (SED) element. While, in those cases the black beneficiaries constitute less than 75 per cent, a calculation is made and only the portion of the donation that contributes directly to black people, is credited as SED contributions. However, the new proposal suggests that this number should be raised to 100 per cent, and in failure to deliver on these premises, there will be no SED recognition, thus no accreditation of BEE points. Safiyaa Patel, a partner at Webber Wintzel law firm, stated "this amendment will negatively impact charitable organisations that extend their benefits to non-black people, even in circumstances where the majority of the beneficiaries are black people. As proposed, contributions to a charitable organisation that has a beneficiary base of 99.99 percent black people, will not count towards

SED contributions. This may have many unintended consequences" (Daily News, 30.10. 2012:2).

This proposal illustrates the next challenge that has been highlighted by all respondents, namely government. This proposal in a way works against the whole point of the SED element, in that it does not recognize the important work that many organisations do, despite that they are not 100 percent black, or exclusively benefit only black people. If this amendment goes through, many beneficiary organisations will suffer, and so will many people that are currently benefitting from the work of these organisations. This unawareness or ignorance reflects the inefficiency of government and lack of willingness to deal with the roots of the socio-economic crisis of the country. There is a greater need for government to recognize their shortcomings and start create mechanisms that bring government, private sector and civil society to the table to discuss how they can work together in a more effective manner, through sharing their knowledge, skills, ideas and objectives. However, for this to happen, private sector must also become more pro-active and take a greater part in the actual process of identifying and establishing programmes, with the intention of committing themselves to long-term objectives and goals. The Gramscian concept of hegemony reflects this point, suggesting that the construction of consensus is a political project of building alliances, strategic negotiation and public relations. Gramsci´s model addresses one of the most fundamental shortcomings of the stakeholder theory, that is the lack of a critical perspective on the power relations within and between stakeholder groups in the process of building partnerships (Banerjee, 2003).

5.1.7. What are the opportunities posed by CSR in the future?

In regard of the opportunities that is presented by CSR, several of the respondents mentioned that it could lead to positive outcomes through greater collaboration with a wider variety of stakeholders, and also between CSR practitioners themselves. This lays the ground for companies to be part of shaping the society that they want to live in, and create a base for more educated employees and satisfied customers. By focusing on critical social areas, such as education and health services, not only will this improve people's lives and living conditions, it also contributes to a better society in general. Studies undertaken of the "business case" for good ethical, social ad environmental performance, usually look at the costs and risks of "getting it wrong" and the key benefits of "getting it right". Generally

Jackson and Nelson (2004) argue, the benefits of "getting it right" by far exceeds the costs of "getting it wrong" because it creates opportunities for the companies to enhance their performance, especially over the long run. Further, by contributing to build a better society, companies can stimulate their own business development as stated by Kanter (2003); "today's better-educated children are tomorrows knowledge workers. Lower unemployment in the inner city means higher consumption in the inner city. Indeed a new paradigm for innovation is emerging: a partnership between private enterprise and public interest that produces profitable and sustainable change for both sides" (2003:191). By tackling social problems, companies can stretch their capabilities to produce innovations that benefit both the business environment as well as the community. Kanter (2003) argue, that by approaching social needs in this way, they can treat these efforts the way they would treat any other project that is important to the company operations, by using their best people and their core skills. "This is not charity; it is R&D- a strategic business investment" (2003:192).

Realising the opportunities that can be posed by CSR requires that business leaders to a greater extent start thinking about alternative and innovative solutions to how they can strategise their CSR activities such as discussed in the previous chapter. It is becoming increasingly evident that corporations are moving beyond philanthropy towards a more strategic or context focused approach. Business needs to rethink their strategies and realise that they cannot and are not operating in a vacuum. This does not only comply for business, but also for all other actors operating in society. Government must create mechanisms and platforms that bring together different stakeholders, and discuss openly how they together can meet each other's objectives and work together to put those ideas into practice. This research addresses the need for actors across all sectors to bring their skills and resources together and open their eyes for the opportunities that this may create. By overcoming the obstacles and boundaries that is impeding this process to happen, new and innovative ideas and initiatives can be exposed, which will add value for all parts involved. In this globalised world, no actor operates alone, and it is therefore crucial that action is taken to minimise harm on our environment and people, to ensure the sustainability of this planet and to fight against the world's malaise.

6. Conclusion

This study has addressed the stakeholder relations of various CSR programmes and questioned whether and how sustainable win-win solutions can be created to benefit both the companies and beneficiaries. An introduction and background of the emergence of the conceptual meaning of CSR was presented, as well as various theoretical frameworks that have been related to CSR. Further, three case studies were presented, these were the CSR programmes of Mr Price, Game and the Hub, as well as representatives from the beneficiary organisations. The study suggests that it is possible to create sustainable win-win situations through CSR programmes, however, this requires a well organised and planned implementation plan, which can only be achieved through a long-term commitment of all stakeholders involved as well as a mutual understanding of the purpose and objectives of the programmes.

Further, although the various theoretical frameworks that was presented, all contribute to different meaningful insights of the concept of CSR, there is, nevertheless, a strong need for a new theory that brings together all the most relevant elements of CSR, to create a framework that would make it easier for practitioners to implement and strategise CSR, both internally within the business, and externally in relation to their partners.

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List of frequently used websites

www.un.org

http://www.unglobalcompact.org

www.iso.org

www.ilo.org

www.jse.co.za

www.iodsa.co.za

www.synergos.org

www.mrpricegroup.com

http://www.mrpricegroup.com/BusinessSustainability/RedCapFoundation.aspx

http://www.game.co.za/CSI.aspx

http://www.massmart.co.za/sustainability/csi.asp

Appendix 1: Interview Schedule

Mr Price	The Hub	Game	Other
Sustainability Manager (07/03/2012)	Marketing Manager (19/03/2012)	Senior CSI Practitioner	Head of BDO Investigations Norway and expert on financial fraud and corruption (28/6/2012)
	CSI coordinator (19/03/2012		
Beneficiary organisation	**Beneficiary organisation**	**Beneficiary organisation**	Norconsult (10/07/2012)
Manager Redcap Foundation (07/03/2012)	President of the Rotary Club District Durban (30/07/2012)	Income Generation Manager, Tree (18/09/2012)	Regional Network, Program Oficer, WBCSD
Director, Catalyx Consulting/main implementing partner of Jumpstart (31/08/2012)	CSI and Brand Executive Manager, East Coast Radio (08/10/2012)		CEO ProjectBuild (06/08/2012)
			Training Manager, Altech Multimedia (05/09/2012)

Appendix 2: Questionnaires

Questionnaire for the companies

1. Information on respondent

1.1 Name

1.2 Position in company

1.3 Years service with the company

1.4 Qualifications

1.5 Previous employment experience

2. General information about the company

2.1 What are the main business activities of the company?

2.2 When was the company established?

2.3 Is the company a private company or is it listed on the stock exchange?

2.4 What influenced this choice?

2.5 Who are the main shareholders?

2.6 What was the company's turnover in 2011? How was this compared to 2010?

2.7 What was the company's total profit after tax in 2011 and how did this compare to 2010?

2.8 How would you describe trading conditions in the past couple of years and what are your projections for the next few years?

2.9 How many full time employees does the company have at present? How has this changed in the past two years?

2.10 How many part-time or contract employees does the company have? How has this changed in the past two years?

2.11 How many branches does the company have?

2.12 Where are the company's main markets in geographic terms?

2.13 Which consumer categories is the company focused on? (LSMs?)

2.14 What is the company's market share (estimate)?

2.15 Who are the main competitors?

2.16 How has the company developed/changed since it was established?

3. Respondents Perspectives on CSR

3.1 Do you play any role with respect to CSR in your company? If so, what role do you play?

3.2 What do you understand by the concept of CSR?

3.3 What experiences have influenced your perspectives on CSR?

3.4 What do you think has motivated companies generally to adopt CSR programmes?

3.5 What do you believe are the main reasons for companies not to implement CSR strategies in their business?

3.6 What in general terms do you feel the main challenges facing CSR programmes to be?

3.7 What opportunities do you feel might be presented by CSR in the future?

3.8 What strategies do you believe can be used to mainstream CSR into the Cooperation as part of its business plan?

4 The organisation of CSR in the company

4.1 How is CSR incorporated/organised in the company?

4.2 Does the company have a separate division that deals with CSR?

- If yes, how big is this division?
- If no, who deals with CSR?

4.3 Does the company have any form of policy on CSR? If so, how is this policy developed and what does it entail?

4.4 What was the starting point for the company's engagement in social activities and what factors motivated this engagement?

4.5 Is there a change in the company's operation of CSR since it was implemented?

4.6 What changes can be seen? (Management, partnerships, motivation, type of projects etc)

4.7 Does the companies support/engage with the partnering stakeholders in other ways than through merely financial support?

4.8 What are main challenges your company has faced with respect to CSR? What has been done to respond to these?

4.9 What are the main achievements of your company in CSR? What has influenced these achievements?

4.10   How do you view the interaction between BBBEE targets of your company and the CSR programmes?

5   Projects and relationships

5.1 What specific type of CSR activities does the company engage in and what motivated the choice for exactly these projects?

5.2 Who are the partners outside the company and what is the relation/link between these partners and the company? How were these partners selected?

5.3 When were these projects and partnerships established?

5.4 How does the communication between all the stakeholders involved take place?

5.5 What have been the main strengths/weaknesses and challenges of these partnerships?

5.6 Is there a system of monitoring and evaluation? Who is involved in these processes?

5.7 What has the company learned from these partnerships?

5.8 What do you feel the partner organisations have learned?

5.9 What can be done better in regards of improving these partnerships?

6. Finance

6.1 How big is the annual budget for CSR activities? Has this increased from previous years?   if so by how much? (percentage or absolute)

6.1 What is this as a share of company turnover (or revenue/sales)? Does the company have a goal in relation to this expenditure?

6.2 Is the company planning to invest more in CSR?

6.3 Has there been any change in profits since the company implemented CSR into the business? If so, has this change been positive of negative?

- If positive, how can this be seen on the company and what factors do you believe has led to this positive outcome?

- If negative, what factors do you believe causes this? Is it purely due to expenditure on outside activities? Do you believe that the company would be better off financially without having a CSR division?

7   Outcomes, challenges and the way forward

7.1 What is your experience of the company being involved in social development?

7.2 What have been the main benefits for the company of such investment?

7.3 What do you believe has been the main benefits for those who are the targets of the CSR activities?

7.4 Do you believe that there has been created a win-win solution for all stakeholders involved? Please explain.

7.5 Are the projects sustainable in the long-term? And if so, what factors makes it sustainable?

7.6 Do you believe that business engagement in social issues is an effective and constructive way of addressing social needs and why so?

7.7 How do you think more businesses can be motivated to engage in CSR?

Questionnaire for Organizations

1. Information on respondent

1.1 Name

1.2 Position in organisation

1.3 Years service with the organisation

1.4 Qualifications

1.5 Previous employment experience

2. About the organisation

2.1 What type of organisation is it?

2.2 What are the main visions and activities of the organisation?

2.3 When was the organisation established?

2.4 How many employees does the organisation have? How has his changed over the past two years?

2.5 What is the annual budget of the organisation? How has this changed over the past two years

2.6 Where does the organisation work (areas)?

2.7 How does it select its programmes/activities?

2.8 What were the main sources of funding in 2011. How did these change from 2010? What are they likely to be for 2012?

2.9 What is the governance structure of the organisation?

2.10 How are choices made as to what programmes or areas of focus are chosen? Has this process changed in recent times?

3. Perspectives on support and CSR

3.1 What is your organisations history with receiving support from corporate/business entities? How has this changed over time – in terms of types of companies and types of supports?

3.2 How does this support compare with other support (eg lottery, government, own fundraising)? In terms of total funds and in terms of types of support?

3.3 How does your organisation approach building relationships with funders/support organisations?

3.4 What are the challenges that you experience with building relationships with different type of support structures?

3.5 What do you understand by the concept of CSR?

3.6 What experiences have influenced your perspectives on CSR?

3.7 What do you think has motivated companies generally to adopt CSR programmes?

3.8 What in general terms do you feel the main challenges facing CSR programmes to be?

3.9 What opportunities do you feel might be presented by CSR in the future?

4. Relationship with company x

4.1 How and when did they get into a relationship with the company?

4.2 Do they also have relationship with other stakeholder? If so, who are these?

4.3 What type of relationship do they have to the company?

4.4 How do they experience the communication between the different stakeholders?

4.5 Have there been any changes in their relationship with the companies over time? If so, what kind of change?

4.6 What are the main strengths and weaknesses of their partnership and what can be done better?

5   Finances

5.1 How much funding do they receive annually from the company?

5.2 Is the funding they receive from the company sufficient?

5.3 Has the company delivered what was agreed upon?

6   Outcomes and challenges of the projects

6.1 What are the main outcomes of the partnership and how many have benefitted from this?

6.2 Are the projects sustainable in the long run, or are they short- term projects that are based upon gifts rather than long-term investment from the companies?

6.3 Do you believe that business plays an important role in social development? If so, how can they best contribute to address social needs?

6.4 What is your experience of working with private sector? How does this compare to working with public sector?

6.5 Do you believe that all stakeholders involved are winning from this partnership?

6.6 What are the main challenges for the future?