



**Corporate Social Responsibility Practices: A Case Study of Automotive Company X in
Pietermaritzburg**

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DECLARATION

I, **Anele Sibusisiwe Malinga** (student number **209506986**), declare that:

- i. The research reported in this dissertation, except where otherwise indicated, and is my original research.
- ii. This dissertation has not been submitted for any degree or examination at any other tertiary institution.
- iii. This dissertation does not contain other persons' data, tables, figures and any other information, unless specifically acknowledged as being sources from other persons.
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ABSTRACT

Corporate social responsibility (CSR) is a corporation's initiatives to evaluate and take responsibility for the effects of companies on the social and environmental wellbeing. This can be in form of providing safety, taking care of the environment, providing housing, providing health care, and other concerns by both small and large companies (Blackburn 2007). The concept of CSR started in the developed nations of North America and Western Europe which was a response to the great amount of consumer and civil society pressures. In South Africa, companies create problems for their communities in one way or the other because of their business. It is difficult to tell whether automotive companies in South Africa are engaging in CSR or not as there is no study that has been conducted in this regard. Despite the expansion of the automotive industry very little is known about the terms of contract between the automotive industry and society have established to serve human values and accept responsibility transactions. This led to the decision to conduct this study to ascertain the CSR activities carried out by companies in the automotive industry in South Africa Pietermaritzburg. The target population for this study were managers and employees at an automotive company in Pietermaritzburg. Non-probability sampling purposive sampling was used to select a total of 8 participants; four managers and four employees. Semi-structured in-depth interviews were used to generate the data needed from participants to understand the research problem under study. Thematic analysis was used to analyse data. Findings show that the company is carrying out discretionary, economic, legal and ethical responsibilities. There is however need to promote consumer awareness, environmental sustainability, and corporate reputations that can help the company to widen its scope and mandate of its strategic focus. There is also need to promote the returns that can be realised the implementation of CSR so that the company does not feel to be at loss in engaging in CSR activities. The existing legislation should be revised and intensified to prevent transgressors from eluding sanctions, and government should investigate inspiring ways of incentivizing the implementation of CSR.

CHAPTER ONE

INTRODUCTION AND BACKGROUBND TO THE STUDY

1.1 INTRODUCTION

Corporate social responsibility initiatives are designed to assist organisations to assess and take responsibility for the companies' effects on environmental and social wellbeing. This chapter presents the background to the study followed by the research problem, research objectives, research questions, the aim and purpose of the study. The significance and limitations of the study are also presented in this chapter. Subsequently, the chapter presents a summary of the research methodology used in the study, key concepts, chapter outline and summary to the chapter.

1.2 BACKGROUND TO THE STUDY

Delport (2009) and Jenkins (2004) explain that Corporate social responsibility (CSR) is a strategy companies use to evaluate and own the consequences emanating from their business activities that have impact on people's social and environmental well-being CSR is in many forms and includes providing housing, safety, health, taking care of the environment and other concerns. The concept of CSR is traced back to the pressure that was put by consumers and civil society organisations on developed countries in North America and Western Europe (Blackburn, 2007). However, some scholars argue that there is no specific time and place that can be used to pinpoint the origin of CSR. Blackburn (2007) said that the world is ever changing such that countries have so many challenges that governments alone cannot solve to create a sustainable and economically stable society. Neither are governments alone able to alleviate poverty without the support of the business community and citizens hence the call for CSR. Aaronson (2003) and Fig (2005) argue that strong relationships between social responsibility and business communities can have positive impact if well harnessed. Fassin (2008), Jenkins (2004) and Blackburn (2004) state that companies that engage in CSR tend to have loyal and satisfied customers, able to attract and retain staff, improve their relationships with society and enhance their image (Fassin, 2008; Jenkins, 2004; Blackburn, 2004). Shongwe (2007) said that companies in South Africa are creating problems to society because of their emissions. The automotive companies in South Africa are not spared from this irresponsibility in spite being one of the biggest industrial developments in South Africa that subscribe to both international and local CSR codes. Bakan (2005) argues that the modern automotive industry in South Africa was officially launched in 1995 and is

traditionally the leading automotive industry in Africa and every year produces more than half a million of all forms of automobiles.

The influence of the automotive industry on communities and the economy in general are felt in many places. Millions of people are employed in the automotive industry and the industry is making huge profits (Sebungwano, 2012). In addition, Sebungwano (2012) said that the automotive industry makes up 12% of the country's Gross domestic product (GDP). In spite of the expansion of the automotive industry very little is known about the CSR practices engaged by the automotive industry in particular company X to benefit society. This led to the decision to conduct this study to ascertain the CSR activities carried out by company X in Pietermaritzburg.

1.3 RESEARCH PROBLEM

Corporate social responsibility is a phenomenon that is practiced by some companies in South Africa. However, there is very little attention on CSR in the automotive industry. As a result, it is not known how automotive companies in South Africa practice CSR as they are many strategies. Scholars state the post-apartheid era raised hope that health issues caused by pollution due to companies' emissions would be addressed (Fig, 2005). However, very few measurements have been put in place to ensure that companies are compelled to engage in CSR. Fig (2005) found that some companies in the automotive industry such as Toyota, Mercedes Benz, Bavarian Motor Works (BMW) and others subscribe to the CSR global code of conduct and reportedly guided by the King Report in their corporate activities though they are still causing environmental problems to South African communities. For this reason, this study was conducted with one of the selected automotive companies in Pietermaritzburg to ascertain what the company is doing in terms of CSR.

1.4 RESEARCH QUESTIONS

- What are the discretionary corporate responsibilities engaged in by automotive company X in Pietermaritzburg?
- What are the ethical corporate responsibilities engaged in by automotive company X in Pietermaritzburg?

- What are the legal corporate responsibilities engaged in by automotive company X in Pietermaritzburg?
- What are the economic corporate responsibilities engaged in by automotive company X in Pietermaritzburg?

1.5 RESEARCH OBJECTIVES

- To understand the discretionary corporate responsibilities engaged in by automotive company X in Pietermaritzburg.
- To ascertain the ethical corporate responsibilities engaged in by automotive company X in Pietermaritzburg.
- To understand the legal corporate responsibilities practised by automotive company X in Pietermaritzburg.
- To determine the economic corporate responsibilities engaged in by automotive company X in Pietermaritzburg.

1.6 AIM OF THE STUDY

The aim of this study is to understand the type of CRS practices engaged by automotive company X under study.

1.7 PURPOSE OF THE STUDY

The study determines the CRS activities engaged in by automotive company X under study. In particular, the study ascertains the ethical, discretionary, legal and economic corporate responsibilities activities engaged by automotive company X in Pietermaritzburg.

1.8 SIGNIFICANCE/CONTRIBUTION OF THE STUDY

The study contributes knowledge on the voluntary activities undertaken by automotive companies in an effort to encourage companies operate in a social, economic and environmentally sustainable manner. The study also contributes knowledge of CSR in the automotive industry Pietermaritzburg South Africa. Automotive companies in South Africa affect their communities through their operations, as they are a significant contributor to the

pollution to South Africa's environment and the global economy. Many automotive companies' CSRs remain unknown (Blomback and Wigren, 2009). Therefore, this study determines the CSRs engaged by one company in the automotive industry.

1.9 BRIEF RESEARCH METHODOLOGY

Carroll's (1999) Corporate Social Responsibility Model guided this study. The responsibilities on the pyramid include economic, legal, philanthropic, and economic responsibilities. The constructs in this model were used to inform research questions and research objectives in this study. An exploratory research design was used in this study. Harwell (2011) defined an exploratory research design as a form of research that investigates an issue that is not well understood. Qualitative research methodology was used to underpin this study, as it is effective exploring the nuance of a research problem. The target population for this research were managers and employees of a selected automotive company in Pietermaritzburg. Purposive sampling was used to select eight participants. In-depth interviews were used to collect data. Credibility, dependability, transferability and confirmability were used as data control measures. Thematic analysis was used to analyse data (Sekaran and Bougie, 2010).

1.10 LIMITATIONS TO STUDY

Due to time constraints, this study does not include all automotive companies in Pietermaritzburg. Only one automotive company based in Pietermaritzburg was selected for this study. Neither does the study include all employees but those whose work has something to do with CSR activities in the company.

1.11 DEFINITION OF TERMS

- **Corporation:** is a firm that has certain legal requirements in order to have be recognized to have a legal existence (Cooper, 2004). Corporation is an recognised entity separate and distinct from its owners, and mainly owned stockholders (shareholders) who share in loses and profits generated through the corporation's operations (Deakin, 2010).
- **Responsibility:** is a duty or obligation a company should satisfactorily carry out or complete which may have consequent penalty for failing to carry it out (Delpont, 2011).

- **Environmental efforts:** one of the primary focus of corporate social responsibility is the environment. Almost all companies have large carbon footprint. Measures taken to reduce those footprints are both good for the company and society at large (Deakin, 2001).
- **Philanthropy:** practice of donating to charities. Companies are encouraged to share their resources to benefit charities and community programs (Du Plesis, 2011).
- **Ethical practices:** companies are required to treat employees fairly and ethically (King, 2010).
- **Volunteering:** this means doing good deeds to the community without expecting anything in return. It is a way companies show their concern for organizations and specific issues (Lou and Venter, 2010).
- **Economic responsibility:** call for companies to be profitable (Mark and Minow, 2004).
- **Legal responsibility:** the call for companies to obey the laws set forth by society (Mullerat, 2005).
- **Ethical responsibility:** companies are expected to engage in right business practices even when business is not compelled to do so by law (Naidoo, 2010).
- **Philanthropic responsibility:** these are discretionary responsibilities where companies are expected to use their resources to contribute toward recreational, educational, social, cultural purposes, and other activities to enhance life in society (Sachs, 2008).

1.12 STRUCTURE OF DISSERTATION

This study is organised into five chapters.

- **Chapter One: Introduction and Background to the Study;** this chapter presents the background to the study, the problem statement, the significance and contribution of the study, and the aim and purpose of the study. This is followed by the research questions and objectives that underpinned the study. Then, the limitations and the relevant research term are defined.

- **Chapter Two: Literature Review;** this chapter highlights the concept of Corporate Social Responsibility (CSR), the dimensions of corporate social responsibility and their integration into business. The chapter also deals with the factors that contribute to the CSR discourses, the CRS situation in South Africa, arguments against and for CSR, and the legislative reform in South Africa. The aim is to set the basis for the investigation corporate social responsibility practices at a selected automotive company in Pietermaritzburg

- **Chapter Three: Research Methodology;** this chapter presents a discussion of the research methodology and design used to conduct the study. The study presents the study site, target population, accessible population, sampling method, and sampling size. Then data collection instruments and data analysis method are discussed and measures employed to ensure data quality control are elucidated. The ethical considerations addressed are also discussed.

- **Chapter Four: Data Presentation;** this chapter presents dataset generated in this study.

- **Chapter Five: Data Analysis;** this chapter presents a discussion and analysis of the findings of the study. The of this chapter was to establish the answers to the research questions underpinning the study and suggest conclusions that can be reached that can help with decision-making in the automotive industry with regards to CSR.

- **Chapter Six: Conclusion and Recommendations;** present key findings of this study supported by previous studies. Then recommendations and presented followed an outline for future areas of research informed by the findings in this study.

1.13 SUMMARY

In this chapter, the background to the study is presented followed by the research problem, research objectives, research questions, the aim and purpose of the study. The significance of the study, and limitations of the study are also presented in this chapter. Then the chapter presents a synopsis of the research methodology used in the study, and definitions of the key concepts and the chapter outline.

CHAPTER TWO

LITERATURE REVIEW

2.1 INTRODUCTION

The chapter deals with the concept of Corporate Social Responsibility (CSR), definitions of corporate social responsibility, the dimensions of the corporate social responsibility and their link to business. The chapter also explores the contributing factors to CSR discourses, the CRS situation in South Africa, arguments against and for CSR, legislation on CRS, and the application of the CSR model to the study. The aim is to set the basis for the investigation corporate social responsibility practices at automotive company X in Pietermaritzburg.

2.2 THE CONCEPT OF CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) discourses can be traced as far back as the 1950s. In the 1950s, CSR was more philosophical (Jones, 2013), but later gained pragmatic momentum in the 1960s as a result of an awareness of prevailing unfair labour practices which demanded an introduction of ethics in business (Karani, 2012). The first public acknowledgement of CSR was made by Henry Ford II in 1969. Kerr et al (2009:2) stated that, “the terms of contract between industry and society are changing.....now we are being asked to serve a wider range of human values and to accept an obligation to members of the public with whom we have no commercial transactions”. Similarly, in the 1970s, Frederick proposed that CSR required to be responsible towards improving social conditions (Peter, 2011). However, late 1980s to early 1990s, corporations invested in CSR as a way of upholding ethics in management (Korten, 2006). More recently, Hall (2009) went against tradition when he suggested a new way of doing business. The author reiterated the need for businesses to rethink the modus operandi of business from that centred on taking and exploiting returns, contaminating, opportunity and fortification. Rather, the author suggested that business should be centred on fair and equitable practices and conservation. Currently, CSR is seen as a price a corporation pays and associated repercussions of not doing so, in order to be considered socially responsible (Olson, 2009).

2.2.1 Definitions of Corporate Social Responsibility

Corporations are sustained and highly reliant on proximate communities and society for their existence (Naidu, 2003). As a result, a corporation cannot solely use corporate governance in managing business operations (Lantos, 2002). Rather, a corporation should to integrate

societal, environmental and corporate needs in its mandate (Miles and Jones, 2009). An integrated approach to corporate management is what is referred to as Corporate Social Responsibility (CSR). CSR encompasses much more than using a corporation's resources but includes core values and impact of a corporation's activities on the environment and society (McConvill, 2005).

Despite various attempts at defining CSR over the years, there is no widely accepted definition of CSR nor is there an agreement on an implementation framework (McKinsey, 2005). The concept has evolved over the years to yield various terminologies which are used synonymously with CSR (May, 2009). Some of the terms include corporate social citizenship (CSC), corporate social investment (CSI) and corporate citizenship (CC). A corporation that follows a CC approach ensures that it designs and implements effective policies which empower the corporation to embrace ethics, morality, fairness and legal compliance in its business activities and dealings with society (Jones, 2013). Thus, through CC, a corporation endeavours to be accountable towards society, the environment and its pursuit of financial success (Karani, 2012). On the other hand, CSI refers to all corporate engagements that are outside its business mandate that are conducted for social upliftment (May, 2009). Evident from the definitions presented so far is that the concepts all embody transparency, accountability and social upliftment (Jeppesen, Kothius, Ngoc and Tran, 2012).

According to the World Business Council for Sustainable Development (WBSCD), CSR refers to a corporation's responsibility to engage in sustainable business practices in its dealings with employees and their families, as well as proximate communities (Model, 2009). On the other hand, the European Commission views CSR as a business' charitable actions towards social upliftment. In addition, Kaufmann and Oleru (2012) views any efforts beyond an organisation's mandate as amounting to CSR.

CSR is also perceived as a hierarchy of responsibilities including economic, legal, ethic and philanthropic (Model, 2009) while Lee (2008) postulates three levels of corporate responsibility including ethical, altruistic and strategic. Lee (2008)'s definition of CSR is similar to that of Carroll (1998) though it replaces philanthropic with altruistic and introduces strategic social responsibility. Linde (2006) postulates that economic and legal responsibilities are the foundation upon which ethical and philanthropic responsibilities are based. Thus, a corporation has to meet economic and legal responsibilities before it can meet

ethical and philanthropic responsibilities. Fundamental to Carroll's definition of CSR is that a corporation should support societal upliftment even to an extent that it channels part of its profits towards CSR (Lindgreen and Swaen, 2010). Contrary to Carroll (1998), Lee (2008) argues that an organisation should engage in strategic social responsibility rather than philanthropy which yields good will while benefiting society.

Evident from the concepts presented is that CSR refers to charity centred on sustainable development, stakeholder theory, shareholder primacy theory, business ethics, and the connection between corporations and society (Mason and Simmons, 2013). Thus, a business should go beyond its business mandate to contribute towards social upliftment without prospects of immediate returns (Melaine, 2011). The definitions therefore endeavour to link a business's actions to its stakeholders (Kim, 2006). Despite the minute differences in defining CSR, in this study CSR should be understood as charitable acts beyond legal obligations or financial returns undertaken by an organisation using its resources (Thompson and Strickland, 2005).

2.3 DIMENSIONS OF THE CORPORATE SOCIAL RESPONSIBILITY

Carroll (1991) defines Corporate Social Responsibility (CSR) in a way that it encompasses four dimensions; the economic, legal, ethical, and discretionary (philanthropic) expectations that society has of organizations at a given point in time. This set of four responsibilities creates a foundation or infrastructure that helps to delineate in some detail and to frame or characterize the nature of businesses' responsibilities to the society of which it is a part. In the first research study using the four categories it was found that the construct's content validity and the instrument assessing it were valid (Taylor, 2014). The study found that experts were capable of distinguishing among the four components. Further, the factor analysis conducted concluded that there are four empirically interrelated, but conceptually independent components of corporate social responsibility. A brief review of each of the four categories of CSR follows.

2.3.1 Economic responsibilities

Carroll (1991) states that as a fundamental condition or requirement of existence, businesses have an economic responsibility to the society that permitted them to be created and

sustained. At first, it may seem unusual to think about an economic expectation as a social responsibility, but this is what it is because society expects, indeed requires, business organizations to be able to sustain themselves. The only way this is possible is by being profitable and able to incentivize owners or shareholders to invest and have enough resources to continue in operation (Peter, 2011). In its origins, society views business organizations as institutions that will produce and sell the goods and services it needs and desires. As an inducement, society allows businesses to take profits. Businesses create profits when they add value, and in doing this they benefit all the stakeholders of the business (Melanie, 2011).

Bishop (2011) holds that profits are necessary both to reward investors/owners and also for business growth when profits are reinvested back into the business. Chief Executive Officers, managers, and entrepreneurs will attest to the vital foundational importance of profitability and return on investment as motivators for business success (Adelmann, 2010). Virtually all economic systems of the world recognize the vital importance to the societies of businesses making profits. While thinking about its' economic responsibilities, businesses employ many business concepts that are directed towards financial effectiveness; attention to revenues, cost-effectiveness, investments, marketing, strategies, operations, and a host of professional concepts focused on augmenting the long-term financial success of the organization (Thwaites, 2008). In today's hypercompetitive global business environment, economic performance and sustainability have become urgent topics (Villiers, 2008). Those firms that are not successful in their economic or financial sphere go out of business and any other responsibilities that may be incumbent upon them become moot considerations (Archie et al., 2010). Therefore, the economic responsibility is a baseline requirement that must be met in a competitive business world.

2.3.2 Legal responsibilities

Carroll (1991) alleges that society has not only sanctioned businesses as economic entities, but it has also established the minimal ground rules under which businesses are expected to operate and function. These ground rules include laws and regulations and in effect reflect society's view of 'codified ethics' in that they articulate fundamental notions of fair business practices as established by lawmakers at federal, state and local levels (Atkinson, 2007). Walden (2007) said that businesses are expected and required to comply with these laws and regulations as a condition of operating. It is not an accident that compliance officers now

occupy an important and high-level position in company organization charts. While meeting these legal responsibilities, important expectations of business include their:

- Performing in a manner consistent with expectations of government and law;
- Complying with various national, provincial and local regulations;
- Conducting themselves as law-abiding corporate citizens;
- Fulfilling all their legal obligations to societal stakeholders; and
- Providing goods and services that at least meet minimal legal requirements.

2.3.3 Ethical responsibilities

Youn, Gurhan-Canli and Schwartz (2006) state that the normative expectations of most societies hold that laws are essential but not sufficient. In addition to what is required by laws and regulations, society expects businesses to operate and conduct their affairs in an ethical fashion (Virvilaite and Daubaraite, 2011). Taking on ethical responsibilities implies that organizations will embrace those activities, norms, standards and practices that even though they are not codified into law, are expected nonetheless (Walden, 2007). Part of the ethical expectation is that businesses will be responsive to the ‘spirit’ of the law, not just the letter of the law (Smith, Reed and Lopez-Rodriguez, 2011). Another aspect of the ethical expectation is that businesses will conduct their affairs in a fair and objective fashion even in those cases when laws do not provide guidance or dictate courses of action. Thus, ethical responsibilities embrace those activities, standards, policies, and practices that are expected or prohibited by society even though they are not codified into law. The goal of these expectations is that businesses will be responsible for and responsive to the full range of norms, standards, values, principles, and expectations that reflect and honour what consumers, employees, owners and the community regard as consistent with respect to the protection of stakeholders’ moral rights (Alessandri, Black and Jackson, 2009). The distinction between legal and ethical expectations can often be tricky. Legal expectations certainly are based on ethical premises. But, ethical expectations carry these further. In essence, then, both contain a strong ethical dimension or character and the difference hinges upon the mandate society has given business through legal codification (Karani, 2012).

While meeting these ethical responsibilities, important expectations of business include their:

- Performing in a manner consistent with expectations of societal mores and ethical norms;

- Recognizing and respecting new or evolving ethical/moral norms adopted by society;
- Preventing ethical norms from being compromised in order to achieve business goals;
- Being good corporate citizens by doing what is expected morally or ethically; and
- Recognizing that business integrity and ethical behaviour go beyond mere compliance with laws and regulations (Carroll 1991)

As an overlay to all that has been said about ethical responsibilities, it also should be clearly stated that in addition to society's expectations regarding ethical performance, there are also the great, universal principles of moral philosophy such as rights, justice, and utilitarianism that also should inform and guide company decisions and practices (Haung, Yen and Liu, 2014).

2.3.4 Philanthropic responsibilities

Carroll (1991) states that corporate philanthropy includes all forms of business giving. Corporate philanthropy embraces business's voluntary or discretionary activities. Philanthropy or business giving may not be a responsibility in a literal sense, but it is normally expected by businesses today and is a part of the everyday expectations of the public (Geyde, 2013). Certainly, the quantity and nature of these activities are voluntary or discretionary. They are guided by business's desire to participate in social activities that are not mandated, not required by law, and not generally expected of business in an ethical sense (Kaufman and Olern, 2012). Having said that, some businesses do give partially out of an ethical motivation. That is, they want to do what is right for society. The public does have a sense that businesses will 'give back,' and this constitutes the 'expectation' aspect of the responsibility. When one examines the social contract between business and society today, it typically is found that the citizenry expects businesses to be good corporate citizens just as individuals are. To fulfil its perceived philanthropic responsibilities, companies engage in a variety of giving forms; gifts of monetary resources, product and service donations, volunteerism by employees and management, community development and any other discretionary contribution to the community or stakeholder groups that make up the community (Mason and Simmons, 2013).

Carroll and Shabana (2011) said that although there is sometimes an altruistic motivation for business giving, most companies engage in philanthropy as a practical way to demonstrate their good citizenship. This is done to enhance or augment the company's reputation and not

necessarily for noble or self-sacrificing reasons. The primary difference between the ethical and philanthropic categories in the four-part model is that business giving is not necessarily expected in a moral or ethical sense (Karani, 2012). Society expects such gifts, but it does not label companies as ‘unethical’ based on their giving patterns or whether the companies are giving at the desired level. As a consequence, the philanthropic responsibility is more discretionary or voluntary on business’s part. Hence, this category is often thought of as good ‘corporate citizenship.’ Having said all this, philanthropy historically has been one of the most important elements of CSR definitions and this continues today (Melanie, 2011).

In short, the four-part CSR definition forms a conceptual framework that includes the economic, legal, ethical, and philanthropic or discretionary expectations that society places on businesses at a given point in time. And, in terms of understanding each type of responsibility, it could be said that the economic responsibility is ‘required’ of business by society; the legal responsibility also is ‘required’ of business by society; the ethical responsibility is ‘expected’ of business by society; and the philanthropic responsibility is ‘expected/desired’ of business by society (Carroll, 1991). Also, as time passes what exactly each of these four categories means may change or evolve as well.

2.4 THE CORPORATE SOCIAL RESPONSIBILITY PYRAMID

The four-part definition of CSR was originally published in 1979. In 1991, Carroll extracted the four-part definition and recast it in the form of a CSR pyramid (De Visser and Steyler, 2012). The purpose of the pyramid was to single out the definitional aspect of CSR and to illustrate the building block nature of the four-part framework. The pyramid was selected as a geometric design because it is simple, intuitive, and built to withstand the test of time (Delpont, 2011). Consequently, the economic responsibility was placed as the base of the pyramid because it is a foundational requirement in business. Just as the footings of a building must be strong to support the entire edifice, sustained profitability must be strong to support society’s other expectations of enterprises (Fassin, 2012). The point here is that the infrastructure of CSR is built upon the premise of an economically sound and sustainable business.

At the same time, society is conveying the message to business that it is expected to obey the law and comply with regulations because law and regulations are society’s codification of the basic ground rules upon which business is to operate in a civil society (Flores-Araoz, 2013).

If one looks at CSR in developing countries, for example, whether a legal and regulatory framework exists or not significantly affects whether multinationals invest there or not because such a legal infrastructure is imperative to provide a foundation for legitimate business growth (Chien, Cornwell and Pappu, 2011).

In addition, business is expected to operate in an ethical fashion. This means that business has the expectation, and obligation, that it will do what is right, just, and fair and to avoid or minimize harm to all the stakeholders with whom it interacts (Walsh and Lowry, 2005). Finally, business is expected to be a good corporate citizen, that is, to give back and to contribute financial, physical, and human resources to the communities of which it is a part. In short, the pyramid is built in a fashion that reflects the fundamental roles played and expected by business in society.

Figure 1: presents a graphical depiction of Carroll's Pyramid of CSR



Source: Carroll (1991)

Though the ethical responsibility is depicted in the pyramid as a separate category of CSR, it should also be seen as a factor which cuts through and saturates the entire pyramid (Villiers, 2008). Ethical considerations are present in each of the other responsibility categories as well. In the Economic Responsibility category, for example, the pyramid implicitly assumes a capitalistic society wherein the quest for profits is viewed as a legitimate, just expectation (Taylor, 2012). Capitalism, in other words, is an economic system which thinks of it as being ethically appropriate that owners or shareholders merit a return on their investments. In the

Legal Responsibility category, it should be acknowledged that most laws and regulations were created based upon some ethical reasoning that they were appropriate (Smith, Reed and Lopez-Rodriguez, 2010). Most laws grew out of ethical issues, e.g., a concern for consumer safety, employee safety, the natural environment, etc., and thus once formalized they represented 'codified ethics' for that society. And, of course, the Ethical Responsibility stands on its own in the four-part model as a category that embraces policies and practices that many see as residing at a higher level of expectation than the minimums required by law (Walden, 2007). Minimally speaking, law might be seen as passive compliance. Ethics, by contrast, suggests a level of conduct that might anticipate future laws and, in any event, strive to do that which is considered above most laws, that which is driven by rectitude. Finally, Philanthropic Responsibilities are sometimes ethically motivated by companies striving to do the right thing. Though some companies pursue philanthropic activities as a utilitarian decision just to be seen as 'good corporate citizens,' some do pursue philanthropy because they consider it to be the virtuous thing to do. In this latter interpretation, philanthropy is seen to be ethically motivated or altruistic in nature (Schwartz and Carroll, 2003). In summary, ethical motivations and issues cut through and permeate all four of the CSR categories and thus assume a vital role in the totality of CSR.

The representation being portrayed, therefore, is that the total social responsibility of business entails the concurrent fulfilment of the firm's economic, legal, ethical, and philanthropic responsibilities. Stated in the form of an equation, it would read as follows: Economic Responsibilities + Legal responsibilities + Ethical Responsibilities + Philanthropic Responsibilities = Total Corporate Social Responsibility. Stated in more practical and managerial terms, the CSR driven firm should strive to make a profit, obey the law, engage in ethical practices and be a good corporate citizen. When seen in this way, the pyramid is viewed as a unified or integrated whole (Carroll and Buchholtz, 2015).

2.5 THE PYRAMID IS A SUSTAINABLE STAKEHOLDER FRAMEWORK

Each of the four components of responsibility addresses different stakeholders in terms of the varying priorities in which the stakeholders might be affected. Economic responsibilities most dramatically impact shareholders and employees because if the business is not financially viable both of these groups will be significantly affected (Adelmann, 2010). Legal responsibilities are certainly important with respect to owners, but in today's litigious society, the threat of litigation against businesses arise most often from employees and consumer stakeholders. Ethical responsibilities affect all stakeholder groups. Shareholder lawsuits are

an expanding category. When an examination of the ethical issues business faces today is considered, they typically involve employees, customers, and the environment most frequently (Archie et al., 2010). Finally, philanthropic responsibilities most affect the community and non-profit organizations, but also employees because some research has concluded that a company's philanthropic involvement is significantly related to its employees' morale and engagement (Walsh and Lowry, 2005).

The pyramid should be seen as sustainable in that these responsibilities represent long term obligations that overarch into future generations of stakeholders as well (Thwaites, 2012). Though the pyramid could be perceived to be a static snapshot of responsibilities, it is intended to be seen as a dynamic, adaptable framework the content of which focuses both on the present and the future. A consideration of stakeholders and sustainability, today, is inseparable from CSR. Indeed, there have been some appeals in the literature for CSR to be redefined as Corporate Stakeholder Responsibility and others have advocated Corporate Sustainability Responsibilities. These appeals highlight the intimate nature of these interrelated topics (Carroll and Buchholtz, 2015).

2.6 GLOBAL APPLICABILITY AND DIFFERENT CONTEXTS

When Carroll developed his original four-part construct of CSR (1979) and then his pyramidal depiction of CSR (1991), it was clearly done with American-type capitalistic societies in mind. At that time, CSR was most prevalent in these freer enterprise societies. Since that time, several writers have proposed that the pyramid needs to be reordered to meet the conditions of other countries or smaller businesses. In 2007, Crane and Matten observed that all the levels of CSR depicted in Carroll's pyramid play a role in Europe but they have a dissimilar significance and are interlinked in a somewhat different manner (Crane and Matten, 2007). Likewise, Visser revisited Carroll's pyramid in developing countries/continents, in particular, Africa, and argued that the order of the CSR layers there differ from the classic pyramid (Du Plessis, 2011). He goes on to say that in developing countries, economic responsibility continues to get the most emphasis, but philanthropy is given second highest priority followed by legal and then ethical responsibilities (Visser, 2011). Visser continues to contend that there are myths about CSR in developing countries and that one of them is that 'CSR is the same the world over.' Following this, he maintains that each region, country or community has a different set of drivers of CSR. Among the 'glocal' (global + local) drivers of CSR, he suggests that cultural tradition, political reform,

socio-economic priorities, governance gaps, and crisis response are among the most important (Visser, 2011: 269). Crane, Matten and Spence do a nice job discussing CSR in a global context when they elaborate on CSR in different regions of the globe, CSR in developed countries, CSR in developing countries, and CSR in emerging/transitional economies (Crane et al., 2008).

In addition to issues being raised about the applicability of CSR and, therefore, the CSR pyramid in different localities, the same may be said for its applicability in different organizational contexts. Contexts of interest here might include private sector (large versus small firms), public sector, and civil society organizations (Crane et al., 2008). In one particular theoretical article, Laura Spence sought to reframe Carroll's CSR pyramid, enhancing its relevance for small business. Spence employed the ethic of care and feminist perspectives to redraw the four CSR domains by indicating that Carroll's categories represented a masculinist perspective but that the ethic of care perspective would focus on different concerns. In this manner, she argued that the economic responsibility would be seen as 'survival' in the ethic of care perspective; legal would be seen as 'survival;' ethical would be recast as ethic of care; and philanthropy would continue to be philanthropy (Fassin, 2012). It might be observed that these are not completely incompatible with Carroll's categories. She then added a new category and that would be identified as 'personal integrity.' She proposed that there could be at least four small business social responsibility pyramids – to self and family; to employees; to the local community; and to business partners (Spence, 2016). Doubtless other researchers will continue to explore the applicability of the Pyramid of CSR to different global, situational, and organizational contexts. This is how theory and practice develops.

This study used Carroll's (1991) CSR model; economic, legal, ethical, and philanthropic responsibilities constructs to inform the study.

2.7 CONTRIBUTING FACTORS TO CSR DISCOURSES

This section deals with factors contributing to the CSR debate.

2.7.1 Governments' failure to provide

Inequality and poverty have defined the lives of many South Africans for a long time. This is evident from the proceedings of the Carnegie Conference held in 1983 which underscored the

high levels of poverty prevailing in South Africa's rural townships (Carillo, 2007). South Africa is said to be the most unequal society in the world despite that it is described as a middle-income country (Backhaus et al., 2002). Access to basic services such as clean water, sanitation, energy, healthcare and education is inadequate (Zadec, 2001).

Apartheid played a big role in creating one of the most unequal societies in the world because it benefited the minority White Race at the cost of the majority Black Race (Da Piedade and Thomas, 2006). This gave rise to high poverty levels in the Black race (Walsh and Lowry, 2005). Despite that South Africa has registered good economic growth, little has been done to redress the legacy of apartheid (Rickli, 2011). Post-apartheid government has struggled to provide basic services to the poor which has resulted in increasing number of service delivery protests and petitions (Musa, 2012). Between 2009 and 2012, The University of the Western Cape's Service Delivery Protest Barometer documented 720 service delivery protests (Arthur et al., 2007). These protests are a culmination of longstanding frustrations from local government's failure to provide services to the people (Adelmann, 2010). These service delivery protests have not yielded much action from government towards meeting the demands of the communities (Smith, 2005).

2.7.2 Globalisation

Globalisation is a phenomenon where social interactions are opened up to the world through increased global travel, exchange of knowledge and technology (Villiers, 2008). It involves various processes which include cultural, economic, environmental, technological and political processes (Alessandri, Black and Jackson, 2009). Internationalisation and integration of the world do not necessarily define globalisation but could be viewed as some of the outcomes of globalisation (Villiers, 2008). Thus globalisation is characterised by social and information connectivity facilitated by technology sharing that is not bound by geographical boundaries (Villiers, 2008).

Globalisation has opened up trading opportunities resulting in the growth of international corporations with global authority (Trialogue, 2004). On the other hand, the ability of government institutions to respond to the needs of its people is diminishing (Villiers, 2008). In addition, society has continuously mounted pressure on organisations to act more responsibly and become accountable of their actions (Thwaites, 2012). This is because organisations are seen as acting with impunity in exacerbating poverty through unfair, unjust

and unsustainable business practices such as polluting the environment in the search for profits (Villiers, 2008).

2.7.3 Consumer Awareness

Towards the end of the twentieth century, there were a number of protests against unsustainable and unfair business practices by a number of international organisations. As a result, organisations could not do business as usual. For instance, consumers shunned Shell products due to bad social and environmental business practices. This also resulted in a failure of Shell to solicit skilled personnel to work for the organisation (Virvilaite and Daubaraite, 2011). More recently, similar incidences were experienced by Anglo Gold Ashanti Mines, Nike and Daimler Chrysler (Valor, 2005).

Nevertheless, there has been a reformation of legal requirements in relation to governance, finance and growth of businesses (Carroll and Shabana, 2011). This has mainly been born out of growing agreement among businesses of the need to embrace fairness and responsibility towards stakeholders (Baker, 2003). Corporations around the world have developed over 20 codes of corporate governance including in South Africa, China, Australia, Germany, Indonesia and Hungary. For instance, the Companies Act of 2006 provides that companies act responsibly towards the environment and communities in the United Kingdom (Bishop, 2011). On the other hand, Germany compels organisations to report on compliance to CSR in daily decision making (Barros and Costa, 2014). Some countries such as Sweden, Denmark and Norway require organisations to adhere to the Global Reporting Initiative guidelines. In South Africa, a Social Investment Responsible Index was introduced on the Johannesburg Stock Exchange (JSE) in 2004 (Villiers, 2008). The intention of showing the Social Investment Responsible Index on listed companies is to highlight corporations that incorporate CSR in their business (Brooks, 2010). This has created a standard of practice which exerts pressure on companies not listed to adhere to (Villiers, 2008).

2.7.4 Corporate Failures

Over the years, some corporations have come under fire for human rights abuses. A good example is Nike which in 1996 was criticised for using child labour in overseas factories. After sustained pressure, Nike declared in 1998 that it would reform its working conditions (Blomback and Wigren, 2009). Another such corporation was Apple which was criticised for unfair labour practices, environmental irresponsibility and unclear supply chain processes.

This resulted in an acknowledgement of existing unfair labour practices by some of its suppliers in 2008 (Villiers, 2008). Despite the efforts made by these corporations to remedy the ills of the past, their reputation is still marred by the past and seen as operating unethically (Blackburn, 2007). Such occurrences have greatly helped to sustain discourses about sustainable relations between corporations and society (Barros and Da Costa, 2014).

2.7.5 Human and Environmental Rights

As discussed earlier under globalisation, corporations have become more powerful than ever before while inequalities in society persist with half of the global population relying on less than two dollars a day (Barros and Da Costa, 2014). On the other hand, natural resources are extracted at unsustainable rates which pressurises the natural resource base (Carroll, 2000). As a result, there has been an acknowledgement that without increasing the share the majority of people have in the global economy, business would not be sustainable (Barros and Da Costa, 2014).

Human rights have become a critical aspect of CSR. Corporations are guided by the United Nations (UN) Guiding Principles on Business and Human Rights to uphold human rights and be able to remedy any breach thereof. The European Union has taken this further by encouraging member states to develop national guidelines on upholding human rights in business operations (Brooks, 2010).

2.8. ARGUMENTS AGAINST CSR

This section deals with arguments against the implementation of corporate social responsibility.

2.8.1 Lack of definition

Earlier discussions revealed a lack of a generally accepted definition of CSR and that the concept of CSR is used synonymously with corporate governance, corporate citizenship and corporate sustainability. The definitions put forward embody values such as ethics, philanthropy and a high sense to act responsibly. In addition, CSR deals with the environment, shareholders and stakeholders. It can be said the lack of a generally accepted definition makes application of the concept flexible for organisations to custom design an implementation strategy. However, the concepts and issues that CSR is said to deal with do not provide a standard upon which corporations are monitored. The fact that CSR is

voluntary does not imply that corporations should do the minimum requirements. Contrary, the regulations provide a standard minimum level of implementation above which corporations should operate.

3.8.2 Shareholders vs. Stakeholders

An individual or entity who is affected by an organisation's operation or who can affect an organisation's operations is referred to as a stakeholder (Dawkins and Ngunjiri, 2008). Organisation's operations, services and products are distributed sometimes across many geographical boundaries. This could suggest an unlimited number of stakeholders to which the organisation should be responsible. So how can an organisation limit the number of stakeholders it should be responsible for? According to Clarkson and Dowling (2009), stakeholders should be classified into primary and secondary stakeholders. Primary stakeholders include employees, shareholders, investors, customers, government and suppliers. Shareholders are viewed as the most important group to the organisation because they have invested financially and are regarded as the owners of the organisation (Dawkins and Ngunjiri, 2008). According to Cornwell (2005) shareholders have a legal right to the organisation and it is towards their interests that the organisation is managed. In addition, shareholders take all the risks through operations of the organisations and are bound to the organisation by contract (Claydon, 2008). This is unlike other interested parties to the organisation such as communities and employees (Dawkins and Ngunjiri, 2008).

It should be noted that it is not possible for an organisation to meet the needs of all its stakeholders. Besides, CSR does not outline a standard implementation framework which makes it easy for organisations to decide which stakeholders to include in their strategies and the extent to which their needs are satisfied (Dean, 2002). The motive behind implementing CSR is not related to stakeholder needs but it is usually for the good of the organisation (Dong and Lee, 2008). This is referred to as the shareholder primacy approach. Among the stakeholder strategies is the 'stakeholder inclusive approach' which unlike the 'shareholder primacy approach' endeavours to meet the needs of both stakeholders and shareholders. It is under the stakeholder inclusive approach that social, environmental and economic issues are considered in an organisation's operations (Dawkins and Ngunjiri, 2008). The King Code of Governance III features the stakeholder inclusive approach as a preferred strategy (King III).

CSR gives priority to individual claims rather than those of groups, and to its employees and customers and not public concerns (Essen, Jan and Carney, 2012). Most important is meeting the needs of primary stakeholders because any action from this group can compromise an organisation's survival (Fassin, 2012). A good example presented previously is that of human rights abuses by Nike. Despite attempts at remedying the damaged reputation, it failed to restore its image which severely affected its financial turnover.

3.8.3 A director's fiduciaries duty

Being a juristic person, an organisation operates through its directors who are responsible for daily operations of the organisation as provided for by Section 66(1) of the Companies Act. Directors are therefore expected to act in good faith, honestly, loyally, diligently and with skill (Company Act Section 76(3)(b)). This sets the tone that Directors should not act with impunity since they are regarded as fiduciaries who should act in the interest of the organisation (Company Act Section 76(3)). This is aligned to the provisions of the Company Act Section 76(3)(b) which requires that directors act presently and in the future, in the best interest of the organisation (Company Act Section 76(3)). This is exemplified by *Greenhalgh vs Arende Cinemas* where it was decided that when referring to the organisation, it extends beyond the business entity and includes shareholders. However, it is not clear if directors can use an organisation's finances to meet the needs of its shareholders, which in essence can result in breach of fiduciary duty (Company Act Section 76(3)). In this case, the directors can make an ultra vires contribution while it can make ultra vires contribution which brings no benefit to the organisation. In situations where a majority vote is cast by shareholders in favour of a donation, the directors can still face legal action instigated by minority shareholders (Company Act Section 76(3)). This is because directors still owe fiduciary duty to minority shareholders (Company Act Section 76(3)). To avoid this, the Memorandum of Understanding (MOI) should out rightly state the director's responsibilities and whether they can make donations using the organisations funds (Jenkins, 2006). Going against such stipulations can amount to breach of director's fiduciary duty (Fassin, 2008).

Directors are not required to be responsible to stakeholders as this would imply that their responsibility extends to everyone (Company Act Section 76(3)). As such, directors constantly have to manage trade-offs among conflicting interests and stakeholders. Ultimately, directors balance between meeting stakeholder needs of CSR and shareholder need for profits (Company Act Section 76(3)).

2.8.4 Values and emotions

In order to restraint human behaviour, the law provides benchmarks and consequences for failing to adhere to legal requirements (Fevre, 2003). This approach does not apply to ethics. Ethics are based on moral obligations that set no legal repercussions for failing to adhere to set ethical code of conduct (Hoffman, 2008). Since ethics are thought to be subjective, one can rationalise against using ethics in business (Gedye, 2013). And because of the subjectivity of ethics, there is no implementation framework organisations can follow in business operations (Fig, 2005). Nevertheless, Flores-Araoz (2013) argues that ethics have provided a norm of behaviour in various aspects of life including sports, politics and law, as such, it can very well guide business operations. What is not apparent in ethics is the set of governing standards but this does not mean that they are non-existent (Garmen, 2010).

When applying ethics in stakeholder management, there is a danger that managers would be subjective in decision-making by appealing to emotions, perceptions and values which can be contradictory when meeting stakeholder needs (Gond et al., 2008). This is demonstrated by an incidence in a textile and carpet manufacturing industry in Bangladesh, India and Nepal where children between the ages 8 to 10 years were employed. An NGO initiated a campaign against importing from these factories (Hamman, 2003). This resulted in passing of the Harkin Bill in the United States of America prohibiting purchase of any products from these and other factories using child labour (Haung, Yen and Liu, 2014). This kind of mass actions have driven change various situations of human rights abuse, and in this case, child labour. Nevertheless, research shows that the action against child labour resulted in a shift from working in factories to prostitution and begging (Fig, 2003). Despite that the NGO and later, USA government meant well by their actions, the impact on the children was negative. This exemplifies the effect of well-intended emotional decisions which in some cases may not be all positive. In terms of businesses, they rarely qualify what is meant by ‘acting in public interest with unintended consequences’ which results from ‘well-intended actions by management’ (Fassin, 2008).

2.8.5 Deceit, misrepresentation and unwarranted costs

The norm of adopting CSR in organisations is to gain reputation for being reliable (Archie et al., 2010). A number of actions that may result in bad reputation and financial loss were highlighted by the World Business Council for Sustainable Development. Nevertheless,

research shows that the connection between CSR and financial prosperity is unclear (Walden, 2007). Thus, it cannot be conclusively stated that implementation of a good CSR strategy yields financial profitability (Bakan, 2005). On the other hand, businesses may gain by getting more investments into their businesses since investors are more inclined to invest in businesses that engage in good governance practices. This is evident from a study conducted by McKinsey and Company of investors in emerging markets (Sachs, 2008). The danger of such practices is malpractice such as the common green-washing experienced globally (Naidoo, 2008). Organisations around the world claim that they consider the environment and people in their business operations but only so they can gain reputation (Cooper, 2004). Such campaigns deceive customers into believing that the organisation adheres to environmental ethics which can earn the business customer loyalty and increased sales.

Terra Choice Environmental Marketing (2009) shows that 98% of companies in South Africa engaged in green-washing in 2009. Organisations have even tailored their mission statements to reflect company contributions to society through products, technology or the market. For instance, Lonmin mine's mission statement highlights that the organisation cares for its employees through safety measure implemented and education opportunities for employees and their families. Nevertheless, Bench Marks Foundation's (Deakin, 2010) study shows the opposite of what the company portrays. The study indicates high number of deaths, bad living conditions and terrible conditions of the school meant for miner's children. There are many other organisations that engage in such green-washing and benefit from it. CSR has therefore been criticised as promoting window dressing by projecting an image that would ensure business as usual and deter critics (Delport, 2011). To be seen as acting morally, an organisation gains a good reputation which creates an impression that the organisation produces high standard products. This can create more capital for the organisation. Thus, CSR is used to gain a long term strategic connection (Du Plessis, 2011).

Critics agree that the main responsibility of a business is to make profit, but they fail to agree that it is the only responsibility (King, 2010). Nevertheless, businesses operate within communities where, in situations such as South Africa, there is need for corporations to participate in uplifting the communities they operate in (Lou and Venter, 2010). This is supported by Fig (2005) who states that CSR is necessary so long as it yields benefits to the business. Within the context of South Africa, it can be speculated that there is need for an

amendment of the Companies Act so as to include a mandate for directors to engage in philanthropy.

2.9 ARGUMENTS FOR THE IMPLEMENTATION OF CSR

Arguments in favour of CSR typically begin with the belief that it is in the best interest of corporations to be socially responsible. This is based on the premise that if the present generation of corporates take care of the environment and the community, they will ensure the long-term sustainability of their business. Sustainability has been regarded as a process whereby the needs of the present generation are met without compromising the needs of the future generations (Lou and Venter, 2010). In the corporate context sustainability means that “each enterprise must balance the need for long term viability and prosperity of the enterprise itself, the societies and the environment upon which it relies for its ability to generate economic value with the requirement for short term competitiveness and financial gain” (Bakan, 2005:12). Corporate sustainability is noted as being a custom-made process and each organisation should choose its own specific approach towards achieving corporate sustainability (King, 2010).

Du Plessis (2011), argue that it is clear to most authors that CSR means to include behaviour and actions beyond mere profit making that serve to improve the conditions of society and individuals within the society within which a company operates. In recent years pressure from Non-Governmental Organisations (NGOs) has shaped the behaviour of companies globally. These NGO’s typically target the ability of corporations to be accountable, ensure social responsibility, prevent the violation of human rights, guard against unfair labour practices and combat corruption and environmental abuses (Mullerat et al., 2005).

NGOs such as Amnesty International, Hope Association, Treatment Action Campaign, Black Sash, Green Peace, Friends of the Earth, and Oxfam pressure companies to abandon programmes that have serious impact on the environment and the community at large (Naidoo, 2010). Such actions influence the behaviour and loyalty of consumers and investors in relation to the corporation and their actions place pressure on corporations to act ethically beyond the requirements of the law (Taylor, 2014). In addition to guarding against the pressure placed on corporations by NGO’s, corporations need to guard the dangers of class actions. These class actions have serious financial and reputation consequences to larger corporations. The negative publicity drawn by these groups through initiated class actions

often result in corporations shaping their behaviours and business practises to be more socially responsible.

The increased focus on sustainable management has led to global corporations placing great emphasis on the universal concept popularly known as the triple bottom line. The triple bottom line covers all areas of concern namely economic, social and environmental (Schwartz and Saia, 2012).

The implementation of CSR is alleged to have benefits for corporations which embraces it. Servae and Tamayo (2013) differentiate between tangible and intangible benefits. They define the tangible benefits to be those that are easily quantifiable in financial and physical terms and intangible benefits to be harder to quantify and non-physical in nature. Shongwe (2007:20) identifies these benefits related to the management of a corporation's reputation; "as effective cost and risk management tools, attracting, motivating and retaining employees and enhancing market ranking and competitiveness."

2.9.1 Managing corporate reputations

Smith, Read and Lopez-Rodriguez (2010) asserts that CSR enhances corporate image and adds brand value. The increase in societal expectations, the demands of business and globalization has led to firms increasingly operating in developing countries that have lower standards of living than found in their countries of origin (Simmons, Becker-Olsen, 2006).

Stakeholder demands present a potential threat to the viability of an organisation; if not managed amicably this could seriously hinder business practices. Building and maintaining a positive relationship with the community could result in the corporation receiving tax benefits in addition to building positive community relationships (O' Dwyer, 2003). This positive outlook could also result in a decrease in the number of regulations imposed on the corporation because the firm would now be perceived as a member of the community.

Many global corporations pay serious attention to reputational threats. Safe guarding their reputation and brand image has become ever more important; as markets have become more competitive, reputations and images have become more vulnerable (Esser, 2005). Simply put, firms may be penalized by consumers and NGO's for actions that are not considered to be socially responsible. These groups demand that corporations take responsibility for their

actions. An advancement of technology, vast media coverage and the use of the internet continues to fuel the rapid and widespread exposure of alleged corporate abuses (Fig, 2005). Messages can be posted, sent and received to and from all parts of the globe at any part of the day or night. These methods are easy to use and a cheap means to convey abuses internationally.

Boycotts and protests seem to be the most frequent tools that are used to get the attention of society (Hamman, 2005). Research has found that product boycott announcements are associated with significant negative stock market reactions (Grossman; Horrigan, 2008).

Stock market reactions reflect investor beliefs about boycotts having an effect on sales both directly and indirectly, through harm to the firm and the brand's reputation. Research by Frynas (2004) and Garriga and Mele (2004) found that being negatively associated with CSR could ultimately result in detrimental effects on overall product evaluations, whereas positive CSR associations can enhance product evaluations. The ability of a negatively perceived reputation to hamper the value of stocks is not native to South Africa, the phenomenon extends globally (Du Plessis, 2011).

Shell and other oil corporations operating in the Niger Delta had to fork out millions of dollars to rectify the damaging effects that negative publicity had on their reputations (Karani, 2012). The Niger Delta has been plagued with militant activities in an attempt to steal wealth from oil companies through illegal bunkering and oil facilities cannibalisation. According to Lantos (2002) this type of behaviour could be perceived to arise out of neglect and environmental pollution by companies such as Shell which operate in the region.

According to May (2009) before a consumer decides to support or avoid a particular brand they prefer to have the relevant information about the firm and the product. A negative review about a product or service provider could serve as a deterrent to potential clients and customers. Nike, the foot wear and apparel giant, faced similar challenges (Miles and Jones, 2009). Allegations were made over employees working under sweatshop conditions at the premises of their Asian suppliers. Nike was and is currently one of the market leaders in the footwear and the sports industry with its sales in 2012 amounting to \$25.28 billion. The then CEO Phil Knight blatantly denied any knowledge or fault on their part however due to continuous campaigning by the NGO's he later admitted that "Nike had become synonymous

with slave wages, forced overtime and arbitrary abuse” (Du Plessis, 2011:9). To remedy the situations Nike quickly released a press statement emphasising that they had terminated three of their Indonesian suppliers’ contracts citing work place conditions as their reason for the termination.

Just as negative publicity acts as a blimp on a corporation’s reputation, activities involving the local community create ideal opportunities to generate positive press coverage (Olson, 2009). By extending a helping hand to the community these corporations will create a long-lasting relationship with the community that almost guarantees customer and brand loyalty. This informal relationship also assists corporations to foster an open line of communication with the community (Peter, 2011).

2.9.2 Effectiveness, cost and risk management tools

As previously mentioned, globalisation has fuelled the need and the requirement for all corporations to become more responsible entities. The growth of economic trading zones has resulted in a flurry of corporations wanting to trade in the international trading arena and get themselves listed on the various international stock exchanges. In order for these companies to be enlisted on these international stock exchanges they need to fulfil a strict criterion with regards to reporting on social and environmental issues (May, 2009).

Several studies have been carried out in an attempt to prove that there is a positive correlation between social responsibility and financial performance (Peter, 2011). Empirical research has proven that being environmentally and socially proactive resulted in cost and risk reduction. More so, the data accumulated from these surveys showed that being proactive on environmental issues could lower the costs of complying with present and future environmental regulations enhancing the firm efficiencies and driving down their operating costs (Miles and Jones, 2009). The outcome of these studies have been criticised in that they have not been able to provide concrete proof that there is a positive correlation between CSR and positive financial performance.

The studies have not succeeded in proving the contrary. In developed countries the efficient use of resources and more efficient processes should help companies reduce their operating

costs in the long run given that the amount of work needed to be done remains constant resulting in fewer employees being needed to complete the tasks at hand (Karani, 2012). The reduction in costs and risks will be evidenced by the reduction in the firm's expenditure of capital in order to fix or maintain damages caused. The efficient use of human resources may have prior to the global recession been an ideal scenario in developed states however for developing countries where the unemployment rate is on a constant increase this may not be the case.

Corporations cannot survive on their own, customers are dependent on these companies for deliverance of services or products and corporations are dependent on their customers for their future sustainability. CSR in this instance is said to be motivated by a recognition that long term viability of corporations depends upon the prosperity of the environment in which they operate (Model, 2009). CSR is not limited to corporations merely taking on purely philanthropic gestures or about just doing the right thing but requires corporations to behave responsibly, and deal with suppliers who do the same. This is alleged to also offer direct business benefits (Linde, 2006). Many corporations advertise themselves as having responsible corporate reputations which set them apart from the rest of their competitors (Kim, 2006).

Corporations often tend to favour suppliers and service providers who demonstrate responsible policies, as this can have a positive impact on how they are perceived by customers (Kaufmann and Oleru, 2012). CSR has been viewed as a tool that assists in reducing the amount of resources, waste, emissions, electricity and packaging used. Saving the environment and saving money is possible if implemented correctly (Lee, 2008).

Jeppesen et al (2012) argue that the stock market responds to the social behaviour of the corporation in terms of the market price of its stocks which directly affects its costs of capital earnings. They further argue that many institutional investors view corporations that are not socially responsible as riskier investments. Many companies implement CSR policies not because it is the proper thing to do, but because it is the advantageous thing to do. Lindergreen and Swaen (2010) asserts that firms with some social responsibility performed significantly better than those with none.

Arguments advanced in support of CSR have long recognized enlightened self-interest as well as beliefs about good corporate citizenship and a beneficial social role of business. According to Mason and Simmons (2013:24) “the capitalist era benefited from the improved living conditions employees found in its factory towns and today’s modern corporations benefit from CSR as a result of avoiding or pre-empting legal or regulatory sanctions.” CSR also has benefited firms through direct or indirect economic efficiencies.

2.9.3 Attracting, Motivating and Retaining Employees

CSR could also be used as a tool to develop employee competencies which could lead to more efficient utilisation of resources by the corporation. Employment equity policies are said to enhance long-term shareholder value by reducing costs and risks (Melaine, 2011). According to Du Plessis (2009), employees are willing to receive lower compensation in order to work for an employer who is commonly perceived to uphold higher moral values.

Research has also been undertaken and has proven that there is a positive correlation between social performance and the ability of the firm to attract employees (Yoon, Gurhan-Canli and Schwartz, 2006). CSR activities in the form of equal employment policies and practices and environmental responsibility can enhance long term shareholder value by reducing costs and risks. Wood (2011) claims that in the labour market, employees express a preference for working for socially responsible companies, resulting in the employee trusting the employer. With a larger pool of job applicants, the socially responsible corporations will be able to choose suitably qualified, diligent employees (Thompson and Strickland, 2005).

The implementation of CSR policies and practices in 1997 resulted in Nike employing individuals in CSR positions, and revamping their website to provide customers with complete profiles of their factories in the various corners of the globe (Walsh and Lowry, 2015). They currently boast an employee friendly working environment that is in perfect harmony with their financial targets. “CSR has been cited to assist corporations to attract a better calibre of employees which has assisted further in developing the corporations capabilities, resources and competencies” (Atkinson, 2007:6). This was assumed to mean that socially responsible corporations uphold ethical values and are likely to be more responsible employers. Socially responsible corporations have been further known to develop learning mechanisms, enhance information systems and other internal resources which better facilitate preparedness and adaptation to changes in the environment.

2.9.4 Enhancing Market Ranking and Competitiveness

Efficiency is defined by Backhaus et al (2002) as the extent to which a corporation utilises its resources productively, its processes are efficient and cost effective. The ability of a firm to perform better than its competitors depends on the unique interplay of human organisation and physical resources over time. By streamlining their practices and processes, utilising their resources efficiently and minimising their costs corporations can differentiate themselves from their competitors, and by doing so, the company will benefit from a possible increase in revenue (Carrillo, 2007).

According to Du Plessis (2011) corporations have the necessary resources and the know how to solve problems relating to their missions. If these corporations align their philanthropic initiatives to the companies' missions, this could result in the creation of greater wealth. The inability to access capital can pose a hindrance to corporations seeking to ensure that their organisations have a competitive edge against their rivals (De Visser and Steytler, 2012). An outstanding financial portfolio is no longer the sole factor considered in making investment decisions. Institutional investors would rather pay a pretty premium and invest with corporations that have a solid governance structure. "South African corporations have realised that environmental, social and governance issues can no longer be considered as peripheral issues when making investments decisions" (Environmental, Social and Governance, 2011:4). This fact was emphasised by the adoption of the Code of Responsible Investment in South Africa (CRISA, 2009) which encourages institutional investors to integrate into their investment decisions with sustainability issues.

3.10 SOUTH AFRICA THE NEED TO IMPLEMENT CORPORATE SOCIAL RESPONSIBILITY

HIV and AIDS is socio-economic challenge that has forced itself upon business in South Africa. To some extent, business has had no option but to respond. The prevalence of HIV and AIDS has a direct influence on a company's workforce resulting in absenteeism, high turnover, loss of skilled workers and the draining of employee benefits with a potential loss in profitability (Du Plessis, 2011). This epidemic has had a huge impact on the economically active segments of society. The disease is likely to destroy the workforce in effect resulting in the loss of valuable skills and stable breadwinners whose families will then become dependent on the state's welfare system (Da Piedade and Thomas, 2006).

Du Plessis (2011) argues that the responsibility to combat the disease by the industry has been slow if not erratic. He further found that 75% of the companies studied had no idea of the prevalence of HIV and AIDS in their firms and over 60% had no strategy to manage the disease in the workplace. Du Plessis (2011) argues that if the effects of HIV and AIDS are not managed the disease will contribute to the reduction of corporate profits by 20 per cent in the first decade of the century, as the private sector has been very slow in responding.

The term CSR is rarely used in the South African context, as there is a common misgiving that the word responsibility may imply acknowledging and offering to redress human rights violations that took place during the apartheid era (Du Plessis, 2011). In South Africa organisations place great emphasis on philanthropic acts without linking it to their core business practices. Limited government capacity has also been identified as a potential driver for CSR in South Africa, this creates a niche for organisations to take to developing and regulating responsibilities because the state is not fulfilling them (Alessandri, Black and Jackson, 2009).

Alessandri, Black and Jackson (2009) argue that companies should take responsibility and offer redress for violations that were conducted during the apartheid era. In most cases the victims were said to be black people who lived in industrial areas. Trialogue (2004:12) strongly criticises the fact that the various definitions associated with CSR do not take into account the legacy and history of a country or state. Du Plessis (2009:11) echoes the sentiments of other liberal writers that “corporations assisted the former political dispensation in promoting apartheid by introducing migrant labour systems, single-sex hostels racial division and discriminatory salaries.” In addition to this, corporations paid taxes, provided services, technologies and weapons that were directly used for oppression. Taking responsibility today in this democratic society of ours would imply taking action to acknowledge, recognize and offer redress for apartheid violations of human rights. Alessandri, Black and Jackson (2009) argue that in order to curb environmental pollution the South African Government urgently needs to enact legislation that contains stringent sanctions against such transgressions.

I would agree with Alessandri, Black and Jackson (2009) to an extent that companies should take responsibility and offer redress, however my concern relates to determining which

corporations should and would be held accountable. My reasoning for this is that ownership of corporations that operated during the apartheid era may have changed, new shareholders may have come on board and new entities many have been constituted post 1994.

The end of apartheid was thought to herald an era of hope for the application of sustainable practices and retribution (Du Plessis, 2011). However, the Truth and Reconciliation process was used mainly to achieve amnesty. Twenty-four years into democracy and there has been no advancement towards compelling corporations to clean up their acts.

South Africa joining the global trading arena has assisted the process to shift from cosmetic CSR towards making a real change. The desire to be listed on several international stock exchanges has increased the commitment by corporations to apply the triple bottom line approach (Du Plessis, 2011). Compliance with Global Report Indexes (GRI) and global codes of conduct have impacted on the willingness of South African businesses to implement sustainable practices. In the South African context, it is increasingly apparent that companies cannot view themselves as separate from the society in which they operate. Whether this is by choice or the necessity of survival, they will be required to incorporate this thinking into their CSR policies (Trialogue, 2004).

Corporations in South Africa have implemented stringent environmental management systems however the application to date is lacking. These systems when implemented are on a voluntary basis because these corporations are keen on caring for the environment and society's wellbeing. However, in many corporations social responsibility spending is used as a mechanism of deflecting criticism of their unsustainable practices.

The new democratic regime has attempted to somewhat address these short falls, however progress in the field is still very slow (Smith, 2005). Some momentum has been gained in the fight to implement CSR.

2.11 LEGISLATIVE REFORM IN SOUTH AFRICA

South Africa is a democratic country that is blessed with natural resources, a moderate climate and a diverse society made up of citizens from various racial backgrounds (Alessandri, Black and Jackson, 2009). When the country obtained its democracy in 1994 it unfortunately inherited several legacies of the apartheid era. Twenty-four years after South

Africa's political transformation, its socio-economic structures still remain highly unequal. One of the direct consequences of apartheid was the exclusion of black people from participation in the economy (Du Plessis, 2011). This resulted in limited access to education, skills development and employment opportunities for black people (Baker, 2003). Today the previously marginalised black majority have gained political power yet the country's economic basis still remains largely owned by the minority.

The regulatory framework within a state sets the boundaries for permissible behaviour in the market place. The importance of these frameworks is highly recognised in cases where markets do not incentivise socially responsible behaviour by corporations (Baker, 2003). Since there is no automatic penalties or heavy sanctions and fines for corporations who do not behave responsibly the implementation of these frameworks are predominantly voluntary. Hence the state in its attempts to remedy the effects of apartheid took to legislating on social issues (Du Plessis, 2011:4). These pieces of legislation were modelled to promote the provisions of the pre-amble of the Constitution the Republic of South Africa in particular the need to "heal the divisions of the past and establish a society based on democratic values, social justice and fundamental human rights".

Based on this constitutional mandate, numerous acts have been passed by the government to compel greater transparency and accountability amongst companies. This was to force companies to deal with issues such as transformation, conditions of employment, occupational health, employment equity, and the environment (Alessandri, Black and Jackson, 2009).

2.11.1 Legislation aimed at black economic empowerment

This section deals with Legislation on corporate social responsibility in relation to black economic empowerment.

2.11.1.1 The Broad-Based Black Economic Empowerment Act (the BBBEE Act)

During the apartheid era black communities had little to no access to primary educational institutions; these factors exacerbated the inequality amongst the different race groups within the country (BBBEE Act of 2013). The B-BBEE Act was introduced by the government as a mechanism to assist in promoting economic transformation, in achieving an increase in the level of black participation in management, representation in the economy and in promoting

investment programmes that empower rural communities (B-BBEE Act of 2013). The B-BBEE Act which was developed in cooperation with key stakeholders contains a complex framework of broad-based black economic empowerment (B-BBEE). This framework is legally binding on the public sector; however, it is a largely voluntary, market driven instrument for the private sector (B-BBEE Act of 2013). While the idea of B-BBEE seems to be favoured theoretically, implementation still remains a very sensitive and controversial issue. The B-BBEE Act has become an important focus for companies. It has resulted in significant changes, including new board positions, preferential procurement initiatives, enterprise development, managerial structures and skills development (B-BBEE Act of 2013).

While not explicitly framed as a CSR policy, it contains key clauses that refer to the need for social and economic transformation in the wake of apartheid. In order to promote the purposes of B-BBEE Act, the Minister of Trade and Industry in terms of section 9 is authorised to issue codes of good practice on black economic empowerment (B-BBEE Act of 2013).

2.11.1.2 Codes of Good Practice

The foundation of our regulatory regime for corporations contains a variety of legal and regulatory measures as well as specific verification and certification mechanisms. One of these mechanisms is the Codes of Good Practice (the Codes). The intention behind these Codes is to “encourage all entities, both public and private, through the issuing of licenses, concessions, sale of assets and preferential procurement to implement proper B-BBEE initiatives” (Fassin, 2012:23).

The Codes thus provide a framework for measuring the progress made in the implementation and execution of B-BBEE measures. This is done by means of a score card and compliance is measured by a box ticking process (B-BBEE Act of 2013). In terms of the Codes, the compliance requirements for B-BBEE vary according to the size of your entity and the annual turnover. The B-BBEE Act (2013:11) gives further status to the codes by stating that:

“Every organ of the state and public entity must take into account and, as far as reasonably possible, apply any relevant code of good practice issued in terms of this Act in: determining qualification criteria for the issuing of licences, concessions or authorisations in terms of any law; developing and

implementing a preferential procurement policy; determining qualification criteria for the sale of state-owned enterprises; and developing criteria for entering into partnerships with the private sector”.

Corporations with a turn-over of R35 million are compelled to comply with the scorecard. The B-BBEE compliance of corporations needs to be certified by an external verification agency or they must assess themselves (B-BBEE Act of 2013).

Verification agencies issue B-BBEE scorecard certificates, which are valid for twelve months. These certificates can be issued by any verification agency as long as it is approved by the accreditation body, South Africa's National Accreditation System (SANAS, 2014). SANAS has to ensure that verification is independent and reliable in order for corporations to benefit from their certification.

2.11.1.3 The Employment Equity Act

It is crucial that South Africa empowers groups that have suffered discrimination and that have been denied equal access to opportunities in the past (The Employment Equity Act of 1998). The Employment Equity Act emphasizes the fact that as a result of apartheid and other discriminatory laws and practices, there are disparities in employment, occupation and income within the national labour market; and that those disparities create such pronounced disadvantages for certain categories of people that they cannot be redressed simply by repealing discriminatory laws.

The intention behind the Employment Equity Act, was to eliminate unfair discrimination in the employment arena and to provide for affirmative action in order to redress the disadvantages of the past created by apartheid (The Employment Equity Act of 1998). Affirmative action is defined as a temporary intervention that is aimed at getting rid of unfair discrimination that was experienced by black people in order to enable them to compete on an equal footing with those who did not suffer unfair discrimination. Du Plessis (2011) argues that affirmative action was to assist with narrowing the gap between rich and poor for certain preference recipients.

The term “black people” as defined in the Employment Equity Act is a generic term which means Africans, Coloureds and Indians (The Employment Equity Act of 1998). Unfortunately, when adopting these affirmative action measures many public and private

entities neglected to take this definition into account. Rather than decreasing the inequality amongst the citizens of South Africa, affirmative action further divided people (The Employment Equity Act of 1998). The benefits of affirmative action measures were only afforded to a particular race group without consideration being given to others (The Employment Equity Act of 1998). Inequalities within the population continued, as the wealth did not trickle down.

2.11.1.4 The Companies Act

The Companies Act was signed by the President on 9 April 2009 and came into operation on 1 May 2009 (The Companies Act of 2009). The purpose of the Act is to promote compliance with the Bill of Rights as provided by the Constitution in the application of the Companies Act to encourage transparency, high standards of corporate governance and provide for the balancing of rights and obligations of shareholders and directors amongst other things. In terms of section 76(3) of the Companies Act a director is required to act in the best interests of the company exercising a degree of care, skill and diligence that may reasonably be expected.

According to Du Plessis (2011:7), the wording of this provision removes any doubt that the directors of a company owe their duty to the company and the company alone.” In *Greenhalgh v Arderne Cinemas Ltd* the court held that the word company does not refer to the legal entity but includes shareholders and incorporators as a general body. The clear implication of this is that the interests of stakeholders are afforded limited consideration in making business decisions. The question still remains as to whether directors are allowed to use corporate funds for the betterment of society. This takes us back to the stakeholder debate that began in the 1930’s. Du Plessis (2011:8) argued that “powers granted to management are exercisable only for the benefit of the shareholders of the company.” Patrons of this school of thought argue that corporations pay taxes to ensure that social and environmental concerns are taken care of. This common law principle was also confirmed in the American case of *Dodge v Ford Motor Company* where the court found that a company’s primary objective is to make a profit for its shareholders and that the director may not reduce the profits in order to benefit the public.

Contrary to this, Villiers (2009) argues that a company is an economic institution performing a social service as well as a profit-making function. As previously stated in this paper

corporations do not exist in asylum. In a country like South Africa it is important that the interests of stakeholders are considered. The courts have also come to realize that in order for corporations to be financially viable and sustainable they need to take into account stakeholder interests in the day-to-day running of a corporation.

In *Hutton v West Cork Railway Company* (Du Plessis, 2011:9), “the board of directors of the company that was being wound up proposed to give gratuities to corporate officers for loss of employment.” The court held in this case that the law does not say that there are to be no cakes and ale, but that there are to be no cakes and ale except such as are required for the benefit of the company. The principle set out in Huttons case translates into the modern day enlightened shareholder approach. This approach regards charitable gestures that are made by corporations as acceptable if they are to benefit the company. The courts have not completely negated charitable donations, but they have insisted that these donations must be bona fide and reasonably incidental to the business of the company and for its benefit.

Section 7(d) of the Companies Act, further cements this idea. According to Companies Act of 2009, this section is not intended to create sui generis duties for directors; rather it should be interpreted to mean that directors must pay attention to the interest of stakeholder. However, this does not afford all stakeholders direct rights nor does it mandate directors to engage in philanthropic gestures.

2.12 REMEDIES AVAILABLE TO AGGRIEVED PERSONS

The Companies Act has made some progress in affording due consideration to the interests of stakeholders and the protection thereof. Section 218(2) “affords protection to any persons that have been aggrieved by the contravention of the Companies Act.” In essence section 218(2) creates a “scope for claims for damages against any person who contravenes the Act and perhaps even against the company itself, on the basis that an act of the board of directors could constitute an act by the company itself.” Although the current Companies Act takes a bolder prostakeholder inclusive approach, only a certain group of stakeholders are given due recognition. It is unfortunate that true effects of the act will only be realised once the courts and companies reconfigure their understanding of the concept best interests of the company.

2.12.1 The Social and Ethics Committee

More recently the requirement for certain companies to appoint a Social and Ethics Committee has reflected a direct intervention by government to shape CSR policies. Section 72(4) read in conjunction with Regulation 43 of the Companies Act makes significant changes in terms of accountability and reporting by corporations in South Africa. The section empowers the minister to prescribe by regulation that a company or category of persons must have a Social and Ethics Committee (the Committee) if it is in the public interest. The company's annual turnover, the size of its workforce or the extent of its activities are some factors that are considered in determining whether a company needs to appoint the Committee.

In terms of Regulation 43(4), a company's social and ethics committee must comprise of no less than three directors or prescribed officers of the company, at least one of whom must be a director who is not involved in the day-to-day management of the company's business, and must not have been involved within the previous three financial years.

The committee has three main functions. The first is to monitor the company's activities having regard to relevant legislation or codes of conduct and to ensure that the company behaves like a responsible corporate citizen. The committee monitors the company's activities with regard to the following five areas of social responsibility. These five areas are "social and economic development, good corporate citizenship, the environment, health and public safety, consumer relationships and labour and employment (Companies Act of 2009).

The second function is to draw matters within its mandate to the attention of the Board as and when the occasion requires, and the third is to report, through one of its members, to the shareholders at the company's annual general meeting on the matters within its mandate. The committee thus has dual monitoring responsibility. Firstly, in terms of regulation 43(5)(b) the Committee is to draw matters within its mandate to the attention of the board of directors when required and secondly in terms of regulation 43(5)(c) the Committee has a responsibility to report to its shareholders at the company's annual general meeting. The Committee's functions seem to be limited to the provisions contained in the regulations which could result in the Committee not having a supervisory role (43(5)(c)).

Section 7(d), which deals with the purposes of the Act, “reaffirms the concept of corporations as a means of achieving economic and social benefits.” This specific purpose of the Act emphasizes the need for corporations in South Africa not to be regarded as vehicles for merely producing benefits for shareholders of corporations. The introduction of the Committee in the Act can thus be seen as a mechanism for ensuring that companies do indeed monitor and report whether they produce social benefits to the economy, the labour force, society, and the natural environment.

By making it compulsory for certain companies to appoint a Social and Ethics Committee, government has created a reporting mechanism through which corporate social responsibility issues can be brought to the attention of the board and to shareholders at an annual general meeting (Companies Act of 2009). By requiring monitoring of corporate activities with reference to legal requirements, prevailing codes of best practice in general and national legislation, the regulations mandate a specific focus for the committee.

Further, by requiring the Social and Ethics Committee to report on good corporate citizenship with specific focus on the promotion of equality and development of the communities in which it is operating (Companies Act of 2009). It requires companies to take a holistic approach in formulating CSR strategies, to consider the underlying needs of development and sustainability. By mandating reporting on health, the environment, public safety and community development, companies are now required by law to institute a form of triple bottom line reporting that considers relevant stakeholders (Du Plessis, 2009).

2.12.2 Codes of Good Governance: The King Reports

This section deals with codes of good governance focusing on king reports.

2.12.2.1 King Code I & II

In response to increased concerns over several corporate failures the Institute of Directors published the First King Report (King I) on Corporate Governance in 1994. King Code I sought to assist companies and their directors by providing a comprehensive set of principles and guidelines to codify, clarify and expand upon the common law principles of corporate governance. It was intended as a code of good practice that emphasised the responsibilities of company directors with regard to corporate governance. King II acknowledged that there was a move away from the view that the aim of incorporating a business entity is solely to

maximise profits for shareholders to that of the triple bottom line, “which embraces the economic, environmental and social aspects of a company’s activities.” The approach taken in King II was that corporations would have to comply with the King Codes or explain their non-compliance. According to King Codes, many of the recommendations contained in King I and King II have been incorporated into the Labour Relations Act, EEA, Basic Conditions of Employment Act and the Companies Act.

2.11.2.2 King Code III

Changes in the company law regime and the need to conform to international governance trends necessitated the need to review King II. King Code III (King III) came into effect on 1 March 2013. King III advocates a holistic approach to CSR that requires a company to view itself as a corporate citizen motivated by principles of development and sustainability; taking into account all of its stakeholders. In keeping with international trends, it explicitly references the triple context approach, otherwise referred to as the triple bottom line. The code also calls for integrated reporting to ensure that a complete picture is painted with regards to business activities. King III promotes the stakeholder inclusive approach by acknowledging that a corporation has many stakeholders and that can affect the corporations’ ability to achieve its long term strategy and sustainable growth. King III also recommends that corporations adopt integrated forms of reporting and that the reports provided should contain sufficient information to enable stakeholders to clearly understand how the corporation has impacted on the community either in a positive or negative manner.

Unlike King II, King III requires corporate entities to apply King III or explain why the code was not applied. Its predecessor that applied to only affected companies, but King III applies to all companies irrespective of size or structure. The “comply or explain” approach adopted in King II allows a Board of Directors to explain why it is not appropriate for it to adopt a corporate governance measures. Du Plessis (2011) this approach is said to have suggested an element of enforcement and sanctions for noncompliance.

King III takes on the approach of apply or explain. This enables companies to operate for the purposes for which they were intended, without being bound to follow inflexible standards. King III also takes a pro-stakeholder inclusive approach by giving due consideration to issues such as ethical leadership and corporate citizenship, stakeholder relationships and it also deals extensively with sustainability reporting.

2.13 APPLICATION OF THE PYRAMID OF CORPORATE SOCIAL RESPONSIBILITY MODEL TO THE STUDY

Carroll's Pyramid of CSR model was used to investigate the CSR practices engaged in by a selected automobile company in Pietermaritzburg. The model argues that CSR goes with the economic, legal, ethical, philanthropic and discretionary responsibility. The construct of economic responsibility was used to ascertain the responsibility of business to be profitable, the construct of legal responsibility was used to investigate laws and other regulations adhered by the company under study, the construct of ethical responsibility was used to investigate the morals and ethics applied by the company in its business, and the construct of philanthropic responsibility was used to investigate what the company is doing to give back to community of Pietermaritzburg.

2.14 SUMMARY

The corporate social responsibility programmes are meant to help companies to assess and take responsibility for the companies' effects on environmental and social wellbeing. This chapter presented literature on the concept of corporate social responsibility, definitions of corporate social responsibility, the dimensions of corporate social responsibility and their integration into business. In addition, the chapter dealt with the contributing factors to corporate social responsibility discourses in South Africa.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 INTRODUCTION

This chapter presents the research design underpinning the study by presenting the methodology that guided the study, the study site for the study and the population. The chapter presents the sampling methods, the data collection instruments, and the data analysis techniques used in this study. The chapter deals with the issues of data control measurements and closes by highlighting ethical issues taken into consideration in the process of this study.

3.2 RESEARCH DESIGN

An exploratory research design was used in this study. Harwell (2011) defined an exploratory research design as a form of research that investigates an issue that is not well-understood. In agreement, Creswell (2013) explained that an exploratory research design is used when there are few or no earlier studies that have been conducted rely upon or to refer to in order to understand a phenomenon. The intention of the exploratory research design is to gain insight and acquaintance a research problem. The exploratory research design assists researchers to generate initial ideas about a research issue and helps to refine research questions (Neuman, 2011). The purpose of this study was to explore the CSR activities engaged in by the automotive company in Pietermaritzburg. An exploratory research design was appropriate in this study because it allowed the researcher to study the CSR activities carried out by the automotive company under study. In addition, the exploratory research design was selected over other research design because it is the most suitable research design when a problem has not been studied more clearly and there is need to establish priorities such as of CSR. In agreement with Harwell (2011), the exploratory research design was also used over other research designs because there are no earlier studies on the selected company. More importantly, the research design was to gain insights and familiarity to the research problem in this case CSR.

3.3 RESEARCH METHODOLOGY

There are three broad categories of research methodologies: quantitative, qualitative and mixed methods (Mutinta, 2015). Quantitative methods emphasise objective measurements and numerical analysis of data collected through polls, questionnaires or surveys. Quantitative research methods focus on gathering numerical data and generalising it across

groups of people (Babbie, 2010). The study used qualitative methodology which focuses on discovering and understanding the experiences, perspectives, feelings, and thoughts of participants. This method is suitable when exploring meaning or reality (Harwell, 2011). Qualitative research methodology was also used because the methodology is effective in uncovering trends in opinions and thoughts people have on a phenomenon and diving deeper into the research problem.

Using qualitative methodology, the researcher generated rich and detailed data on participants' perspectives to understand the phenomenon under study. Besides, qualitative methodology is recommended if the study includes generating people's practices, opinions, and feelings about a phenomenon (Yin, 2009).

3.4 STUDY SITE

This study was conducted in Pietermaritzburg the capital and second-largest city in KwaZulu-Natal province, South Africa. Pietermaritzburg is located in the Msunduzi Local Municipality (Statistics South Africa, 2015). The study was conducted at X automotive company in Pietermaritzburg.

3.5 TARGET POPULATION

A target population is defined as the entire collection of units or people a researcher is interested in (Yin, 2009). The target population for this study is the managers and employees at automotive company X in Pietermaritzburg. The total target population is ninety four; eighty five employees and eight managers at company X.

3.6 SAMPLING STRATEGIES

Mutinta (2014) defines sampling as a process of selecting a small portion of the population to represent the target population. Non-probability sampling was used in selecting a sample since this is a qualitative study. In non-probability sampling also called non-random sampling, units or people are selected based on the judgment of the researcher (Mutinta, 2014). Since selection is dependent on the judgment of the researcher, selection is by choice not chance, hence there is no equal chance for inclusion in the sample. Purposive sampling was used to select the sample. Creswell (2013) said that purposive sampling helps researchers to select units or people who can provide answers to the research questions underpinning the study. Inclusion in the sample depends on the judgment of the researcher. The researcher

selects people with a clear purpose in mind in order to understand the phenomenon under study (Mutinta, 2014). Employees purposively selected were those who have been working in the company for more than ten years therefore have rich and extensive experiences on the CRS activities carried out by the automotive company. Managers selected to partake in the study were those that play a vital role in this process of forging CSR activities in the company. This was done so to benefit from employees and managers experience and knowledge in CSR.

3.7 SAMPLE

A sample is a subset of the entire population selected to participate in the study and provides data needed to understand a research problem (Sekaran and Bougie 2010). The sample for this study was selected from managers and employees at automotive company X in Pietermaritzburg.

3.8 SAMPLE SIZE

A sample size refers to a total number of persons or units selected to participate in the study (Mutinta, 2014).

Table 3.1: Sample Size

Sample Size		
LEVEL	POPULATION	SAMPLE
Managers	8	4
Employees	85	4
TOTAL	94	8

All managers selected to participate in the study play a vital role in this process of forging CSR activities. Out of eight managers only four were selected. Out of eighty-five employees, only four were selected as these are employees who have been working in the company for more than ten years therefore have rich and extensive experiences on the CRS activities carried out by the automotive company. In total 8 participants were selected for the study.

3.9 DATA COLLECTION TECHNIQUES

Researchers use different forms of data collection tools when conducting qualitative research including in-depth interviews, focus group discussions and observations (Neuman, 2011). In this study, semi-structured in-depth interviews (see appendix A) were used to generate the data needed from participants to understand the research problem under study.

3.9.1 Semi-structured In-depth Interviews

In-depth interviews can be categorised as structured, semi-structured and structured (Neuman, 2011). The researcher employed semi-structured in-depth interviews to collect data. Semi-structured in-depth interviews are partially structured one to one interviews that allow new ideas to be generated from what interviewees say. Semi-structured in-depth interviews allow participants to share their views freely, elaborate, and clarify certain issues enabling researchers to collect in-depth data (Creswell 2013). Semi-structured in-depth interviews also allow researchers conduct formal interviews using an interview guide. Researchers follow interview guides but can ask research questions that are not part of their interview guides so as to collect in-depth information for the study (Laforest, Belley, Lavertue, Maurice and Rainville, 2009). Semi-structured in-depth interviews enabled the researcher to gain access to the participants' insight into the research problem under study from the interviewees' viewpoints. Eight semi-structured in-depth interviews were conducted and recorded using a voice recorder. Semi-structured in-depth interviews lasted between thirty to forty minutes.

3.10 DATA ANALYSIS

Data analysis is a process of organising and interpreting data so as to understand a research problem. Thematic analyses are used to analyse qualitative data (Sekaran and Bougie, 2010). Thematic analysis was used in this study. Thematic analysis is a process of reviewing data, making notes and sorting out data into categories. Thematic analysis is the best because it helps researchers to move from handling crude data to discovering patterns and developing themes. Six thematic analysis phases were followed in this study as discussed below:

- **Phase one: familiarisation with the data**

This was the initial phase the researcher used to familiarize herself with the data by creating potential codes (Braun and Clarke, 2006).

- **Phase two: generating initial codes**

In this stage the researcher generated initial list of items from the data set that have a reoccurring pattern. This coding was informed by research question (Braun and Clarke, 2006).

- **Phase three: searching for themes**

The researcher searched for themes and ascertained themes that works and themes that do not work. Codes were analysed and combine to form main themes in the data. This enabled the researcher to have a list of themes (Braun and Clarke, 2006).

- **Phase four: reviewing themes**

The researcher, in this stage, expanded and revised the main themes as they developed. This allowed the researcher to have potential themes with some themes collapsing into each other, and others were condensed into smaller units (Braun and Clarke, 2006).

- **Phase five: defining and naming themes**

In this stage, the researcher identified themes demonstrated how each theme affected impacted on the entire picture of the data (Braun and Clarke, 2006).

- **Phase six: Writing the final report**

This stage allowed the researcher to write the final report after ascertaining the main themes and subthemes. The researcher decided on themes report on especially those that allowed her to answer the main the research questions underpinning the study (Braun and Clarke, 2006).

3.11 DATA QUALITY CONTROL

There are different ways that can be used to ensure data control quality such as ensuring credibility, transferability, dependability and confirmability. This study mainly employed the credibility measure. The option used was informed by Creswell (2014) recommendation that when participants know that the organisation and participants will be anonymous they tend to be sincere in their responses therefore one of the many data control measures is adequate to uphold accuracy and the academic rigour needed.

- **Credibility**

The concept of credibility relates to whether the findings of a study are believable. Researchers must take steps to ensure that their findings are accurate and supported by the data. To ensure quality and credibility the researcher provided enough details and supporting evidence to meet the standard for credibility. Participants' checks were employed as they are considered to be very effective in evaluating integrity and quality in a qualitative study. Here, participants were asked to verify the findings based on their experiences and perceptions as they are better qualified to verify plausibility of research findings since they provided the information.

3.12 ETHICAL CONSIDERATIONS

Ethical approval for this research was obtained from the University of KwaZulu-Natal Ethics Committee. A gate keeper's letter was obtained from the automotive company under study. The gatekeepers indicates that the name of the company should not be used. Therefore the automotive company under study in this study is called X to uphold ethical requirements. Human dignity was upheld by seeking informed consent from participants and participated in the study based on adequate knowledge of the study they were given. Privacy and confidentiality were upheld as participants were reminded of their right to limit access to private information and keep from the public certain information about themselves. All participants remained anonymous and no names except pseudonyms were used in this study. Data will be kept under lock and key provided by the supervisor and will be destroyed after three years.

3.15 SUMMARY

This chapter presented the exploratory research design that brought together the methodology that guided the study, the study site for the study and the population. Within the exploratory research design, the chapter presented the sampling methods, the data collection instruments, and the data analysis techniques used in this study. The chapter deals with the issues of data control measurements and ends by highlighting ethical issues taken into account when conducting the study.

CHAPTER FOUR

DATA PRESENTATION

4.1 INTRODUCTION

In the previous chapter the study presented the research methodology used to underpin the study. This chapter presents data collected in this study starting with a review of the research questions. The presentation is divided into four main sections that deal with discretionary corporate responsibilities, ethical corporate responsibilities, legal corporate responsibilities, and economic corporate responsibilities engaged in by the automotive company under study. The chapter ends with a summary on the corporate responsibilities engaged in by the automotive company.

4.2 RESEARCH OBJECTIVES

- To understand the discretionary corporate responsibilities engaged in by automotive company X in Pietermaritzburg.
- To ascertain the ethical corporate responsibilities engaged in by automotive company X in Pietermaritzburg.
- To determine the legal corporate responsibilities engaged in by automotive company X in Pietermaritzburg.
- To understand the economic corporate responsibilities engaged in by automotive company X in Pietermaritzburg.

4.3 DISCRETIONARY CORPORATE RESPONSIBILITIES OF THE MOTOR COMPANY

When participants were asked to share their perceptions of the discretionary corporate responsibilities engaged in by their company, different views were shared. This section presents data on the discretionary corporate responsibilities engaged by the automotive company under study.

4.3.1 Philanthropic causes

Majority of the participants said their company engages in philanthropic causes as depicted in what one employee said reflecting what other participants said:

We engage in philanthropic causes in our capacity as an automotive company. For example, we make financial contributions to charities such as orphanages here in Pietermaritzburg (interviewee 3, 2018).

The response above is in agreement with what another participant who said that:

We engage in philanthropic activities by promoting welfare and humanitarian undertakings such as working with the local government here in Pietermaritzburg to provide clean water (interviewee 1, 2018).

This is supported by another participant who stated that:

In some rural areas Pietermaritzburg, we provide water project hardware and help with monitoring and repair work so as to keep water systems running (interviewee 2, 2018).

Data on the finding that the automotive company is engaging in discretionary corporate responsibilities is further supported by what a participant said reflecting views of other participants:

Collaboration in good will activities is very important in our business. We are constantly strengthening our relationships with our local communities where we work. Building strong connections and giving back to our local communities is important to the automotive industry. We give food to schools that have feeding programmes and support open space feeding by ensure that people who are struggling are nourished. You remember when we had the xenophobic attacks some few years ago; we were involved in feeding people who were displaced by working with the Department of Social Welfare of eThekweni and the Red Cross (interviewee 1, 2018).

This finding is reinforced by what another participant said that:

We are working with mothers and babies programme run by Clicks Helping Hands. We contribute money towards free clinic services to mothers and babies in some specific clinics. This service is only provided to mothers with babies born in public hospitals especially those that do not have access to medical aid. Immunization is one of the free services offered that we support in collaboration with Department of Health (interviewee 3, 2018).

The response above is in agreement with what another participant said reflecting what other participants said that:

Our motor industry is supporting health campaigns through local public hospitals. Campaigns we support include immunization, diabetes awareness, and HIV awareness and testing by aligning ourselves with the local health calendar (interviewee 4, 2018).

The report above is reinforced by what a participant said that:

Once in a while we give wheelchairs to people in the surrounding communities. It is a corporate social responsibility gesture that started out of a desire to help people in Pietermaritzburg with various mobility challenges (interviewee 3, 2018).

Data collected also shows that the automotive company is engaging in educational and development programmes.

4.3.2 Education and development programme

Data shows that the automotive company is engaging in different discretionary corporate responsibilities especially in the area of education and development programmes. Reflecting what other participants said, a participant said that:

We have an education and development programme where we offer scholarship to learners at high school level and we wish to extend the programme to university students as well (interviewee 5, 2018).

In the same vein, another participant said that:

We are quite active in the area of conservation, environment as well as animal welfare. Once in a while, though we plan to make it regular, we engage in the conservation, protection of the natural environment the biosphere mainly by making financial contribution to botanic gardens (interviewee 6, 2018).

In relation to the response above, another participant said that:

Some time back we used to work with individuals and groups involved the rehabilitation of the ill-treatment of animals but the programme vanished with the change of management (interviewee 8, 2018).

In agreement, another participant said that:

We sponsor educational and training programmes that have to do with environmental awareness, clean-up, greening, and other sustainable development projects (interviewee 7, 2018).

Besides, data shows that the automotive company is promoting research and consumer rights.

4.3.3 Research and consumer rights

The study found that the automotive company is supporting research and consumer rights.

This is supported by a participant who said that:

We work with research and consumer rights organisations especially those focusing on low-income consumers. We find pride in generating information that can be used to inform the financial consumer protection policy (interviewee 1, 2018).

In agreement to the response above, a participant said that:

We want to contribute to low-income consumers' understanding of the financial services they should use, how to choose financial services, and challenges they experience (interviewee 3, 2018).

Besides, data shows that the automotive company also supports professional sports as one of the corporate social responsibilities.

4.3.4 Corporate social responsibility in professional sports

Findings show that the motor company supports professional sports. A participant revealing other participants' views said that:

We support sports because we believe that charitable endeavors and community outreach programmes. Mainly, we support sports in high schools not as an effort to improve our public relations or marketing strategies but so as to give back to our communities (interviewee 2, 2018).

In the same line of thought, another participant said that:

We support sports among learners in high schools because we see social responsibility as critical helping to promote exercises and good health among learners (interviewee 4, 2018).

The data in this study suggest that the automotive company does not only support sports among learners in high schools but also provides funds or resources as corporate social responsibility.

4.3.5 Providing funds/resources

When participants were asked to share their perceptions of the discretionary corporate responsibilities engaged in by their company, a participant said that:

Ten years ago we started a scholarship programme for learners from low incoming earning families. We believe that talented and promising students should be encouraged to study. With this in view, in 2006 we launched our programme for students studying in any field as long as they are from low income earning families (interviewee 5, 2018).

Therefore, providing funds or resources is one of the several discretionary activities engaged in by the automotive company.

4.4 ECONOMIC RESPONSIBILITIES

Data collected in this study shows that the automotive company carries out economic activities. Data below discusses economic responsibilities engaged by the automotive company.

4.4.1 Responsibility to customers

The study found that the automotive company's economic activities includes responsibility to customers. A participant put it well when he said that:

Our main concern is our customers. For this reason, the safety of our products or our vehicles is critical. We sell vehicles for the growth and development of customers and society (interviewee 3, 2018).

In agreement, another participant said that:

Our vehicles contribute to the development and growth of our communities in particular here in Durban and South Africa. In several ways, our vehicles support the development of our modern society. For example, our vehicles efficiently transport both people and goods (interviewee 8, 2018).

Another participant in support of the finding that the company takes responsibility of customers said that:

I would say that most of our customers run commercial-related businesses. Therefore, they have specific expectations and demands on our vehicles. We therefore try to make vehicles in close cooperation with our customers (interviewee 7, 2018).

In support of the finding above, another participant said that:

Our work philosophy is aimed at improving our customers' lucrativeness. We aim at providing the right vehicles so as to achieve high output in our transport system (interviewee 6, 2018).

Data in this study also suggests that the motor company is trying to promote job creation.

4.4.2 Creating job opportunities

Data suggests that the company engages in economic corporate responsibilities including job creation. In support of this finding, a participants said that:

I am sure you are aware that the role of business in our society has changed. As an automotive industry we are expected to go beyond complying with the legal system. They expect us to create job opportunities, generate tax revenues and provide financial value to our shareholders. We also expected to contribute to addressing challenges within our society (interviewee 6, 2018).

The company is also making effort to create value as presented below.

4.4.3 Approach to creating value

Data shows that the company is making efforts to create value for stakeholders. A participant revealing other participants' views said that:

We strongly buy into the notion that the industry's role in our community is not merely for giving financial value to shareholders. We are therefore actively involved serving our communities through the value we bring to society (interviewee 5, 2018).

In agreement, another participant said that:

Our automotive company is well positioned that we create economic value that also creates value for our community by responding to its needs through our innovative vehicles. We also deliver vehicles in the most efficient taking into account our customers' expectations, create job

opportunities for both employees and for our partners (interviewee 4, 2018).

The study also found that the motor company is contributing to technological developments.

4.4.4 Contributing to technological developments

Data shows that the company is making efforts to invest in new technology. This is what a participant reflecting other participants' views said that:

We are trying to investment in new technology, infrastructure and employee competence as we think these are critical factors to promote technological development. The industry is also making head roads to promote good practices in the area of environmental care and social issues (interviewee 2, 2018).

Participants also reported that the company is making efforts to take care of stakeholders as revealed below.

4.4.5 Employees and suppliers

Findings indicate that the company is making efforts to take care of employees and suppliers. This finding is captured in the perception of one participant:

For us, health, workplace safety and employee wellbeing are very important issues. We are doing all can to develop a work place in our company that will increase productivity and contribute to an attractive workplace (interviewee 1, 2018).

In addition to the response of above, another participant said that:

We are committed to ensuring that our employees' needs especially fair wage and safe working conditions are always good. We are one of the automotive companies with god conditions for our employees (interviewee 3, 2018).

Data shows that diversity and competency development as some of the responsibilities the motor company is addressing.

4.4.6 Diversity and competence development

The study indicates that the company carries out economic corporate responsibilities including promoting diversity and competence development. A participant reflecting other participants' views said that:

We strive to promote competence development. No form of discrimination is tolerated. We actively work to recruit and retain a broad spectrum of employees with different backgrounds, experience and perspectives (interviewee 8, 2018).

With regards to competence, a participant said that:

As an automotive company we are committed to secure and enhance competences so as to be competitive and profitable. We support our employees by supporting their studies, and our organizational culture (interviewee 3, 2018).

Thus, the motor company carries out different types of economic corporate responsibilities.

4.5 LEGAL RESPONSIBILITIES

Data shows that the company carries out legal corporate responsibilities including promoting social and economic warfare in Pietermaritzburg.

4.5.1 Promoting social and economic warfare

Participants' perceptions show that promoting social and economic warfare is on the legal responsibilities carried out by the company. In support of this finding, a participant reflecting views of other participants said that:

You may want to know that in our company we promote the social and economic welfare of consumers by encouraging fair business practices (interviewee 7, 2018).

In agreement, another participant said that:

We do our best to protect our customers from unreasonable, discriminating, unjust and improper trade practices (interviewee 3, 2018).

The view above is supported by another participant who argued that:

Our motor industry never engages in fraudulent conduct whatsoever. This is because we believe in conducting legitimate business (interviewee 6, 2018).

This finding is in agreement with what another participant said that:

We try to uphold rules of transparent by improving consumer awareness and information and encourage responsible and informed customer behaviour and choice which is a hall mark since this company was established many years ago (interviewee 2, 2018).

The view above is supported by another participant who stated that:

This company works well with government such that we subscribe to section 72(4) of the Companies Act that states that we should have a social and ethics desk which we have in this company (interviewee 5, 2018).

This view is in agreement with what another participant stated that:

We have regard to annual turnover. For this reason, we make known the amount of business we conduct during every year usually measured through our income or sales (interviewee 4, 2018).

Data also shows that the company carries out legal responsibilities by taking into account the workforce size.

4.5.2 Workforce size

Participants' views on legal corporate responsibilities show that the company takes into account the issue of workforce size as depicted in this view of a participant who said that:

We have quite a sizeable number of employees such that they are not muzzled or laden with huge work load. This can be seen in the number of hours employees work and the holidays they are able to take in a year (interviewee 1, 2018).

This finding is supported by another participant who argued that:

The company has clear documentation elaborating on the nature and extent of our business activities as motor industry. We believe in transparency in all our operations (interviewee 3, 2018).

Thus, workforce size is one of the legal corporate responsibilities carried out by the motor company. Data presented shows that the company engages in several legal corporate responsibilities.

4.6 ETHICAL RESPONSIBILITIES

This section presents data on ethical corporate responsibilities carried out by the company under study.

4.6.1 Acting with equity

Data shows that as part of ethical corporate responsibilities the company tries to act with equity as depicted in this view of a participant reflecting other participants' responses:

Our organization's decision makers act with equity. Fairness and impartiality principles that guide our actions towards all our stakeholders based on what I would call as the principles of even handed dealing. To us equity is critical because it implies giving as much consideration, advantage, and latitude all stakeholders (interviewee 1, 2018).

Apart from acting with equity as one of the company's ethical responsibilities, the company is engaging in promoting human rights.

4.6.2 Respecting the rights of individuals

The study found that the company is promoting respect for the rights of individuals as one of the ethical responsibilities. This is reflected in what a participant said that:

We strongly believe that as human being we have rights inherent to all us in this motor industry. We uphold our differences in of nationality, place of residence, sex, ethnic origin, colour, religion, language, or any other status (interviewee 1, 2018).

Another participant said that:

We promote people religious believes. Some employees have strong belief in God or supernatural power therefore we give our employees for example time to go to church on their days of worship without interference (interviewee 8, 2018).

The finding above is reinforced by the response that:

We try to encourage our stakeholders including employees to share the perceptions of what they experience here at work. We also have deliberate communication strategies we use share important information. Let me just say we are an organisation that upholds human rights. For example, we encourage employees to participate in free elections, we uphold their right to join trade unions, right to rest, right to adequate living standard, and right to education (interviewee 7, 2018).

Data also suggests that the motor company is engaging in activities that promote the respect for the rights of individuals and supports people and environment.

4.6.3 Helping people and the environment

Findings suggest that the company is helping people and the environment as one of the ethical corporate responsibilities. This is reflected in what a participant said that:

We do not make decisions that enable an individual or our organization to gain expense of society. Therefore, we do not engage in business decisions and actions can greatly harm people and the environment. We acknowledge stakeholders, instead of just focusing on share prices. Stakeholders, including employees, customers, suppliers, lenders, and the broader society, are important to us because they get affected by business (interviewee 3, 2018).

In support of this finding, a participant reflecting views of other participants said that:

In whatever we do, we take stakeholders into account. Our business incorporates people, planet and profits. Triple bottom line reporting is an important tool to us to support sustainability goals (interviewee 3, 2018).

Data suggest that the company is promoting the sharing of information about the nature of the company to the public so as to provide people with accurate information about their business.

4.6.4 Positive public image

Findings suggest that the company is promoting positive public image as one of the ethical corporate responsibilities. This finding is reflected in the response that:

We believe that corporate social responsibility is not only beneficial to society, but also to our company's success. We engage in positive publicity through press coverage, which attracts employees, consumers, and investors. Our main aim is make the public have better understanding of who we are by giving the adequate information (interviewee 8, 2018).

In support of this finding, a participant reflecting views of other participants said that:

Our publicity is ethical as it reflects the quality products and services we are offering to customers. Not only that we promote positive treatment of women, respect for issues of diversity, and concern for the environment (interviewee 7, 2018).

Findings suggest that the company promotes work environment and profitability as presented below.

4.6.5 Work environments and profitability

Data in this study suggests that the company promotes work environment and profitability as an ethical corporate responsibility. This is what a participant said that:

Because of corporate social responsibility we have created positive work environments that build a sense of community and teamwork that leads to happier, more productive employees (interviewee 6, 2018).

In support of the company's activities that promote profitability, a participant reflecting views of other participants said that:

We believe that the company's reputation and relationship with external stakeholders results in increased financial performance (interviewee 2, 2018).

Data presented shows that the company engages in several ethical corporate responsibilities.

4.7 SUMMARY

This chapter presents data collected in this study. The presentation is divided into four sections that deal with the discretionary corporate responsibilities, the ethical corporate responsibilities, the legal corporate responsibilities, and economic corporate responsibilities engaged in by the motor industry under study. The chapter ends with a summary on the corporate responsibility initiatives engaged in by the motor company.

CHAPTER FIVE

ANALYSIS AND DISCUSSION OF FINDINGS

5.1 INTRODUCTION

In the previous chapter the study presented data collected in this study. This chapter presents the discussion and interpretation of the data presented in chapter four. The discussion and interpretation is divided into four sections; the discretionary corporate responsibilities, the ethical corporate responsibilities, the legal corporate responsibilities, and economic corporate responsibilities engaged in by the motor company under study. The chapter ends with a conclusion on the corporate responsibilities engaged in by the motor company.

5.2 REVIEW OF THE RESEARCH OBJECTIVES

- To understand the discretionary corporate responsibilities engaged in by the motor company in Pietermaritzburg.
- To ascertain the ethical corporate responsibilities engaged in by motor company in Pietermaritzburg.
- To understand the legal corporate responsibilities practised by motor company in Pietermaritzburg.
- To determine the economic corporate responsibilities engaged in by the motor company in Pietermaritzburg.

5.3 DISCRETIONARY CORPORATE RESPONSIBILITIES OF THE MOTOR COMPANY

This section discusses and interprets data on the discretionary corporate responsibilities engaged by the motor company under study.

5.3.1 Philanthropic causes

The study found that the motor company engages in different philanthropic activities including making financial contributions to orphanages, promoting welfare and humanitarian undertakings such as working with the local government to provide clean water, giving food to schools that have feeding programmes, and funding open space feeding to poor people. This finding is in agreement with Velor (2005) who argued that good philanthropic causes should include generous donations of resources and profits by companies to non-profit organizations. In agreement to the finding above, Villiers (2008) states that philanthropic

causes should promote the welfare of those in need dealt directly by companies engaging in discretionary corporate responsibilities. Therefore, previous studies support the discretionary corporate responsibilities engaged by the motor company under study.

The study also found that the company is working with mothers and babies programme run by one of the pharmacies in South Africa by contributing money towards free clinic services to mothers. The study also shows that the motor company is supporting health campaigns on immunization, diabetes awareness, and HIV awareness, and providing wheelchairs to people in the surrounding communities. In support of this finding, Thwaites (2013) states that companies should be encouraged to reach out to society through their discretionary corporate responsibilities especially in the area of health promotion and wellness services so as to increase health knowledge and enhance practices of wellness for communities.

Though the motor company is making an effort to promote health and wellness services, there is need for the company to focus on increasing knowledge of personal and community wellness and expedite the adoption and maintenance of positive health behaviours and wellness practices.

5.3.2 Education and development programme

The study found that the motor company is engaging in different discretionary corporate responsibilities especially in the area of education and development programmes. The company is offering scholarship to learners in high schools, active in the area of conservation, active in supporting environment management, and involved in the rehabilitation of the ill-treatment of animals though the programme on animal welfare vanished with the change of management. These findings are reinforced by Smith (2005) study that states that education and development corporate activities should focus on developing knowledge and responses around education and sustainable development if they are to be meaningful to the community. Olson (2009) advises that companies should make an effort to sustain discretionary corporate responsibilities even after change of management.

5.3.3 Research and consumer rights

Findings show that the motor company is supporting research and consumer rights specifically by funding research and consumer rights organisations focusing on low-income consumers. In addition, the company helps to generate information used to inform the

financial consumer protection policy. This is in agreement with what Miles and Jones (2009) said that as part of corporate social responsibilities, companies should contribute to low-income consumers to help them understand the financial services they choose and use. Besides, May (2009) said that it is important to listen to the challenges of low-income consumers as this is one sure way of reinforcing systems and methods of control over the direction of the market to meet the financial services needs and desires of consumers.

In support of the findings, McKinsey (2005) argues that companies should conduct research to raise the level of consumer awareness of the individual and the rationalization of factors that influence decisions to select certain goods and services. Lantos (2002) underscores the need to strengthen the position of producers/suppliers in the market by promoting product and good service which is what the motor company under study is trying to do.

5.3.4 Corporate social responsibility in professional sports

The study found that the motor company supports professional sports in high schools as a corporate social responsibility. In support of the corporate social responsibility of supporting professional sports, a study by Italy (2012) states that companies should contributing to society by sponsoring sports because sports have a profound positive impact on people's lives especially young ones. By playing games learners are helped to gain a newfound focus both in sports and learning (Kerr et al., 2009). Jones (2013) argues that by sponsoring sports, learners are enabled to learn valuable lessons about dedication and discipline that can be carried out throughout" life.

5.3.5 Scholarship programme for learners

Findings show that the motor company provides funds/resources in terms of scholarship programme for learners from low incoming earning families. The is a good contribution to society because it helps learners from low income earning families with potential or a proven commitment to study and in future drive sustainable change, social and environmental in South Africa. Horrigan (2008) in agreement said that there are a lot of learners with outstanding leadership potential to drive sustainable change that should be supported by companies as contribution to society. In addition, Karani (2012) argues that scholarship programme for learners are the best ways of contributing to society because education is the key to success as it opens doors for all people and expands their mind with knowledge. The vast amount of knowledge gained through education enables people to solve today's

problems. Without education, there cannot be sustainable development (Carroll, 1999; Hamann and Kapelys, 2004).

5.4 ECONOMIC RESPONSIBILITIES

This section discusses and interprets data on the different economic responsibilities the motor engages in.

5.4.1 Expectations and demands

The study found that the motor company carries out economic activities by caring for their customers, selling safe vehicles for the growth and development of customers and society. The motor company tries to meet customers' expectations and demands on vehicles by making vehicles in close cooperation with customers done through consultations with stakeholders. This is believed to help in improving customers' lucrativeness believed to help customers to achieve high output in the transport system. In agreement to this finding, Crossman (2005) argues that motor companies should provide customers fast, efficient and accurate services. Companies should also provide high quality products, and should be friendly, and have helpful service staff to provide the service needed. This is supported by Dickson (2004) who states that motor companies should provide prompt responses to their inquiries and should have sufficient stock to meet customers' needs as part of their corporate social responsibility.

5.4.2 Creating job opportunities

Findings suggests that the motor company engages in economic corporate responsibilities including job creation. This is supported by Atkinson (2007) study that states that as part of their economic corporate responsibility companies should have plans of action to create jobs for the local people in return improve lives of the local people. Zadek (2005) states that the motor industry should support job creation which can lead to high unit production in the automatic sector. As a result, more jobs can be created in the automotive sector.

5.4.3 Creating value of stakeholders

The motor company under study is engaging in economical corporate responsibilities efforts by creating value for stakeholders. This is done by the company's active involvement with stakeholders; creating good conditions for employees and offering reliable services to customers and suppliers. In support of this study, Granita and Mele (2004) states that

companies need to be actively involved in serving communities as a way of bringing value to society. Frynas (2004) adds that most companies are well positioned to create economic value that can also create value for the community by providing innovative service. A study by Mel (2004) states that economic corporate responsibility is not complete if companies fail to deliver service in the most efficient way by not taking into account customers and partners' expectations.

5.4.4 Contributing to technological developments

The study shows that the motor company is making efforts to invest in new technology to benefit customers, employees, and other stakeholders. This finding resonates well with Finley (2004)'s study that states that as part of economic corporate responsibilities, companies should investments in new technology because technology is critical in promoting community development. In agreement to the finding above, Esser (2011) says that technology is critical in our community because it creates a condition that is good for businesses to compete, the economy to grow and for people to be able to deal with challenges society is facing today. Esser (2008) said that through economic growth, a company is able to create more employment for people making technological development engaged by the motor company a critical economic corporate responsibility.

5.4.5 Employees and suppliers

The study found that the motor industry is making efforts to take care of employees and suppliers. The company has health, workplace safety and employee wellbeing measures put in place including having a sports day, and medical aid for all employees. Dowling (2004) found that when employees and suppliers are taken care of as an economic corporate responsibility, companies are able to develop a workplace condition able to increase productivity and contribute to an attractive workplace. Besides, the study shows that the motor company has fair wage and safe working conditions for employees. In support of this finding, Esser (2005) said that motor industries with good conditions for employees can increase productivity for the benefit of all stakeholders.

5.4.6 Diversity and competence development

Findings show that the motor company carries out economic corporate responsibilities including promoting diversity and competence development. The company has anti-discrimination policy and works to recruit and retain a broad spectrum of employees with

different backgrounds, experience and perspectives. The company also supports employees by partially sponsoring their studies and promoting organizational culture. This finding is supported by Walden (2007) who said that as part of economic corporate responsibilities, companies should be committed to securing and enhancing competences and diversity so as to be competitive and profitable.

5.5 LEGAL RESPONSIBILITIES

The study found that the motor company carries out legal corporate responsibilities including promoting social and economic warfare.

5.5.1 Promoting social and economic warfare

The motor company carries out legal responsibilities such as promoting social and economic warfare of consumers by encouraging fair business practices. In addition, the study found that the motor company protects its customers from unjust trade practices by supporting companies conducting research consumers' experiences in the motor industry. This resonates well with the finding reported by Naidoo (2010)'s study where he argues that companies should not engage in fraudulent business practices but should promote fair business practices all the times.

The study found that the motor company tries to uphold rules of transparent by improving consumer awareness and information. This is in agreement with King (2010)'s study that states that as part of their legal corporate responsibilities, companies should encourage responsible and informed customer behaviour, and make known their annual turnover. This finding is somehow realised in this study as findings show that the motors company has social and legal desk to ensure that the company carries out its legal corporate responsibilities.

5.5.2 Workforce size

As one of the legal corporate responsibilities, the motor company has put in place a big workforce to ensure that workers are not overburden with work. This is supported by Sachs (2008) study that states that companies should have adequate number of employees as a legal corporate responsibility so that workers have acceptable workloads and able to go on leave. In same vein, Mullerat (2005) said that companies should have clear documentation

explaining on the nature and extent of business carried out which the motor company has devised already.

5.6 ETHICAL RESPONSIBILITIES

This section discusses and interprets data on the ethical corporate responsibilities taken into account by the motor company under study starting with the issue of acting with equity.

5.6.1 Acting with equity

Findings indicate that as part of ethical corporate responsibilities the motor company tries to act with equity in its decision-making processes for example by consulting stakeholders in most of its business practices. This ties well with Lou and Venter (2010) finding that as part of ethical corporate responsibilities, companies should promote fairness principles to guide actions so as to satisfy stakeholders. While Cooper (2004) said that there is need for an even-handed approach as an ethical corporate responsibility so that stakeholders are given the consideration they need in the company.

5.6.2 Respecting the rights of individuals

The study found that the motor company is promoting respect for the rights of individuals as one of the ethical responsibilities. The company respects differences in terms of employees' nationality, sex, colour, religion, and other individual rights. Besides, the motor company promotes communication within and outside the company through meetings, seminars and workshops. Naidoo (2010) said that, as part of the ethical responsibility, companies should encourage stakeholders to express their perceptions of what they experience in their workplace. Walden (2007) argues that deliberate communication strategies should be employed to share important information in the company. The motor company has communication strategies thought still using the top-down-approach that a mutual communication approach where all employees can talk about issues affecting them and the company.

5.6.3 Helping people and the environment

Findings suggest that the motor company is helping people and the environment as one of the ethical corporate responsibilities. The company has a policy that prohibit making decisions that put at risk society and the environment. In support of the motor company's effort, King (2010) advises that companies should avoid making business decisions and actions that

can harm people and the environment. Bakan (2005) also argues that a good company should take the issue of ethical corporate responsibility seriously and should put measures to ensure that business activities incorporates everything possible including the planet, profits, and people.

5.6.4 Positive public image

Findings suggest that the motor company is promoting its public image as one of the legal corporate responsibilities. The motor company does not engage in false publicity to attract employees or consumers or and stakeholders. The publicity of the motor company is ethical as it reflects the quality of its vehicles and services offered to customers. Delport (2011) said that companies should give the public adequate information so that they have better understanding of the company so that they are able to make informed decisions. Deakin (2010) cautions that though companies are in businesses to make money, advertising should not be done at the expense of truth. Advertising can often be harmful if crafted in a deceptive way as it becomes the source of misinformation which is unethical. Therefore, there is a need to adhere to an ethical advertising principle by paying close attention to honesty, distinction, social consciousness and environmental consciousness (Cooper, 2004).

5.6.5 Work environments and profitability

The study indicates that the motor company promotes work environment and profitability as an ethical corporate responsibility. The motor company has created positive work environments that build a sense of teamwork that leads to happier and productive employees by promoting transparent and open communication. However, there is need for the company to do more in the areas of balance between work and personal life, and rewards as they are necessary to encourage certain behaviours in employees such as commitment and hard work.

5.7 SUMMARY

This chapter presented findings generated in this study. The study found that the motor company under study is engaging in different corporate social responsibilities including; discretionary, economic, legal, and ethical initiatives but not without challenges. The chapter ends with a summary.

CHAPTER SIX

CONCLUSIONS AND RECOMMENDATIONS CHAPTER

6.1 INTRODUCTION

The previous chapter presented discussion and interpretation of the findings of this study. This chapter presents the conclusion and recommendations of the study. The conclusion is based on the findings on the motor company's discretionary corporate responsibilities, economic responsibilities, legal responsibilities, and ethical responsibilities. The recommendations are informed by the main findings in this study.

6.2 DISCRETIONARY CORPORATE RESPONSIBILITIES

This study found that the motor company under study is engaging in several discretionary corporate responsibilities. The discretionary corporate responsibilities the motor company engages in include supporting education and development programmes, promoting research and consumer rights, promoting professional sports, engaging philanthropic causes, and providing scholarships for learners. These findings resonate well with Delport (2011)'s study that argues that companies should engage in purely voluntary corporate social responsibilities. Besides, discretionary corporate responsibilities engaged in by companies should be guided by the organization's desire to make social contributions not mandated by economics, laws or ethics which is what the motor company is trying to do in Pietermaritzburg. In agreement to the findings, Esser (2011) said that discretionary activities carried out by companies should include generous philanthropic contributions with no payback to the organization. In other words, the study found that the motor companies' discretionary activities go beyond societal expectations to contribute to Pietermaritzburg's community welfare.

6.3 ECONOMIC RESPONSIBILITIES

The study found that the motor company is engaging in economic responsibilities such as meeting expectations and demands of its stakeholders by providing good service and conditions, creating job opportunities for the local people, creating value of stakeholders, contributing to technological developments to promote sustainable development, meeting needs of employees and suppliers through appealing services and conditions, and promoting diversity and competence development among employees. In support of the findings above, Carroll (1999) and Du Plessis (2011) argues that business institutions are basic economic

units of society therefore have a responsibility to produce goods and services that a society wants and to increase profits for their owners and shareholders. Therefore, the study shows that the motor company is operated on a profit-oriented basis with its main mission to increase profits as strategy of being able to stay within the rule of the game of making profits and contributing to society.

6.4 LEGAL RESPONSIBILITIES

The study found that the motor company under study is engaging has freely chosen legal responsibilities that include promoting social and economic warfare in the surrounding communities, upholding workforce size so that workers are not overloaded with work. This finding ties well with what Finley (2008) said concerning legal responsibilities that all modern societies have clear ground rules, laws and regulations that companies should follow. According, to Carroll (2000) legal responsibility is key with respect to appropriate corporate behaviour. Companies should fulfil their economic goals within the legal framework. The study shows that the motor company upholds the legal requirements imposed by government and regulating agencies.

6.5 ETHICAL RESPONSIBILITIES

Findings show that the motor company under study is carrying out ethical responsibilities including acting with equity to its stakeholders, promoting and respecting the rights of individuals, helping people and the environment, correctly promoting positive public image, and promoting work environments and profitability. What the motor company is doing is in agreement with Atkinson (2007)'s argument that businesses should appraise stakeholders including suppliers, customers, employees, investors, business partners and fellow businesses. This is because companies' activities can easily affect stakeholders. Therefore, companies should make ethical decisions such as hiring and contracting decisions, to show that companies are operating within the moral path as they are obligated to promote ethics in the workplace.

6.6 RECOMMENDATIONS

- The study found that the main objective of the motor company is the maximisation of profits for its shareholders. However, this is no longer the only objective that companies have. There is therefore need to promote consumer awareness,

environmental sustainability, and corporate reputations that can help the motor industry to widen its scope and mandate of their strategic focus.

- Though the motor company is trying to carry out its corporate responsibilities, there is somewhat resistance in applying CSR principles. There is therefore need to promote the application of CSR in South African motor industry.
- There is also need to promote the fact that the implementation of CSR provides returns so that motor companies do not feel to be at loss in engaging in CSR activities.
- There is also need to highlight the consequences that managers and directors can face if their companies do not engage in CSR activities
- Legislative provisions should be put that are mandatory so that companies that fail to carry out their corporate social responsibilities are sanctioned. The sanctioning should not be left at the discretion of corporate boards.
- Existing legislation should be revised and intensified to prevent transgressors from eluding sanctions, and government should look into inspiring ways of incentivizing the implementation of CSR.

6.7 FUTURE RESEARCH

- In spite of the several sets of legislation implemented by the South African government to further the course of CSR, these instruments seem to be failing to achieve their objectives. There is need to conduct research to investigate the causes of the failure of legislation especially the B-BBEE Act and the EEA which were relatively good initiatives by government.
- There is need to study companies' CSR measures to find out how they are aligning their implementation plans with the company's unique business model and the South African legislation.

- A study should also be conducted to assess motor companies' stakeholders' involvement in the decision-making process as this is critical in providing a valuable tool in attempting to eliminate poverty and unemployment.
- There is a need to conduct this study using quantitative methodology to generate data with objective measurements or mathematical or statistical analysis of the phenomenon of CSR at the organisation under study.

6.8 SUMMARY

The chapter presented the conclusions and recommendations of the study. The conclusions and recommendations are informed by the findings on the motor company's discretionary corporate responsibilities, economic responsibilities, legal responsibilities, and ethical responsibilities. The chapter ends with this chapter summary.

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APPENDIX A

Consent

I.....(full names of participant) hereby confirm that I understand the contents of this document and the nature of the research project, and I consent to participating in the research project. I understand that I am at liberty to withdraw from the project at any time, should I so desire.

SIGNATURE OF PARTICIPANT:

DATE:

.....

In- depth Interview guide

Preamble:

- Introduce myself.
- Thank the participant for agreeing to the meeting.
- Briefly describe the purpose of the study. I will proceed explaining why I am interested in their CSR practices and what I hope to achieve.
- Explain that it is **their** experiences in their workplaces including their opinions I'm seeking and encourage them to express themselves freely.
- Explain to the participant that they have a right to confidentiality and anonymity. They are allowed **not to** answer all questions and can take a break/leave the interview at any time.
- Explain the need for recording their answers.
- Ask if they have any questions.
- Request the participant to read and **sign** the informed consent forms.

Interview

Work domain

- What are the discretionary corporate responsibilities engaged in by your company?
- What are the ethical corporate responsibilities engaged in by your company?

- What are the legal corporate responsibilities engaged in by our company?
- What are the economic corporate responsibilities engaged in by your company?

Personal domain

- Do you feel enough is being done by your company towards discretionary ethical, legal and economic responsibilities?

Closing Remarks

- Is there anything else on these issues that you feel should be addressed in this interview?

Thank you for your valuable time!

APPENDIX B

Declaration Letter

This is to declare that I, Sibusisiwe Malinga, will ensure that the respondents' privacy is protected. I will not use the participants' name in any of the information received from this study or in any of the research reports. Any information received in the study will be recorded with a code number that will be secured. When the study is completed, the key that shows which code number goes with your name will be destroyed. Participants have the right to withdraw from the study at any time without any negative consequences.

I also confirm that respondents have the right to withdraw from the study at any time without any negative consequences.

Please contact **Sibusisiwe Anele Malinga** if you have any questions about the study, or would like more information.

Cell no.: (+27) 033 7928

Email: mazindela6@gmail.com

Address: P.O Box 2057 Pietrmaritzburg 3200. South Africa.

Supervisor: Andrisha Beharry-Ramraj

Contact: 031 260 7801

Alternatively you may contact the UKZN Humanities and Social Science Research and Ethics Committee:

Mrs Mariette Snyman

Humanities and Social Science Ethics (HSSREC) Research Office,

Govan Mbeki Building, Westville Campus, Private Bag X54001, DURBAN 4000

Tel: 031 260 8350

Snymanm@ukzn.ac.za

Thank you in advance for your cooperation with this research exercise.

Sincerely,

Miss S. Malinga

APPENDIX C Consent Form



Title of research project:

Corporate Social Responsibility Practices: A case study of selected automotive companies in Pietermaritzburg.

Name and Position of Researcher:

Sibusisiwe Malinga, student at the School of Management, IT and Governance, University of KwaZulu-Natal.

CONSENT FORM

I, _____, confirm that I have read the information sheet that describes this study and have had an opportunity to ask questions so as to understand the purpose of the study.

I understand that my participation is **voluntary** and that I am free to withdraw at any time without giving any reason.

I understand that I do not wish to answer all the questions if I **do not** wish to and may take a break or leave the interview at any time.

I understand that if I have any questions or concerns about my rights as a study participant, or if I am concerned about an aspect of the study or the researchers then I may contact:

Mrs Mariette Snyman

Humanities and Social Science Ethics (HSSREC) Research Office,
Govan Mbeki Building, Westville Campus, Private Bag X54001, DURBAN 4000
Tel: 031 260 8350 Snymanm@ukzn.ac.za

I am aware that any information I provide will be treated in the strictest confidence.

I agree to take part in this interview.

I give permission for brief extracts of my interview to be used for

Please tick box

Yes

No

☐☐☐☐

research purposes with strict adherence to anonymity.

Signature of participant: _____ **Date:** _____

Signature of witness: _____ **Date:** _____
(where applicable)

Signature of translator: _____ **Date:** _____
(where applicable)

APPENDIX D

Research Proposal Approval Letter



TO: Miss Sibusisiwe Anele Malinga Student Number: 209506986
FROM: SCHOOL OF MANAGEMENT, IT & GOVERNANCE
DATE: 9 October 2017
SUBJECT: Approval of Coursework Masters Research Proposal

Title: Corporate Social Responsibility Practices: A Case Study of a Selected Automotive Company in Pietermaritzburg

Supervisor: Dr. Andrisha Beharry

This memo is to confirm that the Research Proposal Review Committee has accepted your Coursework Masters Research proposal.

Please take note of the following suggestion(s)/comment(s):

- This is like a case study for a particular company. The title and questions etc should be adjusted accordingly.

Please note that the above comments/suggestions is intended to develop and strengthen your study, thus you need to consider them seriously. Your supervisor(s) will provide further guidance on how to factor the suggestions into your study.

Good luck with your studies, and we look forward to your successful completion. Please note that you must submit this letter with your application for Ethical Clearance.

Yours sincerely,

Ms Hazvinei Muteswa
M.COM Coursework Administrator



School of Management, IT & Governance- Research & Higher Degrees
Postal Address: Room M1-119, 1st Floor, M Block, Westville Campus, Westville, 3630
Telephone: +27 (0) 31 260 7013 Muteswahm@ukzn.ac.za Website: www.ukzn.ac.za



Founding Campuses: ■ Edgewood ■ Howard College ■ Medical School ■ Pietermaritzburg ■ Westville

APPENDIX E

Letter from the Editor



Pauline Fogg
54 Grundel Road
Carrington Heights
Durban
4001
074 782 5234

1 October 2017

Letter of Editing

This report serves to state that the dissertation submitted by Anele Malinga, entitled 'Corporate Social Responsibility Practices: A case study of selected automotive companies in Pietermaritzburg' has been edited.

The dissertation was edited for errors in syntax, grammar, punctuation and the referencing system used.

The edit will be regarded as complete once the necessary changes have been effected and all of the comments addressed.

Thank-you for your business.

A handwritten signature in grey ink that reads "P. Fogg".

Pauline Fogg

APPENDIX F
Ethical Clearance



21 December 2017

Ms Sibusisiwe Anele Malinga (209506986)
School of
Management, IT &
Governance
Westville Campus

Dear Ms Malinga,

Protocol reference number: HSS/2151/017M

Project title: Corporate Social Responsibility Practices: A case study of a selected automotive company in Pietermaritzburg

Approval Notification-Expedited

Application in response to your application received on 08 November 2017, the Humanities & Social Sciences Research Ethics Committee has considered the abovementioned application and the protocol has been granted **FULL APPROVAL**.

Any alteration/s to the approved research protocol i.e. Questionnaire/Interview Schedule, Informed Consent Form, Title of the Project, Location of the Study, Research Approach and Methods must be reviewed and approved through the amendment/modification prior to its implementation. In case you have further queries, please quote the above reference number.

PLEASE NOTE: Research data should be securely stored in the discipline/department for a period of 5 years.

The ethical clearance certificate is only valid for a period of 3 years from the date of issue. Thereafter Recertification must be applied for on an annual basis.

I take this opportunity of wishing you everything of the best with your study.

Yours faithfully

.....
Dr Shenuka Singh (Chair)

/ms

Cc Supervisor: Dr Andrisha Beharry-Ramraj

Cc Academic Leader Research: Professor Isabel Martins

Cc School Administrator: Ms Angela Pearce