

UNIVERSITY OF KWAZULU-NATAL

**AN EXPLORATORY ASSESSMENT OF CORPORATE SOCIAL
RESPONSIBILITY IMPLEMENTATION AND STAKEHOLDER ENGAGEMENT:
A CASE OF HULAMIN**

By

Hlengiwe Ladyfair Nzama

210501567

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Supervisor: Dr Vangeli Gamede

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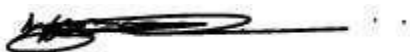
DECLARATION

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To my daughter Ohlezi who is my biggest inspiration in life, her smile keeps me going. My partner Odwa who is one of the most supporting people in my life. My late mother, grandfather and the rest of my loving family I give thanks for I would have to been able to be where I am without their support in all aspects of my life. I also give thanks to my late grandmother who I feel is watching over me.

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DEDICATION

This Dissertation is dedicated to my late grandmother Mrs. Ngcobo, I will always love you.
Thanks for everything and may God be forever with you.

ABSTRACT

This case study assessed the implementation of corporate social responsibility (CSR) activities and stakeholder engagement of an aluminium manufacturer in an unstable market largely driven by socio-political changes in South Africa and in global markets. The study aimed to provide a broader understanding of the ideology of CSR and to explore the challenges influenced by the social structure, previously impacted by inequalities in terms of economic power, infrastructure, education, job opportunities, and access to basic services. The biggest concerns and challenges emanate from organisations not being equipped with systems that enable them to implement CSR initiatives, together with the need for more reliable indicators of progress after CSR strategies are instigated. The study adopted a qualitative research method which was exploratory in nature and a non-probability purposive sampling technique was used. The primary data-collection instruments were an in-depth focus group interviews and a questionnaire survey. The data collected was analysed using content analysis technique, which entailed the development of various themes and the creation of patterns which were organised into logical categories. The findings highlighted the lack of consistency in measuring CSR initiatives. Results also indicated how CSR as a concept lacks well-elaborated methods of practice. The results also identified the influences from the government and how CSR initiatives are guided by legislative policies and acts that have limited CSR obligations and allow for loopholes in corporations' implementation strategies. The study implies the importance of organisational internal influences to promote stakeholder engagement and networking, highlighting the role of all internal stakeholders from executives to non-executive staff, taking into consideration that CSR initiatives are driven by local communities and cannot be monitored using global standards.

***Key Words:* Corporate Social Responsibility; Stakeholder Engagement; Social Structure; Legislative Policies**

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LIST OF ACRONYMS

Black Economic Empowerment	BEE
Black Enterprise Investment	BEI
Corporate Social Responsibility	CSR
Corporate Social Investment	CSI
Focus Group Discussion	FGD
Key Performance Indicators	KPIs
South Africa	SA
Social Responsibility	SR
Social Responsibility Investment	SRI
Triple Bottom Line	TBL

CHAPTER 1: OVERVIEW OF THE STUDY

The aim of this chapter is to give a general overview of the areas that were investigated in the study. The chapter will show the background and context of, as well as the rationale for, the research. The chapter will further state the research problem, objectives, and research questions. The chapter will be concluded by stating the research method, limitations and chapter outline.

1.1 INTRODUCTION

Although over the years corporate social responsibility (CSR) has been defined in various ways, some businesses and scholars view it as “a mean to achieve optimum economic outcomes, maximise profits and shareholder value. However, CSR also constitutes an ethical obligation and focuses on the satisfaction of social demands” (Friedman and Miles, 2006; cited in Antonaras, Iacovidou and Dekoulou, 2018: 45). Moreover, CSR is a process by which aims to embrace responsibility for the company’s actions and encourage a positive bearing through its activities on the consumers, employees, environment, communities, and all other members of the public sphere who may also be considered stakeholders (Rasche, Morsing, Moon, and Moon, 2017). In recent years, an increasingly growing number of company executives and academics have been allocating resources and a considerable amount of time to CSR strategies. These companies seem to be concerned about their social and environmental relationships with their stakeholders. In past years CSR was perceived as a way of shifting governmental responsibilities onto private organisations, for companies it portrayed the characteristics social welfare. There is, however, an increasing focus on businesses re-evaluation of the positive impact and important role that CSR plays in today’s organisation (Filatotchev and Stahl, 2015).

There are various moral implications to be considered for a business to maintain good relationships with its stakeholders (Schwartz, 2017). Filatotchev and Stahl (2015) suggest that CSR values provide both organisation and its stakeholders with several benefits, such as if a company promotes social development or skills enhancement for its employees, they are motivated and become loyal and productive. In addition, it is the nature of these benefits and

the extent to which they are realized that determine, jointly, the quality of the relationship between the individual stakeholder and the company.

Although currently the world is experiencing a diversified generation of business scholars and executives, there have been criticisms and debates on whether it was appropriate for corporations to expand their remit beyond shareholder value. Apart from criticisms, an increasing majority of companies have proactively committed to addressing larger societal challenges. With a variation of options for corporate engagement in mainstream society and local communities, corporations have created dedicated organisational units to effectively manage their social obligations. “There is commensurate growth in specialized organisations operating at national and global levels that advise on, and often implement, targeted short-term projects or longer-term sustained community-level programs” (Wang, Tong, Takeuchi and George, 2016: 345). The scale and importance of new generation scholars indicates that debates of CSR have shifted from ‘existential questions’ on organisational mission and shareholder value to the mechanisms and processes that corporations conceptualize and enact their societal obligations (Wang *et al.*, 2016). This study aimed to focus on exploring CSR challenges faced by Hulamin: Aluminium Supplier South Africa (SA), while assessing their CSR strategies and stakeholder engagement.

1.2 BACKGROUND AND CONTEXT OF THE STUDY

According to Filatotchev and Stahl (2015) when comparing the mind-set of business executives in the past decades, there is a significant change in how some organisations view the ideologies that are in support of CSR. The biggest concern and challenge come from the fact that organisations lack resources and systems that enable them to implement CSR initiatives, along with the need for more reliable indicators of progress after CSR strategies are instigated. Visser and Tolhurst (2017) suggest that companies are liable for their shareholders and stakeholders’ interests, not only are they liable to boost their bottom line, but also to allow economic growth and environmental sustainability. Although opinions vary regarding how responsibility is allocated between the public and private sectors, stakeholders are demanding that companies identify a broader scope of responsibility in addressing those problems. “As a result, companies are increasingly working with stakeholders to understand their views and concerns on various

environmental, social, corporate governance and economic issues (such issues often referred to as corporate social responsibility (“CSR”) issues) and to incorporate and address those views and concerns in the company’s strategic decision-making processes” (Noked, 2013: 1).

Visser and Tolhurst, (2017) acknowledge that in South Africa as well as other African countries CSR is still in its infancy and is not embraced and fully understood by its stakeholders. In SA the priority of CSR is typically on social and economic development, which is concerned with the interaction of social and economic factors. This allows the access of mainstream economy for the poor and marginalised communities. It is more often than not embedded within the African context and it used to address social, economic and sustainable development challenges. According to The World Bank (2016: 3), while poverty in Africa has declined, the number of poor people has increased. “Challenges remain substantial: more people are poor today than in 1990”. Amongst various social and economic issues, the continent is faced with a number of challenges, with specific reference to South Africa, are poverty, education, HIV/AIDS, regulatory and administrative burden. The combination of these socio-economic realities with poor service delivery has a serious impact on role, functions and drivers of CSR for companies operating in SA.

Hack Kenyon and Wood (2014) state that despite CSR having no fixed definition, it is continuing to gain high regard by stakeholders. CSR definition may alter daily according to business aims, industry practices and to ‘fit’ the purpose of academic world. Carroll (2016) views CSR as a tool for competitive advantage and responsible corporate practice, with the potential to challenge issues unrelated to their business practice. As businesses have increased in magnitude and economic autonomy, attempts to be comprehensive in CSR efforts have increased. Moreover, CSR has become a “multi-quantifiable tool” to represent responsible organisational undertakings, which may establish direct links to performance indicators and accounting report. To date, CSR appears to have no universal definition and seems to reflect individual business ideas rather than all corporations, and their relationship with stakeholders and society.

1.3 RATIONALE FOR THE STUDY

The purpose of conducting this study was influenced by the need to gain understanding of how corporations engage in social responsibility activities while sustaining profits and good relations with their stakeholders. The study was also inspired by current issues, where the complexity of social conditions in the country and how they influence CSR implementation in organisations. Kim, Song, Lee and Lee (2017) state that a one solution fits all concept of corporate sustainability is not reasonable and therefore it is important to establish why CSR should be evaluated under various dimensions and different industries should address CSR issues according to their means and resources. The adoption of corporate responsibility by businesses enables the creation of long-term customer and employee value by implementing principles of sustainability. It is therefore in the businesses' best interest to look after and cultivate that resource responsibly (Kim *et al.*, 2017).

Moreover, what drove this study was the need to examine the social responsibility from the corporate side, and the socially responsible consumer who considers the public consequences of his or her private consumption. Another would be the customer who attempts to use his or her purchasing power to bring about social change. Therefore, companies are trying to establish how customers evaluate businesses and the extent to which corporations engage in CSR initiatives to sustain their loyalty. The study also sought to find out how companies can improve societal issues, while at the same time increasing their productivity and profitability.

1.4 RESEARCH PROBLEM

While most businesses participate in CSR initiatives, a lot of these companies, such as Hulamin, do not have designated departments that are assigned to specifically deal with projects that encourage community development. Therefore, scholars such as Littlewood and Holt (2015) suggest that CSR does not have analytical tools that can assist in measuring its impact in an organisation. In a country where social and economic development is still a challenge for government, to monitor and evaluate the level of CSR impact and participation can prove to be rather difficult. South Africa is still facing social and economic imbalances because of apartheid. These imbalances influenced the current regulations that have impacted

on the implementation of CSR. These regulations are an overview of various elements such as empowerment, equity ownership, affirmative action, training, small business support, and procurement of goods and services. The initial perception was that CSR will allow organisations to go beyond compliance and engage in actions to promote social growth beyond the interests of the business and that which is required by law. Moreover, this would ensure that CSR was no longer a mere voluntary act and that the law does play a role to compel companies to act in a socially responsible manner. This study investigated the complex interaction between business, government and communities through CSR lenses. The research evaluated how CSR impacts on areas of job creation, education, environmental sustainability and employment development, while taking into account the founded democracy, its new state laws and management styles. The study sought to evaluate the methods corporations use to implement CSR, maintain profitability, while engaging in healthy relations with stakeholders (Schwartz, 2017).

1.5 RESEARCH OBJECTIVE

The overall aim and main objective of this study was to explore the implementation of CSR and stakeholder engagement of Hulamin in a South African context. The study assessed whether Hulamin's engagement in CSR activities, within its operational community, can result in measurable developmental strategies of socio-economic enhancement and positive stakeholder engagement.

1.5.1 Objectives

1. To determine how Hulamin CSR activities assist in the pursuit of poverty alleviation in KwaZulu-Natal.
2. To evaluate Hulamin's contribution towards job creation and initiatives in KwaZulu-Natal.
3. To assess Hulamin's contribution towards CSR environmental sustainability In KwaZulu-Natal.
4. To determine Hulamin's role in the enhancement of the educational system in KwaZulu-Natal.

1.5.2 Research Questions

The research questions for the overall study were:

1. To what extent does Hulamin assist in the pursuit of poverty alleviation in KwaZulu-Natal?
2. How does Hulamin contribute towards job creation initiatives in KwaZulu-Natal?
3. Does Hulamin subsidise towards environmental sustainability in KwaZulu-Natal?
4. What does Hulamin add towards the enhancement of the educational system in KwaZulu-Natal?

1.6 RESEARCH METHODOLOGY

Research methodology or strategy is determined by the subject being investigated and the nature of the research questions. This will allow the research format to be used as a tool that will answer the research questions. Having determined the direction intended for this study, a qualitative research approach that is exploratory in nature was adopted. The researcher also chose to conduct a case study in order to closely examine the data within a specific context. Having selected a very limited number of individuals as the subjects of study, the researcher wanted to conduct a case study as a research method to real-life phenomenon through detailed contextual analysis of a limited number of events or conditions, and their relationships (Taylor, Bogdan and DeVault, 2015). Qualitative research is a scientific method of observation to gather non-numerical data. It studies the meanings, concepts definitions, characteristics, and description of things. When the study is exploratory, this means that the research is conducted for a problem that has not been studied more clearly, intended to establish priorities, develop operational definitions and improve on existing verdicts (Mollick, 2014). Since this study was qualitative in nature, a non-probability purposive sampling technique was used, which was selected based on the characteristics of the population and objectives of the study. The purposive sampling technique, also called judgment sampling, is the deliberate choice of a participant due to the qualities the participant possesses (Etikan, Musa and Alkassim, 2016). The research was conducted with a sample of 16 participants. The researcher gathered data through conducting a single focus group discussion and using a questionnaire survey.

1.7 STRUCTURE OF THE DISSERTATION

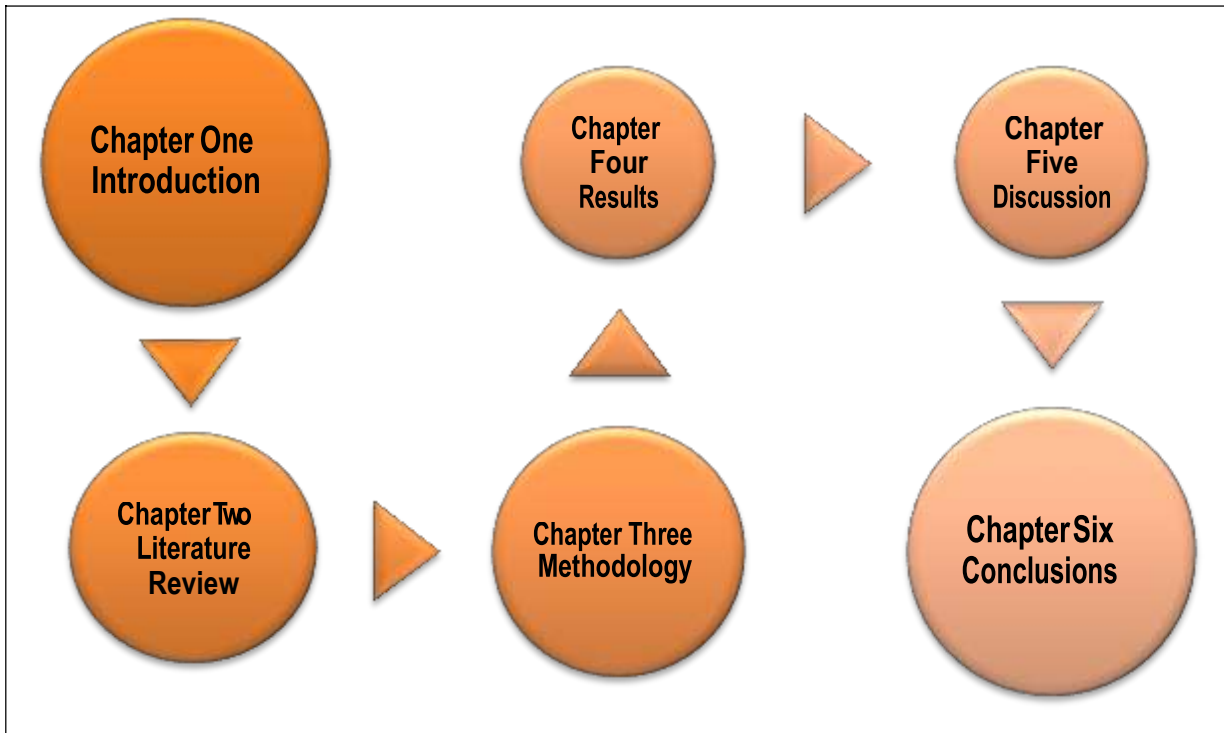


Figure 1.1: Dissertation Structure Diagram

Source: Author's own compilation

1.8 THE OUTLINE OF THE CHAPTERS

Chapter one

Chapter one presented the topic being researched and the study objectives. This chapter also gave the rational of the study, and further stated the research problem, objectives, research questions and the Methodology. The aim of this study is to evaluate the business benefits of corporate social responsibility in sustaining good relationships with company stakeholders within the context of South Africa. This will be achieved through research conducted to view the implementation of CSR and stakeholder engagement in multinational corporation Hulamin South Africa.

Chapter two

Chapter two presented the literature review and reviewed various theories of corporate social responsibility that gave insight to theories that guide organisations regarding strategies of CSR implementation.

Chapter three

Chapter three discussed the research methodology of the study. The researcher established that the study will be exploratory in nature and therefore a qualitative research will be used. In addition, researcher stated sampling techniques, sample size, study site and the measurement instruments.

Chapter four

Chapter four presented the interpreted research results. Research identified themes in the focus group discussion and questionnaire data was illustrated in table form. The results were derived from the studies research objectives and questions.

Chapter five

Chapter five was the discussion of the results in line with the research objectives. Research gave a concise description of findings in conjunction with the themes and questionnaire data.

Chapter Six

This chapter presented conclusion and recommendation of the study. Researcher gave a conclusion of each objective findings while stating managerial contribution, limitations and giving the recommendations.

1.9 SUMMARY OF THE CHAPTER

This chapter provided the purpose and motivation for the study. Chapter one reflected on the introduction, background, rationale and the objective of the study. The chapter further stated the

research problem and a summary of the research methodology. Lastly the researcher presented the dissertation structure and reflected on the chapter outline of the research. The next chapter intends to review existing literature on the implementation of CSR and stakeholder engagement at Hulam. The chapter will continue to scrutinize various literatures through elaborated theoretical models and while being underpinned by the stakeholder.

CHAPTER 2: LITERATURE REVIEW

The first chapter reflected on the introduction, background, rationale and the objective of the study. This second chapter intends to review existing literature on CSR implementation strategies and stakeholder engagement. Moreover, the chapter will elaborate on the concepts of CSR, its background and current role of CSR in multinational organisations locally as well as internationally, and businesses overall. In addition, the chapter will continue to scrutinize various literature and explore several CSR theories which will allow for the illustration of CSR implementation strategies and their influence in stakeholder relationships. The literature explored will encompass the arguments that are for and against CSR initiatives by exploring the challenges and benefits of CSR in a South African context.

2.1 INTRODUCTION

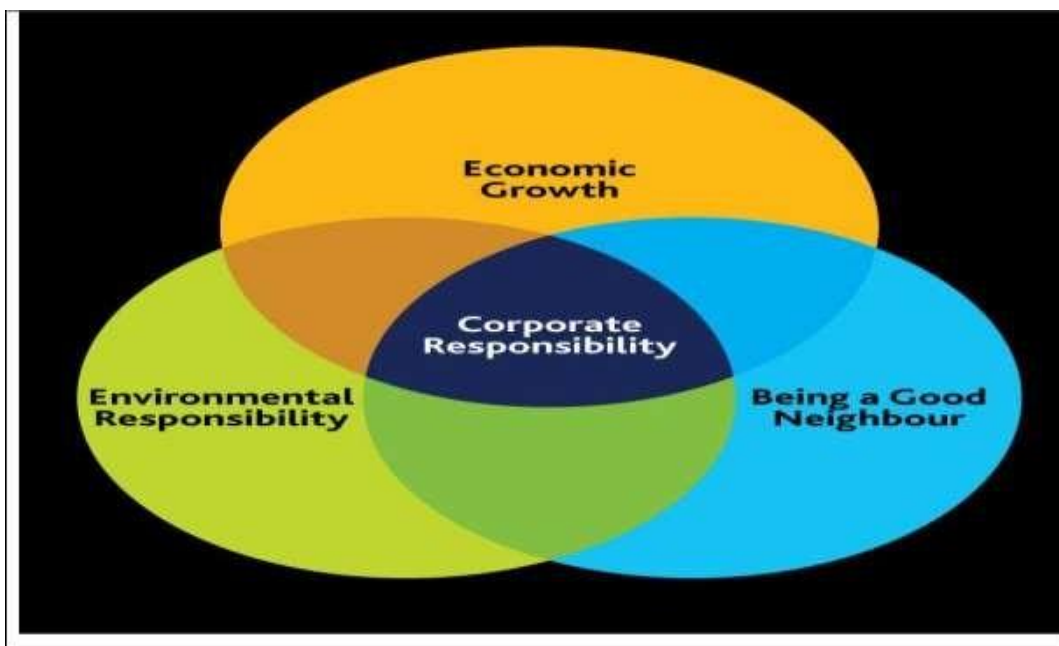
The 21st century has presented companies with a number of new challenges that have motivated a shift of organisational structures and standards. Companies no longer only focus on their financial results but rather on an all-inclusive approach of conducting business that considers the company's profit and the wellbeing of its stakeholders (Andriof, Waddock, Husted and Rahman, 2017). It is an important and necessary practice that multinationals and all companies act in the best interest of all their stakeholders while causing no harm to their natural surroundings. The study was inspired by current issues, where the complexity of social conditions in the country and how they influence CSR implementation in organisations. Capelle-Blancard and Petit (2017) state that 'one solution fits all' concept of corporate sustainability is not reasonable and therefore it is important to establish why CSR should be evaluated under various dimensions and different industries should address CSR issues according to their means and resources.

2.2 DEFINITION OF CORPORATE SOCIAL RESPONSIBILITY

According to Boulouta and Pitelis (2014: 350), "the consensus on a CSR definition is difficult to achieve, as this is not merely a technical exercise in describing what corporations are doing in society, but also a normative exercise on what corporations should be responsible for". Thus, Andriof, *et al.* (2017) characterized CSR and suggests that it's a concept that holds no substance

or obligatory effect for organisations; and groups them under concepts whose meaning, and application remain under debate (Turyakira, Venter and Smith, 2014). Despite the fact that there is no universally agreed definition, views on how CSR is defined abound and range considerably in terms of their scope. Friedman’s definition of CSR may be one of the narrowest definitions equated CSR with the legitimate pursuit of profitability, namely one pursued within the ‘rules of the game’, without deception or fraud (Friedman, 1970; cited in Turyakira *et al.*, 2014).

Figure 2.1: Corporate Social Responsibility Model



Source: Greater Toronto Airports Authority (2017)

Carroll (1999: 280); cited in Kolk (2016: 23), states that different people/organisations have divergent views on what social responsibility entails; definitions abound, no clear consensus regarding the exact meaning, whereas various new/interrelated (sub)- concepts have been emerging over time. “Although the number of CSR conceptualizations has decreased somewhat over the years, also with an eye to operationalization for quantitative studies, Votaw’s 1973 characterization still seems valid” (Kolk, 2016: 23). The term social responsibility is a clever one often used to explain something that often does not mean the same thing to everyone (McWilliams, 2015). To some organisations it conveys the idea of legal liability or responsibility to ensure that a corporate entity is behaving socially and ethically

responsibly. To other organisations it may suggest socially responsible behaviour that is bound to ethical considerations. The meaning can also be looked at in a causal manner, where the responsibility side of it is viewed to equate to charitable contributions. “Some take it to mean socially conscious; many of those who embrace it most fervently see it as a mere synonym for ‘legitimacy’, in the context of ‘belonging’ or being proper or valid; a few see it as a sort of fiduciary duty imposing higher standards of behaviour on the businessmen than on citizens at large” (cited in Kolk, 2016: 23; quoted in Carroll, 1999: 280).

According to Brejning (2016), CSR is the organizations’ commitment to improving the conditions of community’s welfare through flexible business practices while utilizing corporates resources. Charles *et al.* (2017) suggested that social responsibility promotes a vision of business liability to a wide range of stakeholders, besides shareholders and investors. Key areas of concern are environmental protection and the wellbeing of employees, the community and civil society in general, both now and in the future.

According to Sheehy, Palazzo and Matten (2015: 625), “the definition of CSR is both complex and complicated. It is complex because of the nature and context of the problems. The ecology, society and the economic system are highly complex dynamic systems and CSR is intimately involved in each”. Moreover, CSR is gets more complicated because of the inherent ambiguity of the issues under consideration. This is cause by the lack of a clear idea, which industry generated problems need to be addressed or whose views will prevail on any set of harms. Rauter, Jouker and Baumgarther (2017) regard CSR to be a deliberate incorporation of environmental, social work and human rights observation concerns that arise from the relation and transparent talks with its stakeholders, into its government and management, strategy, policies and procedures; this is done in such a way that the company takes responsibility for the consequences and impact of its actions.

According to Cavagnaro and George (2017), CSR is a management conception where companies take part in social and environmental concerns in their business operations thus including the dealings with their stakeholders. CSR is understood as enabling organizations to achieve a balance in the economic, environmental and social imperatives. The organization

who strives to meet the expectations and demands of sustainability must should maintain its financial security, eliminate its negative environmental impacts and conform to societal expectations through CSR initiatives.

Corporate social responsibility encompasses not only what companies do with their profits, but also how they make that profit. It goes beyond philanthropy, compliance but rather addresses how companies manage their economic, social, and environmental impacts. This also goes on to their relationships in all key spheres of influence: the workplace, the marketplace, the supply chain, the community, and the public policy realm (Fallon, 2014).

“An all-encompassing notion, [corporate] social responsibility refers to both the way a company conducts its internal operations, including the way it treats its workforce, and its impact on the world around it” (Reder, 1994: 5; cited in Hack, 2014: 50).

According to Carroll (2016), the term corporate social responsibility is often used interchangeably with corporate citizenship, social enterprise, sustainable development, triple-bottom line, sustainability, corporate ethics, and in some cases corporate governance. The terms may differ, however, as they all facilitate meanings that point to the same direction. According to Scherer *et al.* (2014), the development of the world drives organisations to the recognition and engagement to social roles. The shift in the demands in the markets has driven companies to engage in public-private partnerships. Companies are now expected to take accountability, not for only their shareholders, but also their stakeholders who will be inclusive of their employees, customers, local communities, suppliers and society as a whole.

Puaschunder (2014) suggests that corporate social responsibility is a social contract, and that the one reason firms engage in CSR activities is because society expects them to engage in initiative therefore organizations are inclined to act. Furthermore, CSR is a way for firms to adapt to societal norms and therefore the contract requires that management constantly customs of the society they conduct business activities in. This constant check will enable the organizations to engage in CSR initiatives effectively and with understanding of what that community requires, hence gaining societal acceptance.

CSR commonly refers to social and ethical responsibilities that companies should perform in their business activities past legal requirements. The term is widely acknowledged and accepted across the global corporate world as a fundamental dimension of business. CSR aims at making business socially responsible and consequently engages business enterprises into the processes of sustainable development. The current idea of CSR is based on a 'stakeholder' approach which implies that organisations application of corporate responsibilities should concern different stakeholders in order to protect their interests and fulfil their expectations (Nasrullah and Rahim, 2014).

According to Malik (2015), there are different kinds of responsibilities towards stakeholders specifically are many and varied, but all are generally categorised into main three areas: economic, environmental and social. The current approach to CSR is a shift from the traditional philanthropic notion where a company's owners and managerial willingness was instrumental to the application of CSR in their business practice. "This approach advocates that CSR as a business agenda is characterised by the combination of policies, programmes and practices integrated throughout business operations and decision-making processes; It is also a process by which businesses negotiate their roles in society" (Nasrullah and Rahim, 2014: 1).

"CSR is the need for organizations to consider the greater good of their actions and the effect on all those around the organization from within, local community and globally. Often the effects must be thought of in terms of the economic, legal, ethical and philanthropic impact or basically business decision of cost to implement versus return on investment" (Essay. UK, 2013: 1).

This research was underpinned by the above definition of CSR, where an evaluation of the concepts on economic, legal, ethical and philanthropic regime will be scrutinized in business dynamics. Jamali, Dirani and Harwood (2015) goes in to depth explaining that scholars have determined that the problems with defining CSR are related to the fact that it is a relatively new concept. The concept is continuously developing according to the needs of the social order and it is influenced by environmental changes. Some view the development of this concept as a distraction from business main goals of being profit orientated, and that has built criticism from

its development stages on to our days. When inspecting the various CSR definitions, it reflects that the concept emphasises the business-society relationships and business ethics (Shamir, 2017). Implementing employee related CSR activities in a long-term period can be beneficial and it enables the company to increase loyalty, reduce organization costs and improve various other aspects. When analysing the current standpoints and growing societal demand of CSR, it is concluded that in the future organizational awareness of CSR strategy implementation will increase and it will become the essential part of organizational culture and policy. Industrialists survival will also be dependent their ability to correspond to society expectations and take into account the interests of their stakeholders (Dhanesh, 2015).

2.3 EVOLUTION OF CORPORATE SOCIAL RESPONSIBILITY

The ideology of social welfare was discussed and evaluated in early literature of political philosophy dating back to Plato and Aristotle (Aristotle, 1962/1992; Peterson, 1990; cited in Scherer, 2014). The evolution of politics has allowed for the development of concepts such as CSR, which embody the idea of the actions of individuals pursuing their private interests be reconciled in a way that the common good is served and social peace is maintained not only through the practice of politics but also that of business interactions and trading. In modern day's organisations function through a form of forum where stakeholders express their views and come to joint solutions about operational matters as well as communal ones (Voegtlin and Pless, 2014).

Corporate Social Responsibility has been transformed from an immaterial and disregarded idea to one of the most accepted concepts of business world in the last few decades (Schwartz, 2017). Concerns about the environmental and societal responsibility is summarised under the umbrella term of CSR and generates a considerable attention in scholar debates, public discussions, as well as in business reality (Aguinis and Glavas 2012; cited in Voegtlin and Pless 2014). According to Lenz, Wetzel and Hammerschmidt (2017), CSR has a different meaning to people and different institutions, therefore its interpretation is dependent on the company's own peculiar business requirements and the size. Some organisations measure or evaluate their CSR activities by their company's resource allocations or budge. When some of these organisations embark on their

operational ventures with the planned and budgeted for CSR initiatives, most often, then not it referred to as Corporate Social Investment (CSI).

Although CSR has and is still growing increasingly significant, research still shows that reporting on its performance activities can be subjected to limitations on a global scale (Rao and Tilt, 2016). Among a number of probable explanations, we can view the company as lacking strategic capacity; meaning that the senior decision makers, particularly the board of directors do not allocate enough resources CSR initiatives (Moratis and Cochiuș, 2017). The constantly evolving global social environment with several social activists puts pressure on organisations to recognise the implications and part that business must play in society. The activist created social movements that communicated the necessity to embrace CSR perspectives, assertiveness, practices and policies (Coombs and Holladay, 2015).

Corporate Social Responsibility in the 1960s was a concept that was characterized solely on the aspects of social initiatives. According to Sodhi (2015), the concepts social responsibility and organisational financial performance was never coupled into the same categories, hence CSR was only driven by purely external conscious motivation. Before the 1950s CSR was only referred to as Social Responsibility (SR) the absence of corporation in the concept could have been due to the age of contemporary corporation's distinction and dominance. Bowen (1953); cited in Amin-Chaudhry (2016: 124) goes on to state that CSR as the obligations of "businessmen" to policies, that will enable them to make their decisions or to monitor their actions which are required in terms of the objectives and values of society. He argued that businessmen have the responsibility for the consequences of their actions in a sphere somewhat wider than corporate financial performance. Moreover, he argued that social responsibility is no universal remedy but rather comprehends a significant role that will guide business in the future (Carroll, 2015).

According to Wang *et al.* (2016) there is adequate growth in dedicated organizations operating at national and global levels advice on, and often implement short-term projects or longer-term sustained community-level programs. "Over 8,000 companies from more than 150 countries are

signatories to the United Nations' Global Compact, covering issues on human rights, labour standards, environment and anti-corruption" (Wang *et al.*, 2016: 1). This is evident in the variety of opportunities created for corporate engagement in local communities and mainstream society, some corporations have created dedicated organizational units to efficiently manage their social commitments while others are in the verge of these establishment.

When it comes to reporting on CSR, before the 21st century, specific social and environmental issues were being documented by corporations since the start of financial reporting. Companies have been reporting on their environmental activities for regulatory compliance purposes for decades now, this however did not substantiate for CSR as a standard company practise (Marlin and Marlin 2003; cited in Tschopp and Nautanki, 2014). In developing countries, CSR engagement has a narrow contemplation of issues related to their clients, employees', managers and shareholders; whilst in developed countries, we notice a focus on a wider range of issues and stakeholders. Their focus includes issues related to education and human development, capacity building, human security, fair labour practices, to name but a few. These are coupled with efforts at placing CSR beneficiaries at the centre of analyses (Visser, McIntosh and Middleton, 2017).

Anderson and Cavanagh (2000), cited in Demetriades and Auret (2014), state that from the top 100 economic entities in the world almost half are corporations while the rest are countries. There is an indication of the vital role that firms have in society thus reflecting on why CSR of firms may not be an external factor, but rather part of internal processes and activities. Developing nations such as SA need to pay more attention to the understanding of inherent differences in our economy in comparison to developed countries, so that we develop customised CSR approaches as opposed to adopting international policies for the sake of compliance with global standards (Demetriades and Auret, 2014).

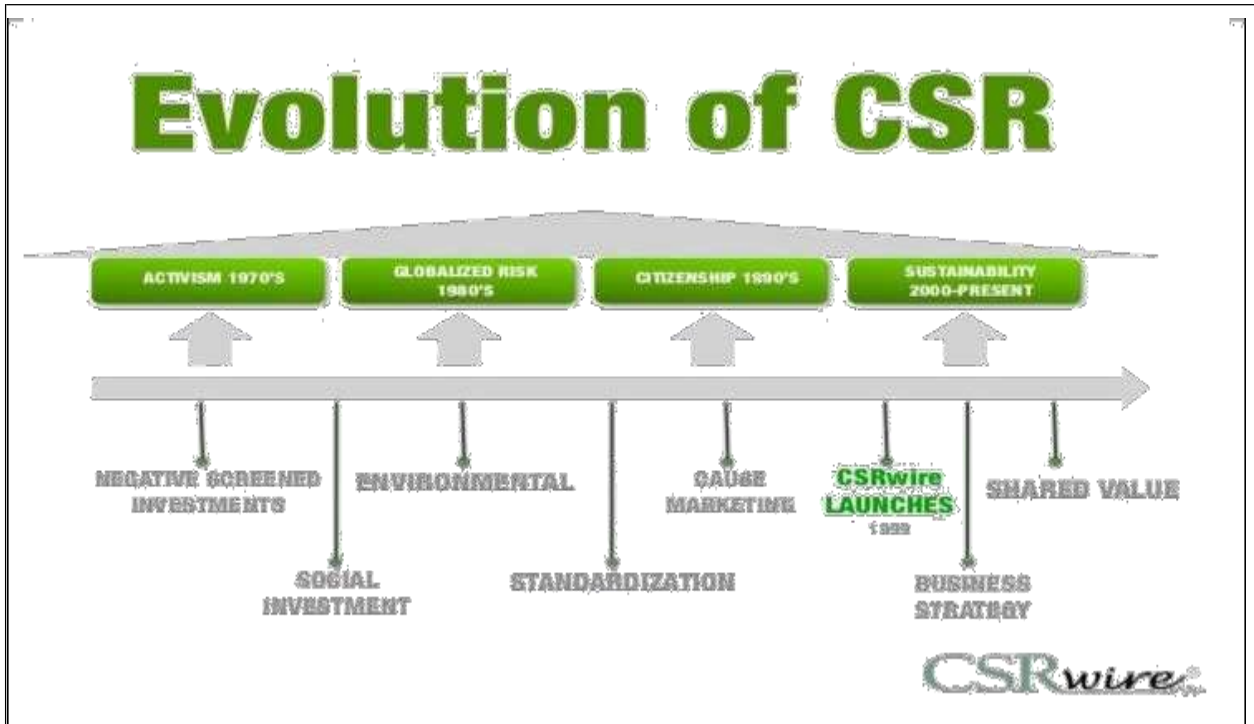


Figure 2.2: Evolution of CSR Activism 1970's Globalized Risk Citizenship 1990's

Source: ShareSlide (2011: 1)

2.4 THE PRINCIPLES OF CORPORATE SOCIAL RESPONSIBILITY

The nature of CSR is an uncertain one where its activities are guided by none universal concepts that suggest and mean different things for different organisations all around the globe. Therefore, organisations adhere to, and are governed by, various principles of corporate social responsibility (Camilleri, 2015). Below the CSR and Sustainability Institute (2018) suggests three basic principles of CSR and they follow in this order:

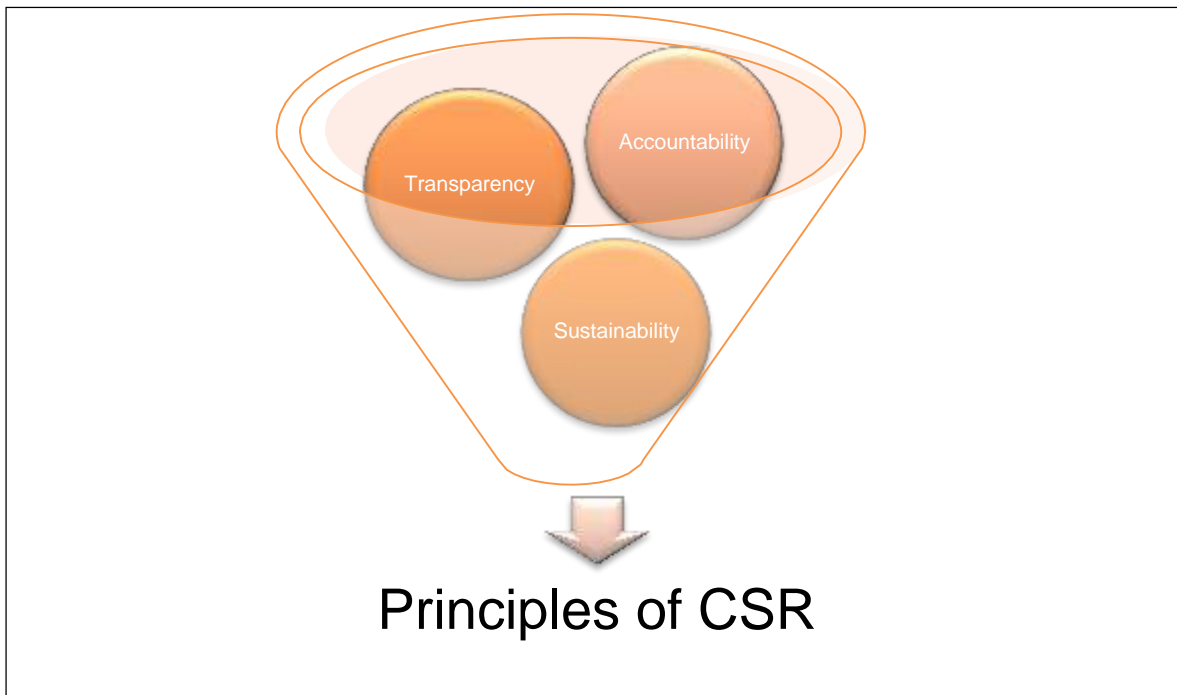


Figure 2.3: Principles of CSR

Sources: Author's own compilation

2.4.1 Accountability

Accountability is when a company takes into consideration that its actions may affect the external environment. The organization would therefore assume responsibility for these actions. The concept indicates that there are reports of all quantifications to all involved and affected parties, where the organizations actions are concerned. The company or organization involved must release a report to all stakeholders that will inform them of all the organizations actions and how those actions may or may not affect the stakeholders (Watts, 2015).

Accountability therefore implies that the organizations takes recognition of themselves as a broader societal 'network' that is accountable to take responsibility of all 'networks' rather than to only address the needs of their shareholders. These networks would be the employees, customers, suppliers and the community of which the business does its operational activities (Voegtlin and Pless, 2014).

When the organization accepts this responsibility, they are allowing external stakeholders to have a say on how these actions are taken and whether there are justified before organizations commence in their implementation. There is a great necessity in organizations taking accountability and fulfilling measures of environmental performance, hence reporting back to their networks once these activities are proceedings. The returns and value these activities will bring to the organization will exceed the costs of implementation. The benefits will be determined by how the company allocate these resources and if they measure to the valuable expectations of all stakeholders (Pompper, 2015).

2.4.2 Sustainability

The determination of sustainability is through evaluating initiatives of an organization and which determines the effects of organisations present actions and how their results may possibly affect the future (Voegtlin and Pless, 2014). Companies here are concerned with the possibility of scarcity of resources; where if all the resources are used now there will be none left to utilize in the future. With sustainability organizations need to utilize preservation methods. Companies are faced with dilemma where resources that are of an extractive nature such as iron and coal once use cannot be reused thus requiring substitutes (Hansen *et al.*, 2015). With the scarcity of resources, organizations are now faced with that challenge of sustainability and thus making it the corporates responsibility that they are preserved. An organization with unsustainable operations can attend to their shortfalls by developing sustainable ways of operating (Pompper, 2015).

2.4.3 Transparency

Transparency as a principle of CSR is particularly important for external parties whereby, they require company information that may be only accessible by internal parties of the organization. There are specific measures to combat misleading and false information regarding promises to corporate social responsibility, connecting to the environmental and social impact of products. Transparency policies enable companies to agree that greater account should be taken of environmental and social concerns in public gaining (Ferry and Eckersley, 2015).

2.5 THEORIES OF CSR

Theories are formulated to explain and articulate the understanding of phenomena. Theories are also used to challenge and spread existing knowledge within the restrictions of critical bounding assumptions. “All theories in CSR are serving as point of reference for every set of CSR practice, but since there is no single accepted theory, perspective and definition to CSR, it means there should be a lot of variation in what constitute the theoretical and practical aspect of CSR” (Choi, 1999; cited in Hamidu, 2015: 6). Theories that are underpin CSR are observations and/or interpretations by different scholars/stakeholders that stimulate different standpoints. Over the years there has been a development of CSR theories to guide organisational practice. The development of these theories has taken a modern approach over time; however, the founding theories are essential for the evolution and advancement of CSR. Shareholder, Agency, Stakeholder, Legitimacy and Strategic Theory all express different the traditional and modern CSR organisational viewpoints (Soh *et al.*, 2014).

2.5.1 Shareholder theory

The shareholder theory states that the only obligation of a company is to sustain their profitability and no moral implications should be placed upon shareholders for external duties (Pompper, 2015). The classical view is considered as a traditional perception of the act of neglecting CSR activities to maximise profit for the owners of corporations (shareholders). Friedman (1970); cited in Soh (2014), proposed a theory that advocates businesses to exclude any social responsibilities and priorities on the maximization of profits. The theory is based on the premise that managers are only employed as agents of the shareholders to run the company for their benefit, and therefore making them morally and legally obligated to serve their interests. Friedman further goes to saying that non-maximization of profits is wrong by stating that employees who do not engage in the quest of maximizing employer’s profits are of a disservice to any business. The shareholder theory emphasizes the idea that taking money from an organization and utilizing it for societal progression should be seen as taxation (Strand and Freeman, 2015).

According to this view, businesses are only required to contribute to economic growth. If firms try to contribute to society in other ways, it will prove detrimental to society instead. Businesses are advised to focus their efforts on economic growth rather than attempting to fix societal issues that have no profit potential (Carroll, 1999; cited in Soh, 2014). The shareholder’s theory

viewpoint expressed the ideas that are characterised by the Capitalist economic system where corporations are governed by law. Management was expected to focus only on making a profit because they are the agents of the shareholders and should strive towards maximisation of shareholders wealth through profit motive. The theory suggested that social welfare should be left to government and companies' liability should be very limited (Herremans *et al.*, 1993; cited in Hamidu, Haron and Amran, 2015).

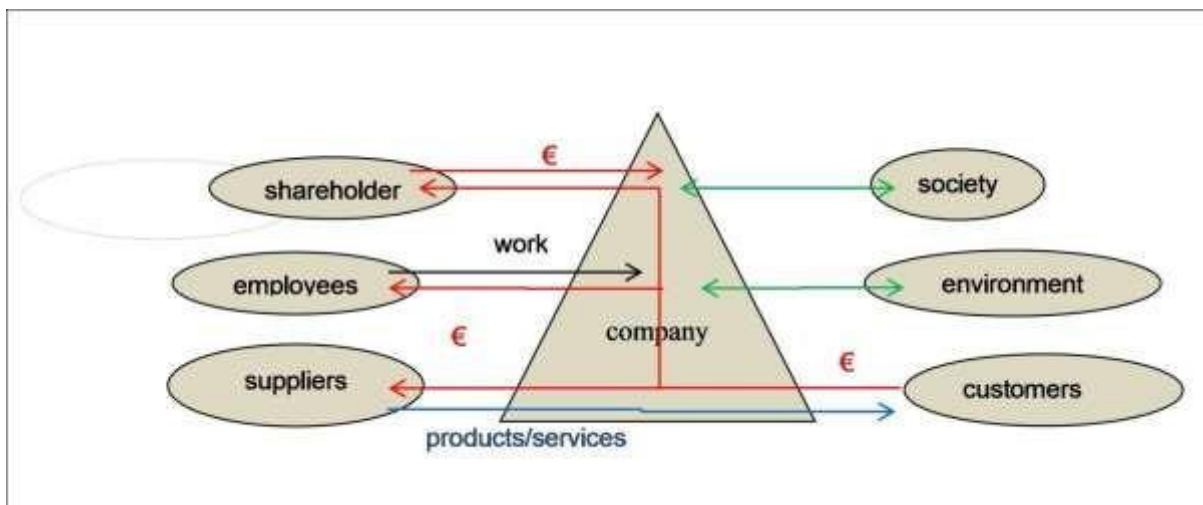


Figure 2.4: Shared Value Initiative

Source: Olaf de Hemmer (2014: 4)

Olaf de Hemmer (2014) suggests that businesses in the past have promoted the application of the shareholder theory to limit liability of their stakeholders as illustrated in the above shared value model. Industrialists saw no harm in the application of a theory that prohibits those selfish business practices of only being concerned about the well-being of the other stakeholders only insofar as their well-being affects profits. If the organisation realises that the firm makes more profit by training and investing in its workers, that is what it does; if, on the other hand, a firm makes more profit by squeezing its workers through paying it lower wages, then that is what it ought to do (Goodman and Arenas, 2015). Friedman claims that if companies be allowed unrestricted policies to pursue profits, inevitably they will end up assisting communities by making them a better place. O'Mahony and Mason (2017) suggest that the government has the moral obligation to pursue activities of society's interest. Moreover, business owners are not to be seen as moral authorities since ethical implications cannot be fully understood by all businessman or businesswoman as though they are scholars of ethics.

The shareholder theory has different beliefs from that of the stakeholder theory approach which promotes the common well-being of both the business and society at large. The shareholder theory is subjective and can be categorised to fall part of the immoral spectrum. Whereas the stakeholder theory is that addresses morals and values in managing an organization, such as those related to corporate social responsibility. According to shareholder theory, the only moral obligation a company is to respect the law. However, even this minimum constraint is questionable because multinational companies are tempted to set up industrial operations in countries where environmental laws were weaker, and so avoid the stricter legislation of other countries, which was often hard to resist (Orchard and Stretton, 2016).

2.5.2 Agency Theory

The agency theory argues that in the modern corporation, where share ownership is widely held, management's actions advance from those required to maximise shareholder returns (Bosse and Phillips, 2016). Agency theory deals with situations where one-party acts on the behalf of the other, financial institutions are given the responsibility of generating shareholder wealth. The terms state that the owners are principals and managers are agents. This then entails an agency loss which is the extent to which returns to the residual applicants, which are the owners, fall below what they would be if the principals exercised direct control of the company. Agency theory focuses on the costs of the potential conflict of interest between principals and agents, referred to as 'agency cost'. The agency costs are defined as the sum of the monitoring expenditures of the principal, the bonding expenditures of the agent, and the residual loss in welfare experienced by the principal as a result of the divergence of interests between the principal and the agent (Jensen & Meckling, 1976; cited in Pepper and Gore, 2015).

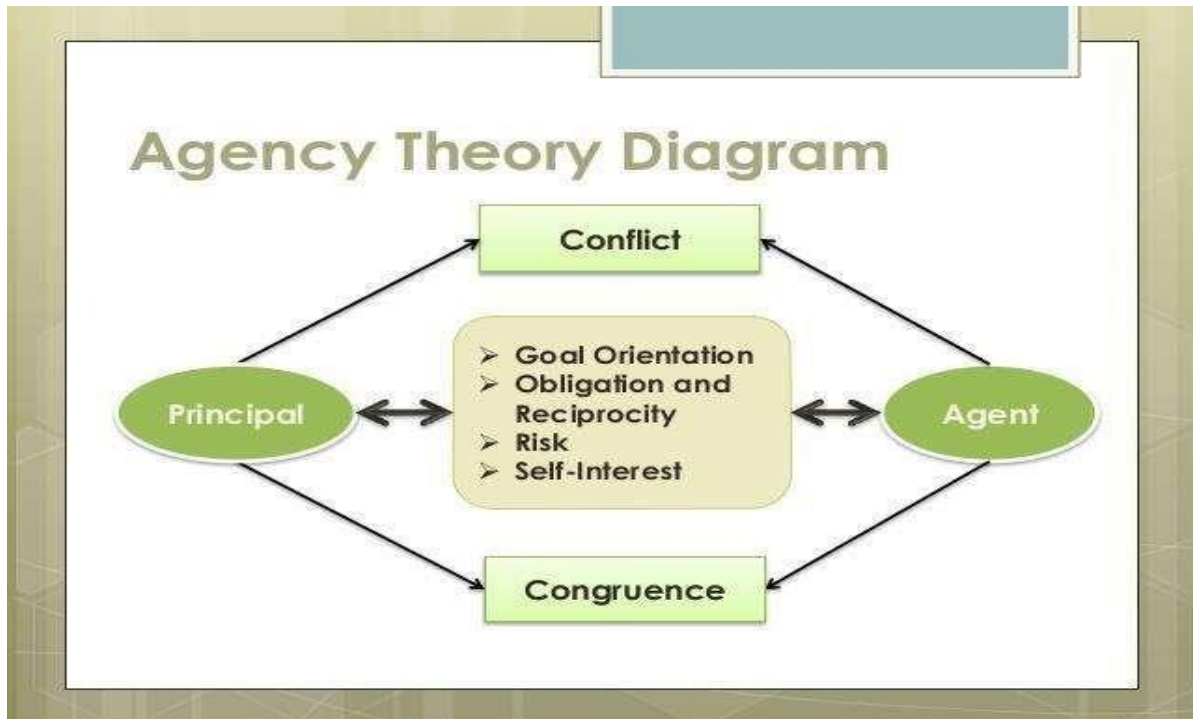


Figure 2.5: Agency Theory

Source: Muhib Islam (2014: 5)

2.5.3 Legitimacy Theory

Legitimacy theory depends on the hypothesis that managers will adopt strategies that will demonstrate to society that the organization is trying to comply with society's expectations (Thijssens, Bollen and Hassink, 2015). As societal values evolve, organizations must continuously demonstrate that their operations are legitimate and that they are good corporate citizens. Where managers perceive their organizations, operations are not commensurate with its social contract then, the legitimacy theory, remedial strategies are predicted. However, because the legitimacy theory is based on perceptions, for any remedial strategies implemented by management to have an effect on external parties they must be accompanied by disclosure. That will be information which will serve necessary to change perceptions; this information should be publicized in order to make an effective change in the perceptions of society. CSR disclosure can be used as a device by companies to communicate accountability, by showing their vision for the future and account for past performances (Hooghiemstra, 2000; Deegan, 2002; Adams and Zutshi, 2004; cited in Chan, Watson and Woodliff, 2014). This illustrates the strategic importance of CSR disclosures made in company annual reports. Hence,

legitimacy theory provides a potentially useful theoretical framework to evaluate the relationship between various firm characteristics and CSR disclosure (Thijssens *et al.*, 2015).

2.5.4 Stakeholder Theory

Strand and Freeman (2015) stated that the stakeholder theory comprehends the idea that organizations can be viewed as a system whose ability to sustain itself depends on their ability to satisfy a particular group of parties. These parties can be referred to as stakeholders who can be acknowledged by their rights or interest in the company and its activities.

Andriof *et al.* (2017) state that the stakeholder theory suggests a re-conceptualization of the nature of an organization and encourages the considerations of external stakeholders beyond the traditional pool of doing things. The stakeholders being the customers, employees, suppliers and communities turn new forms of managerial understanding and actions. The organization is expected to sustain responsibility and extend the web of their stakeholders. The stakeholder theory constructed a way that offers a way of organized thinking and a responsibility bound firm. The stakeholder theory emphasizes the significance of investing in the associations of stakeholders and that the stability of these relations depends on the sharing of at least the fundamental of principles and values. Management can incorporate personal values when formulating or implementing strategic plans of the organization (Strand and Freeman, 2015).

Consequently, various authors have argued that the stakeholder theory cannot be seen as a full prove method of incorporating all CSR practices and somewhat lacks proven credibility. Jensen (2017) argues that while the belief of the theory state that all stakeholders are important, and the organization should integrate their responsibilities to all stakeholders, this balanced expectation has proved itself to be difficult to endorse in practicality. Organizations find themselves constrained in practice and overall fulfilment of stakeholder theory by limited resources. These firms face bounded rationalities that then lead them to prioritizing interested party according to normative considerations (Danielson, Heck and Shaffer, 2015).

Hamidu *et al.* (2015) state that stakeholder theory fails to provide a system for daily managerial decision making. This is caused by the level of abstraction at which stakeholders' obligations are driven, and talking-to methods that managers must account to. Furthermore, managers are failing to take account for the business interests of stakeholders when faced with decision making. The stakeholder theory also causes difficulty in determining prior what the interest will be and how they may account for them.

Camilleri (2017), quoted in Marcoux (2003: 25) argues "stakeholder theory lacks specificity and, thus, cannot be operationalized in a way that allows scientific inspection". Another problem is that the theory fails to guide managers to determine which group of stakeholders is more important than others. It is very important to executives to understand the above-mentioned problem, because it has compact connection in helping stakeholders. However, because there is no clear guidance under the theory, it is unclear to management as to how to make proper analysis of the theory as it might also be categorical. Therefore, the most significant omission is its inability to balance which is a problem, where in most situation demonstrated to be an impossible task to managers (Strand and Freeman, 2015).

Stakeholder theory provides no specifications or criteria for what needs to be accounted for by directors and managers. Performance cannot be evaluated in a principled manner because the theory does not provide criteria for needs to be met. Therefore, management are left to pursue societal uplifting initiatives without an initial basis of how to conduct these activities, allowing some level of inconsistency. It allows management to pursue their self-interests by engaging in activities that are close to their hearts, or those they have been longing to follow. This approach increases economic cost, allow managers to engage in activities of self-interest and therefore causing various inaccuracies with the system (Camilleri, 2017). Jensen (2017) argues that the theory with the levels of inconsistency it possesses it is hard for the system of trade-offs to occur without hindrances. With stakeholders such as customers, employees, suppliers, communities having such different interests and goals that need to be pursued it is hard for management and executives to determine with should be attended to first. Communities need charitable contributions, and job creating initiatives. Capital suppliers want high returns and low risks. Employees want benefits, high salaries, and pension funds. The problem then becomes how to meet all these demands without exceeding some needs and underperforming in others.

Furthermore, stakeholders are given the impression that they have power and rights to contribute to decisions made in the organization which is misleading (Jensen, 2017).

Klettner, Clarke and Boersma (2014) suggest that the approach not only elements about the structure of the organisation and how it should relate to stakeholders, but it often includes implicit or explicit moral claims. This implies that the organization has duties towards interested party, even when it stands to gain no benefits. Furthermore, Weiss (2014) argues that the theory steps away from modern capitalist system but rather takes a deontological approach. Deontology is a theory of duty and focuses on expected actions rather than their motives and outcomes has rather a negative effect on the organization. Organizations are seen as having a moral obligation towards their stakeholders; and this may somehow constitute to shareholders being deprived of pursuing their primary goal of profit maximizing.

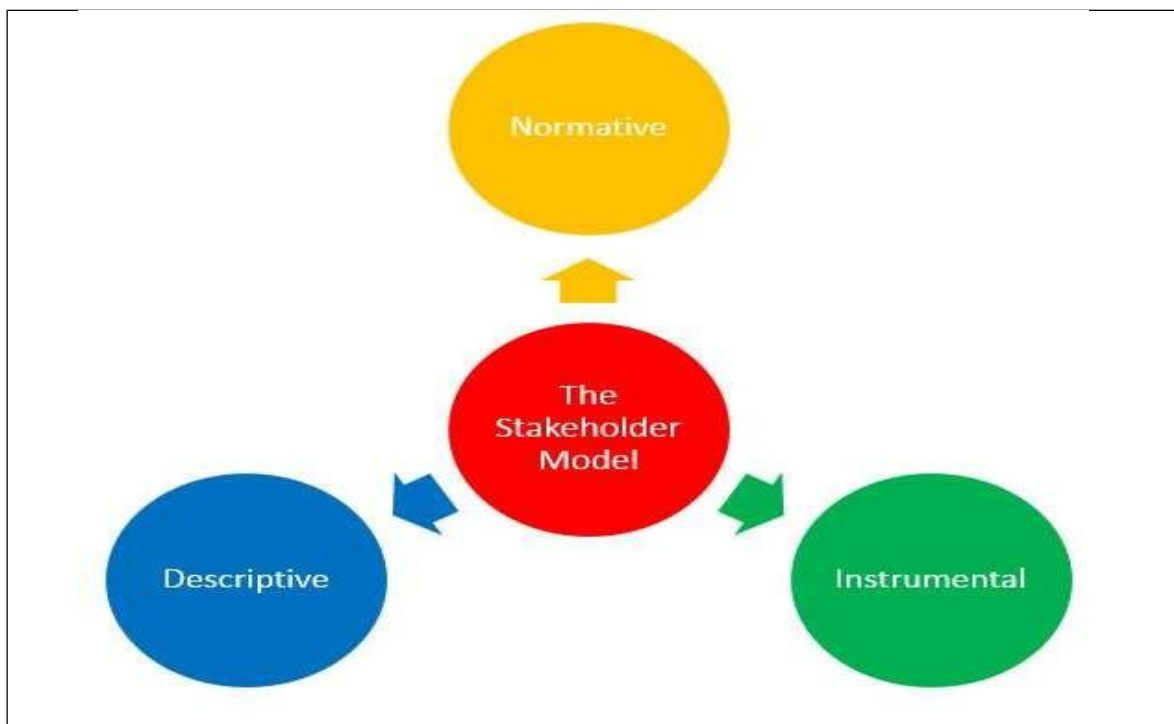


Figure 2.6: The Stakeholder Model

Source: Carroll and Buchholtz (2014: 1)

According to Carroll and Buchholtz (2014), there are three values of the of the stakeholder model, these values allow us to establish why the stakeholder approach is vital for the business and society. The stakeholder values are descriptive, normative and instrumental in nature. The descriptive value uses language and concepts to describe the functionality of corporations and their impacts on the wider environment. The instrumental value suggests that the management of stakeholders yield positive outcomes, by achieving its business goals, while attaining grown and sustaining profits. The last value which is normative is based on the presumption that stakeholders have inherited value, it accepts that stakeholders have legitimate stakes in the company's activities based on company interest thus have inherent value.

2.6 MODELS OF CSR

Since the early 90's, CSR has developed a significant body of literature, offering a number of philosophies that, despite real and relevant differences among their theoretical assumptions, express consensus about the ultimate idea that business corporations have some sort of obligation to work for social improvement (Boulouta and Pitelis, 2014). Society is aware that businesses have different types of responsibilities and seek to develop criteria's for measuring business performance and define the scope of corporate responsibility social arena. Although there has been development of a comprehensive organizational framework, scholars are still conflicted with the mere definitional problems that spike the debate about the exact nature of CSR. The old claim that CSR "means something, but not always the same thing to everybody" is still apparent even today (Votaw, 1973: 11; cited in Hack, Kenyon and Wood, 2014). A comparative analysis of three recognized CSR models may further clarify the ambiguity of CSR through the evaluation of their differences.

2.6.1 Carroll's CSR Pyramid

Carroll (2016) states that "Corporate social responsibility encompasses the economic, legal, ethical, and discretionary (philanthropic) expectations that society has of organizations at a given point in time" (Carroll 1979, 1991; cited in Carroll, 2016, p.4). The dimensions will be illustrated in figure 2.7 below and discussed.

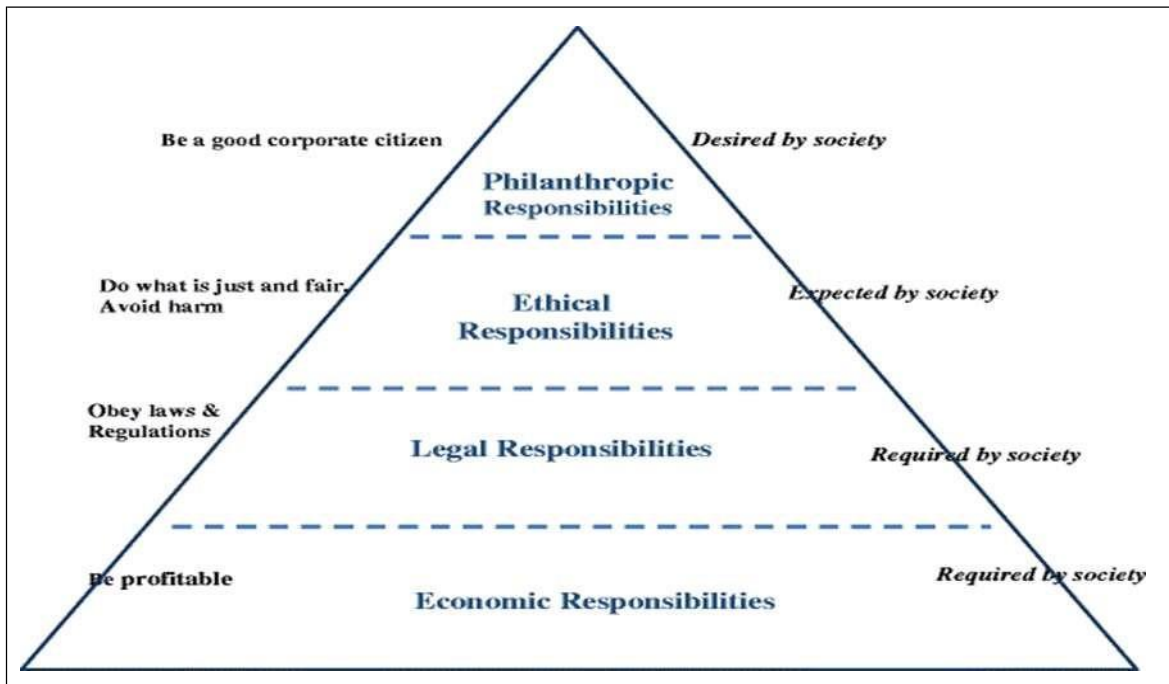


Figure 2.7: Carroll's CSR Pyramid

Source: Carroll (2016: 5)

2.6.1.1 Economic Responsibility

Before a company establishes its good corporate citizenship, it first needs to make sure that it can be profitable and is able to share its benefits from its business activities within society by responding to society's interests, wants, and needs (Masoud, 2017). The economic domain captures activities that are projected to have either a direct or indirect positive economic impact on the organization, which may be (profit maximization or share value maximization). Therefore, scholars can say that any activity that is pursued at improving the two mentioned has been economically motivated (Avram and Avasilcai, 2014).

2.6.1.2 Legal Responsibility

In most African countries in the past scholars have experienced that legal responsibilities have a lower priority than in developed countries. This does not mean that companies flaunt the law, but it is far less of a pressure for good conduct. Every operating organization has the responsibility to its self and stakeholders to pursue their procedures in a legal framework of the country where business is conducted (Godfrey and Lewis, 2018). The organisations have to

ensure they sustains good relations with government officials by practicing within the lawful requirements of the state and its citizens. These legal obligations include obeying the law and the codifications of right and wrong (Carroll, 2016).

2.6.1.3 Ethical Responsibility

The main concept of ethical responsibility, as defined and expressed by Carroll (1991); cited in Carroll (2016), is that the ethical responsibility consists of what is generally expected by society over and above economic and legal expectations. Ethical responsibilities of companies cover its wide range of responsibilities. Ethical responsibilities are not necessarily imposed by law, but they are expected from ethical companies by the public and governments. Organizations should have ethical responsibilities that will include activities and practices expected by its society through their norms and value systems. It is important that an organization recognises that fulfilling ethical responsibilities includes respecting the morals of the community and that they are able to sustain corporate integrity. Because of the complexity in the defiance of ethical norms and standards organizations are expected to research on what is accepted by that community and the codes of ethics that are specified in the government legislations (Gorski, 2017).

2.6.1.4 Philanthropic Responsibility

The organization may assume philanthropic responsibility by taking on a role of a corporate citizen, where organization contributes resources to the communities and improve the quality of life. The organization also may set aside funds for community initiatives and empowering projects. Philanthropic activities are seen as a norm in African countries since the socio-economic needs are greater than those of most parts of the world (Visser, 2014). Philanthropic activities have become a direct way to improve the conditions of communities, and organizations are aware that it is hard to succeed in societies that are failing (Nalband and Kelabi, 2014). The primary difference between the ethical and philanthropic categories of this model is that business giving is not necessarily expected in a moral or ethical sense. When society is given ‘benefits’, it does not label companies as unethical based on their giving patterns and also when the companies are charitable at the desired level. This category is often thought of as good ‘corporate citizenship’ because of its flexible or voluntary nature (Kanji and Agrawal, 2016).

2.6.2 Concentric Circles Model and Intersecting Circles Model

Apart from the Carroll's pyramid, there are other developed models of CSR, such as the concentric circles model; which states, "CSR is a concept supporting social control of business that resides and operates inside business itself, with the aim of protecting and enhancing the public welfare as well as private interests." The move from the outer circle to the inner circle reflects the control that society needs to impose on standards of business activity to ensure social progress through proper functioning of the business core" (Kanji and Agrawal, 2016: 145). Also, another model would be the intersecting circles model of CSR that views a business, even although it is established for profit-making, is a social creation and to survive and thrive, the society must be willing to support and endure it. Such a support from the society can only be earned through the responsibilities and obligations it fulfils (Kanji and Agrawal, 2016). These models are an essential foundation for other model developments that still need to be established as the growth for CSR advancement is a necessity.

2.7 CSR IN THE SOUTH AFRICAN CONTEXT

Over the years various claims have been made about the contribution CSR can make to poverty alleviation and other developmental goals. However, the current CSR approaches do not warrant such claims (Richey and Ponte, 2014). The government and policy-makers see business as a tool that is needed to breach the gap and defuse important development challenges. These challenges can vary from economic growth, which can be job creation and general social advancement.

Moreover, government, civil society and business all too some extent see CSR as a bridge connecting the arenas of business and development, and increasingly discuss CSR programmes in terms of their contribution to development. Implicit in this view is that developing economies are different from developed ones and require attention. This broadly complements the premise of international development theory that there are unique aspects to issues such as poverty and sustainability in the developing world that demand different solutions from those that might be implemented in developed economies (Jamali and Karam, 2018). Over the past two and half decades of democracy, South Africa (SA) has undergone various social, economic and

corporate changes. When speaking of CSR in SA it is essential to include efforts and discussions around the revised King's report, corporate social investment and black enterprise investment. These concepts, guided by the principles of social responsibility, fall under SA's CSR umbrella, however, are noted as specific applications that have focal purposes (Littlewood and Holt, 2018).

2.7.1 Benefits of CSR in South Africa

Most studies suggest that there is a positive association with social responsibility and concurrent financial performance. The benefits of the relationship that most companies experience are the increase in the level of employee motivation, customer/ brand loyalty and customer's good will (Visser and Tolhurst, 2017). Organizations with high degrees of CSR are likely to face fewer financial risks because of their stable relationships with the financial community and the state and contrasting factors are applicable to firms who are non-participants in CSR initiatives (Grayson and Hodges, 2017). There are various initiatives that have been well developed and their impact can be demonstrated over a period of several years. Companies such as Unilever, Diageo and Procter & Gamble have tackled some of the world's serious issues and have successfully reduced the use of water over a period of ten years (Avram and Avasilcai, 2014).

Organisations are now taking more accountability for their actions and see that there is a need for CSR being included as a formal business practices and TBL being one of the openly accepted methods of sustainability. Globalization has been a great influential factor in organizations sustaining financial power and being able to drive the social movement (Avram and Avasilcai, 2014). When companies act responsibly and take accountability for social and environmental impacts it assists institutes in attracting and retaining the most talented people to want to work for an organization (Beschoner, 2014). This allows the organization to have an employee work moral and encourages ethical standards to be met. Businesses that have a system where social and environmental reports are produced are known for developing better internal control systems. This form of reporting allows better decision making, cost savings and resulting in continuous improvements (Kolk, 2016).

When organizations disclose their social and environmental information, they are improving their relations with their stakeholders and their corporate image. Companies can reduce risks of powerful consumer boycotts by external parties. Furthermore, this allows better understanding of corporate activities and reduction of criticism from external and internal sources leading to improved reputation. Socially responsible investment (SRI) involves stockholders taking personal values and social disquiets into consideration when faced with decision making (Beschoner, 2014). According to Kim, K. Kim, M. and Qian (2018), there is a positive association between social responsibility and concurrent financial performance. The benefits of the relationship that most companies experience are the increase in the level of employee motivation, customer/ brand loyalty and customer’s good will.

External Benefits	Internal Benefits
<ul style="list-style-type: none"> • Improved financial performance • Reduced risk exposure • Enhanced brand image • Increased sales and customer loyalty • Creation of new business networks • Improved trust • Enhanced corporate reputations • improved government relations • Reduced regulatory intervention 	<ul style="list-style-type: none"> • Reduced costs through environmental best practice • Improved financial performance • Reduced risk exposure • Improved recruitment and staff retention • Increased staff motivation and enhanced skills • Improved trust

Table 2. 1: Benefits of Engaging in CSR

Source: Fact Sheet; Corporate Social Responsibility; Commonwealth of Australia (2010: 1)

2.7.2 Challenges of CSR in South Africa

CSR is a concept which scholars commonly discuss and debated about and is also a perceptible effort by many corporations. Apartheid South Africa was characterised by the social structure marked by inequalities in economic power, infrastructure, education, job opportunities, and basic services access. There have been significance efforts in battling the social imbalances through different programs and several public initiatives. Moreover, efforts are reflected through opportunities given by private sector, influenced by the democratic regimes (Ackers and Eccles, 2015). “Although the South African Companies Act 61 of 1973 does not oblige companies to engage in CSR projects, the country’s Policy Document and the King II and King III reports explicitly address the need and relevance for corporations to acknowledge all stakeholders and to adopt a ‘triple-bottom line’ approach” (Polity, 2018).

The King reports constitute acknowledged guides of practices in corporate governance Southern Africa, with a focus on social, environmental and economic issues. The King reports’ clauses are not mandatory, but they take a compliance approach that somewhat forces corporations to apply CSR programs or justify why they have not adopted them (McDonnell, King and Soule, 2015). Ackers and Eccles (2015) suggest that not all CSR efforts in SA result from voluntary or subsidiary business decisions, some of them are a creation of corporate compliance with the Black Economic Empowerment (BEE) legislation. The Black Economic Empowerment Act of 2003, forces South African-based corporations to consider all stakeholders when performing their internal and external operations to eradicate economic and social inequalities inherited from the apartheid government systems and to support previously discriminated groups to actively participate in the country’s economy. Companies that refrain from complying with the BEE scorecard can obtain negative ratings, therefore complicating their ability to operate in the country (Avram and Avasilcai, 2014).

There are problematic aspects to every approach or system of development for various initiatives all around the world, however, some have proven to be more inadequate than others. CSR is one of many corporations attempts of assist communities where business practices are conducted to develop that have proven to yield its initial expected results. Another challenge that corporations are facing is that CSR is taking the place the role of government (Steyn, 2014). Some have argued

that CSR is used to solve societal, environmental and economic problems, a role that is best suited for the state. The acts of basic provision such as to build infrastructures, enabling water access, health care and education are now performed by market actors. Moreover, in the case of South Africa the king's report and corporate governance do not objectify organizations from taking on a broader role and being involved in initiatives that promote poverty alleviation (Knudsen, Moon and Slager, 2015).

Corporate social responsibility as a discipline lacks well elaborated methods of practice thus, to capture its efforts is a difficult task. CSR initiatives in developing countries such as South Africa are quite limited. While a lot of corporations are keeping to international standards and movements of CSR in response to both external and internal requirements, more growth and development are a necessity. South Africa particularly, where major problems of economic and social inequality still prevail, CSR could still develop and expand. The country has a variety of social needs in areas such as entrepreneurial development, health care (HIV/AIDS), and education among many others. These offer a wide spectrum for companies to take-off valuable CSR initiatives (Visser *et al.*, 2017). Knudsen *et al.* (2015) argues that there is a conflicting logic of corporate social responsibility as a tool for development and a tool for business.

2.8 SUMMARY OF THE CHAPTER

Chapter elaborated on the various theories of CSR, however, was underpinned by the stakeholder theory. The main concern and challenge come from the identified need of reliable CSR tools in the company of interest as to be able to consistently measure and evaluate CSR performance with all relative stakeholders. The literature revealed that there is no universal definition of CSR and that related initiative are governed by state legislation namely the kinds IV report of governance. The researcher noted limited legal liability for corporations excluding the inclusion of the King's report. The chapter also went on to reveal that although an apparent difference and improvement is notable, CSR is still a challenge especially in developing countries where corporations migrate to in order to practice business with limited social liability. The next chapter will discuss the methodology of this research where there will be a critical discussion of data collection and analysis methods.

CHAPTER 3: RESEARCH METHODOLOGY

3.1 INTRODUCTION

Research methodology can be classified as specific procedures or techniques used to identify, select, and analyse information about the research topic of the investigator (Mackey and Gass, 2015). The methodology section allows the person who reads to critically evaluate a study's validity and reliability by answering two main questions of the data generation and analysis methods (Neuman and Robson, 2014). The chapter discusses the data collection and evaluation methods that the researcher used. The analysis of the theory in the literature review allowed for the research establishment of when it's necessary to conduct a study, as previous research indicated that the topic is to be further investigated in order to broaden the understanding of research problem. The researcher stated that the problem is the absence of organisational indicators or measures of CSR initiatives in most South African corporations. In a country where social and economic development is still a challenge for government, to monitor and evaluate the level of CSR impact and participation can prove to be rather difficult (Littlewood and Holt, 2015).

3.2 RESEARCH PHILOSOPHY

It is important to understand that theory-building (inductive research) and theories testing (deductive research) are both critical for the advancement of science. According to Flick (2014) the constant social transformation and diversification of life has increasingly inspired academics to confront research with new social contexts and perspectives. In research there are deductive and inductive research methods, "traditional deductive methodologies, deriving research questions and hypotheses from theoretical models and testing them against empirical evidence", are weakening due to the differentiation of objects (Flick, 2014: 30). As a result, modern research is progressively making use of inductive strategies. Therefore, for the researcher to attain the best possible research outcome they have chosen to conduct an inductive research method. Mayer (2015: 15) states that "qualitative research is a positioned activity that locates the observer in the world. It consists of a set of interpretive, material practices that make the world visible. They turn the world into a series of representations, including field notes, interviews, conversations, photographs, recordings, and memos to the

self". This means that a qualitative research study examines things in their natural surroundings, endeavouring to make sense of or to interpret, phenomena in terms of the meanings their subjects reflect to them. This study used an inductive interpretive approach in order to provide a pervasive lens on all aspects of a qualitative research. The participants who were involved in this interpretive study represented an underrepresented group of participants. (Lewis, 2015).

3.3 RESEARCH DESIGN

This research was established to use a systematic idiosyncratic approach, meaning the study was qualitative in nature. The study aimed to discover what problems exist in some social prospects and explore how organisations through CSR handle them. The researcher used a qualitative approach in a form of a case study, where the study was exploratory in nature. This form of research design was chosen because qualitative research produces holistic understandings of rich, contextual, and generally unstructured, non-numeric data by engaging in conversations with the research participants in a natural setting (Ponelis, 2015). The defining feature of case study research is its focus on cause and effect questions and for this reason is appropriate for descriptive and exploratory studies. The case study can focus on describing processes, individual or group behaviour in its total setting, and the sequence of events in which the behaviour occurs (Lewis, 2015).

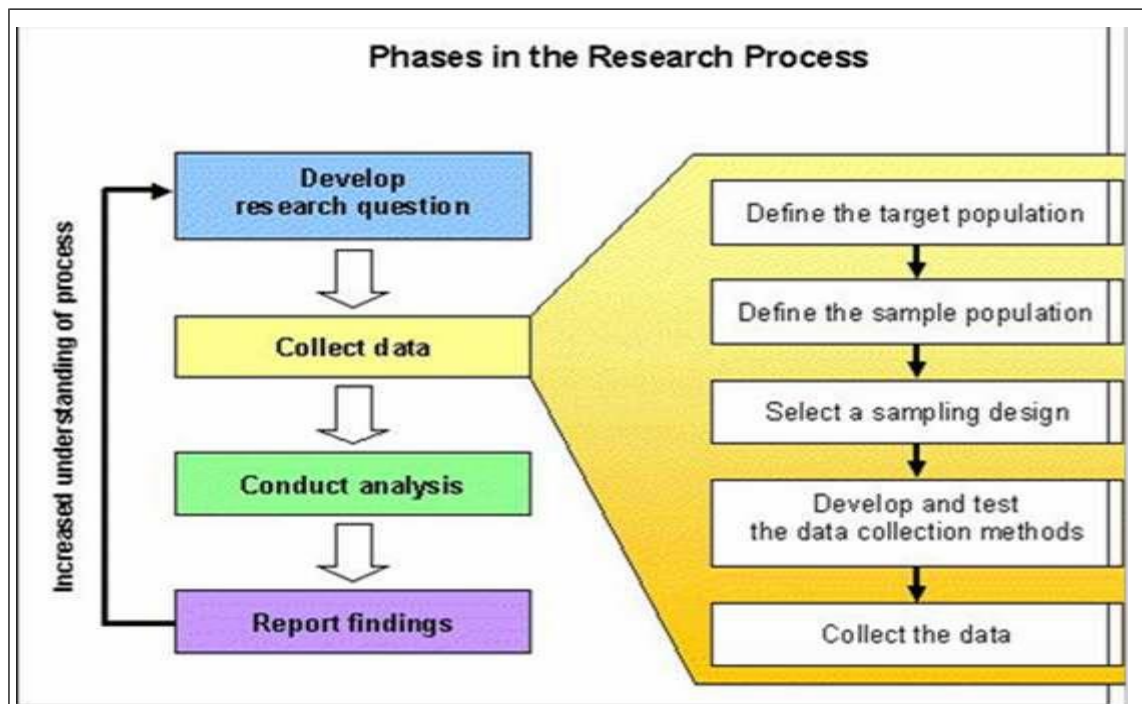


Figure 3.1: Phases in the Research Process

Source: Gibran (2018: 1)

3.4 TARGET POPULATION

Target population commonly refers to the group of individuals or objects that the researcher is interested in generalizing the conclusions (Etikan, Musa and Alkassim, 2016). To conduct a study of this nature the researcher decided to have it in a form of a case study and selected local multinational corporation Hulamin: Aluminium Supplier. Hulanin is the only major aluminium rolling operation in Sub-Saharan Africa, also it is one of the largest exporters, which representing more than 60% of sales in its industry. The company located in South Africa (Pietermaritzburg) “supplying customers across Africa and the world focusing on specific product and end-use markets” (Hulamin Annual Report, 2018: 4).

Researcher selected Hulamin as a case due to various reasons, namely, their potential to grow their CSR capacity, implementation strategies and stakeholder engagement. Although the organisation is actively involved in social investment initiatives with stakeholders such as Nyakazani Pre-School and Siyakhana Pre-School researcher’s (Hulamin Sustainability Report, 2018), through evaluation researcher identifies gap with the interactions of all the corporation’s

stakeholders. As previously stated, the company is involved in corporate social initiatives, however as reflected on the sustainability report there is very limited information, which raises questions on the measures of CSR activities and disclosure concerns. The researcher saw a gap in investigating what systems are in place to monitor each CSR initiative and to what evaluation criteria are they being assessed on.

3.5 SAMPLE SIZE

Sampling is a process of choosing a small part of the population to represent the target population. The sample size is the total number of people selected to partake in the study (Etikan *et al.*, 2016). The organization where the data was collected is a large multinational; however, there is no designated team or department that deals with sustainability or CSR work. The data was collected from a target population of 179 employees who were categorised as professionally qualified and experienced specialists and mid-management. The actual sample size was 16 participants and these participants were sampled in both the focus group and questionnaire survey. The study made use of a focus group discussion in order to draw upon respondents' feelings, beliefs, attitudes, experiences and reactions in a way that may not be feasible using other methods such as the one on one interviews. A focus group discussion can offer insights consistent with those shared by the company's entire population. In the case study, participation could have been maximized by holding separate, small, and focus groups for different social groups. This could have assisted in separating disadvantaged groups who are inhibited by power differences, enabling effective participation of all groups. Although not carried out, it is acknowledged that the project may have been constrained by time or resources (Silverman, 2015). Therefore, in order to gather unbiased viewpoints a questionnaire was developed and given to participants in order to evaluate participants' responses.

3.6 SAMPLING TECHNIQUES

Sampling techniques are divided into two categories which are probability and non-probability sampling. Since this study was qualitative in nature, a non-probability purposive sampling technique was used, which was selected based on the characteristics of the population and objectives of the study (Etikan *et al.*, 2016). The non-probability sampling techniques is characterized by the fact that samples are selected based on the subjective judgement of the

researcher, rather than random selection (i.e., probabilistic methods). The researcher also used the purposive sampling technique, also called judgment sampling, which is authoritative sampling, where the researcher selects units to be sampled based on his own existing knowledge, or his professional judgment. This is a deliberate choice of a participant due to the qualities the participant possesses. It is a non-random technique that does not need underlying theories or a set number of participants. Simply put, the researcher decides what needs to be known and sets out to find people who can and are willing to provide the information by knowledge or experience. This involves identification and selection of individuals or groups of individuals that are proficient and well-informed with a phenomenon of interest the goal of purposive sampling is not to randomly select components from a population to create a sample with the intention of generalizing. The reason why researcher used purposive sampling was to focus on characteristics of a population of interest, which enabled one to answer the research questions (Silverman, 2016).

3.7 DATA COLLECTION METHODS

The research utilised two types of primary data collection methods that are verbal and written in a form of a focus group discussion and questionnaire survey. The focus group discussion was a good way to gather together people from similar backgrounds or experiences to discuss a specific topic of interest (Graue, 2015). The primary data collection instruments were in-depth focus group discussion and a questionnaire survey. The discussion was guided, monitored and recorded by a researcher who facilitated the discussion. The focus group was conducted using open-ended interview questions, this discussion took place at the organisational site. The researcher made use of a survey questionnaire which is a method commonly used when the researcher is not looking for a specific answer.

3.7.1 Focus Group Discussion

A focus group discussion (FGD) is useful in providing insight into different opinions between different parties involved or part of the institution that the study seeks information about. This enables the knowledge acquiring process to be managed more smoothly. Focus groups can also be considered as a good method to employ prior to designing questionnaires (Krueger, 2014).

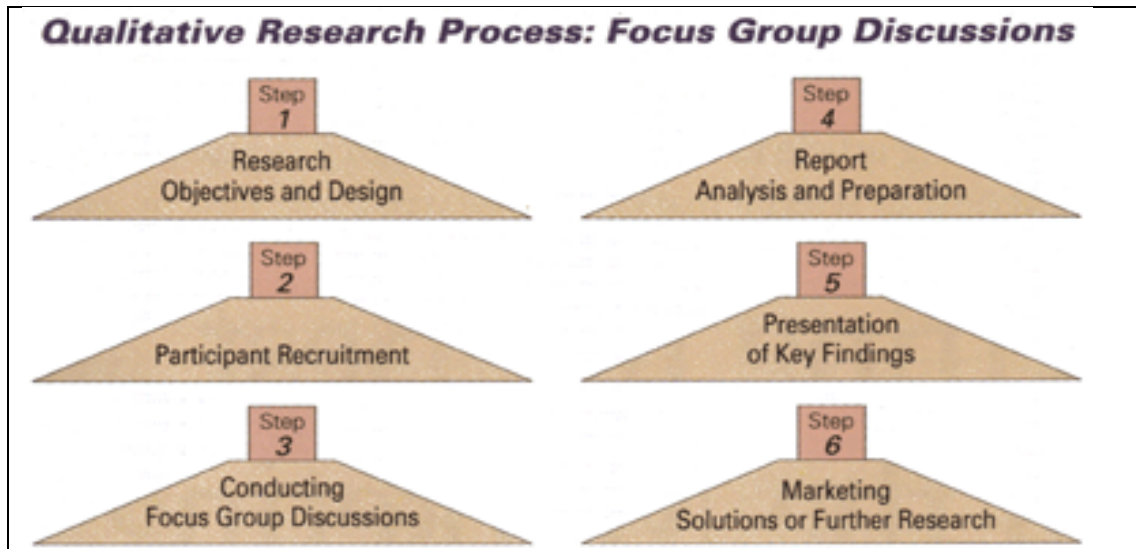


Figure 3.2: Focus Group Discussion Process

Source: Cytronics (2002: 1)

3.7.1.1 Participants Recruitment

The pool of participants consisted of professionally qualified; experienced specialists; mid-management; skilled technical; academically qualified workers; junior management; supervisors; foremen and superintendents' employees. With the study using purposive sampling technique researcher targeted a small group of participants with a common professional background and skills, in order to evaluate how mutual of an understanding do the participants have of this concept and its implementation in the organisation. The main reason for pursuing this study was the need to gather thoughts and ideas of people with a similar organisational background and evaluate the impact of CSR by identifying the extent to which stakeholder interactions influences its development. Due to company policy and restrictions the researcher was assisted by an intern to gather relevant participants as employee information (emails and phones numbers) were not to be distributed externally.

3.7.1.2 Conducting the Focus Group Discussion

The researcher conducted a single focus group with its key feature being the interactive discussion of a topic by a collection of all participants and with the facilitator as one group in one place. The focus group discussion was conducted at Hulamin office's in PMB, before the

researcher could collect data, she had to undergo safety regulations and was required to write a safety test. The focus group discussion was conducted at the boardroom, to ensure a comfortable and relaxing environment that participants were familiar with. The researcher developed 12 questions and participants were not divided into groups, all fifteen people joined in one group discussion due to time constraints and convenience. The moderator (researcher) was semi-skilled however prepared; the researcher borrowed a number of techniques from psychology to elicit attitudes and emotions that may not be revealed even when consciously probed. Researcher used word association, story-telling and sentence completion (Lewis, 2015).

3.7.2 Questionnaire Survey

A survey is a research method used for accumulating data from a pre-defined group of respondents to gain information and understandings on various topics of interest (Krueger, 2014). The researcher personally administered a paper-and-pencil standardized questionnaire survey which consisted of open-ended questions, this questionnaire was administered after the focus group discussion. This was the ideal research method as researcher was unable to attain employees email addresses to administer an electronic survey. The survey consisted of 20 questions. Participants were allocated 15 minutes to answer the questions to the best of their abilities. The questions were open-ended to allow respondents to provide a unique answer. This approach gave the respondents the freedom to say exactly what they felt about the topic, which provided exploratory data that may have revealed CSR identifiable gaps.

3.7.3 Documentation

Apart from the focus group discussion and questionnaire, researcher had to accumulate some information about the company, from other available sources. Researcher also evaluated companies annual and sustainability reports from the companies' website which are available for the general public. Researcher evaluated reports from the previous two years of 2016 and 2017. These documents were used to get the overview of companies CSR strategies and stakeholder interactions through different initiatives over the years.

3.8 DATA ANALYSIS

Interpretation of research was exclusive of subjectivity which can be a problem in qualitative research. Results preparation is done with the research objectives in mind in order that directly relevant and in order to reflect accurate findings (Etikan *et al.*, 2016). The data collected was analysed using content analysis technique where researcher developed various themes from the focus group discussion and open-end questions from the questionnaire. The application of this technique involved creation of patterns which were organised into logical categories which allowed for the determination of presence in words and concepts of the collected data. This process is done by quantifying and analysing the presences, relationships and meanings of words and concepts, then makes inferences about messages within texts (Neuendorf, 2016). “Theme is used as attribute, descriptor, element, and concept. As an implicit topic that organizes a group of repeating ideas, it enables researchers to answer the study question” (Elo, Kääriäinen, Kanste, Pölkki, Utriainen, and Kyngäs, 2014).

The researcher engaged in various steps in the process on analysing the focus group discussion data which are noted in this description. Firstly, the session was audio-recorded so that researcher may utilise collected data in the transcribing process. Secondly, the data collection process was completed, researcher transcribed the information into a printable version. Researcher proceeded to read through the transcript to assess each respondent’s data in conjunction to the research questions in order to commence with the categorising and thematic process. Thirdly, researcher identified whether categories can be linked and listed them as sub-themes and main-themes, this process involved comparison and contrasting categories. Finally, researcher reviewed all of the categories and determined whether some categories can be merged, these responses were organised and synthesised after a lengthy process of data analysis. Researcher analysed the data collected from personally administered questionnaires using and was analysed Microsoft Excel workbooks.

3.9 TRUSTWORTHINESS

It is appropriate to address how qualitative researchers establish that the research study's findings are transferable, confirmable, and dependable. Trustworthiness is all about establishing these three things, to which were considered in the process of conducting this study.

3.9.1 Transferability

Transferability is how the qualitative researcher demonstrates that the research study's findings are applicable to other contexts. In this case, other contexts can mean similar situations, similar populations, and similar phenomena. Qualitative researchers can use thick description to show that the research study's findings can be applicable to other contexts, circumstances, and situations. When conducting the focus group discussion and administering the questionnaire, the researcher allowed for the data collected to be interpreted in such a way that results reflect transferable information that is relevant in other studies of a similar nature (Marshall and Rossman, 2014).

3.9.2 Dependability

Dependability is the extent in which the study could be recurrent or explored by other researchers and that the findings would be consistent. This allows for a re-evaluation of a replicated study; can another researcher attain enough information from this research and obtain similar findings (Anney, 2014). In order to ensure dependability for this study, the researcher used inquiry audit where a third-party researcher reviewed the research process and data analysis in order to ensure that the findings are consistent and can be replicated if needs be.

3.9.3 Confirmability

Confirmability is the degree of neutrality in the research study's findings. In other words, this means that the findings are based on participants' responses and not any potential bias or personal motivations of the researcher. The researcher made sure that bias did not skew the interpretation of what the research participants said to fit own narrative. The researcher provided step by step details of data analysis that were made, in order to provide a rationale for the methods conducted. This allowed for the portrayal of accurate information gather from participants (Marshall and Rossman, 2014).

3.10 ETHICAL REQUIREMENTS

The researcher followed required ethical procedures. "Ethics pertains to doing good and avoiding harm. Harm can be prevented or reduced through the application of appropriate ethical principles. Thus, the protection of human subjects or participants in any research study is imperative" (Orb, Eisenhauer, Wynaden, 2000: 93). Ethical clearance was obtained from the University of KwaZulu-Natal ethics committee before data collection process took place, herewith attached in Appendix D. The participants were informed about the nature of study and that their participation was voluntary. Participants were informed verbally and in writing that they can withdraw from the study at any given point and time. Participants were assured of their anonymity and confidentiality would be protected. Consent forms were handed to all participants attached in Appendix B, "the principle of informed consent stresses the researcher's responsibility to completely inform participants of different aspects of the research in comprehensible language. Clarifications need to include the following issues: the nature of the study, the participants' potential role, the identity of the researcher and the financing body, the objective of the research, and how the results will be published and used" (University of Toronto Press, 2002 :152; Sanjari, Bahramnezhad, Fomani, Shoghi and Cheraghi, 2014).

3.11 SUMMARY OF THE CHAPTER

Methodology section allowed for the critically explain the data collection and analysis methods used during the study. A purposive research approach was adopted focusing on a population

group of 16 Hulamin employees who are experts in the engineering and manufacturing field. Researcher collected the data using a single focus group discussion thereafter administered questionnaire surveys to the same focus group participants for more in-depth exploration of the topics covered in the discussion. The next chapter is the interpretation of the research results, where the researcher will go into details in stating the outcomes of the study.

CHAPTER 4: RESEARCH RESULTS

4.1 INTRODUCTION

The results segment is where the researcher will report the findings of the study based upon the methodology applied to gather information. The section will further state the findings of the research arranged in a logical sequence without bias. This will enable researcher to critically interpret gathered information for the purpose of uncovering empirical viewpoints posed by the objections and research questions. The interpreted data was obtained using two data collection methods and phases of (single) focus group discussion and questionnaire survey.

4.2 RESEARCH OBJECTIVE

The overall aim and main objective of this study was to explore the implementation of CSR and stakeholder engagement of Hulamin in a South African context. The study assessed whether Hulamin's engagement in CSR activities, within its operational community, can result in measurable developmental strategies of socio-economic enhancement and positive stakeholder engagement.

4.2.1 Objectives

1. To determine how Hulamin CSR activities assist in the pursuit of poverty alleviation in KwaZulu-Natal.
2. To evaluate Hulamin's contribution towards job creation and initiatives in KwaZulu-Natal.
3. To assess Hulamin's contribution towards CSR environmental sustainability In KwaZulu-Natal.
4. To determine Hulamin's role in the enhancement of the educational system in KwaZulu-Natal.

4.2.2 Research Questions

The research questions for the overall study were:

1. To what extent does Hulamin assist in the pursuit of poverty alleviation in KwaZulu-Natal?
2. How does Hulamin contribute towards job creation initiatives in KwaZulu-Natal?
3. Does Hulamin subsidise towards environmental sustainability in KwaZulu-Natal?
4. What does Hulamin add towards the enhancement of the educational system in KwaZulu-Natal?

4.3 DEMOGRAPHICS OF PARTICIPANTS

The sampling technique used is purposive where the researcher deliberately chose experts in aluminium manufacturing field, whose expertise account for the majority of the population at Hulamin. The experts were selected to not only share their knowledge on the ideology and implementation of CSR but also share their observations on the engagements with all stakeholders. In table 4.1 below is the summary of the population.

Data Collection Method	Focus Group Discussion	Questionnaire
Employee Demographic	Managers/supervisors and professional staff	Managers/supervisors and professional staff
Actual Participants	16	15
Participants rate %	80%	75%

Table 4. 1 Focus Group and Questionnaire Survey Respondents

Source: Author's own compilation

The overall targeted sample size for this study was 16 participants. For this qualitative study researcher adopted two data collection methods in a form of a focus group and questionnaire survey. Twenty (n=16) focus group participants were invited to partake in the intimate discussion through a formal invitation. Researcher provided these 16 participants of the same population group questionnaires which ask similar questions as those discussed in the focus group in order to get a clear reflection of the topic knowledge or understanding of the respondents. As mentioned before this is a qualitative study therefore researcher accumulated information from a smaller sample group than one would do if one was conducting a quantitative study. Below table illustrates the group of professionals that participated in both the FGD and completed questionnaire survey.

Participants (P)	Profession Type	Gender	No. of years Employed
1	Area Manager	Male	>21 years
2	Mechanical Engineering Technician	Male	>2 years
3	Process Technician	Male	>2 years
4	Shift Leader (Supervisor)	Male	>30 years
5	In-service Training	Female	<5 months
6	Coil Processing	Male	>2 years
7	In-service Training	Female	<1 year
8	Process Control Specialist (Supervisor)	Male	>2 years
9	Manufacturing Engineer	Male	>2 years
10	Process Specialist	Male	>2 years

11	Planner	Female	>3 years
12	Product Manager	Male	>5 years
13	Instrumentation & Control	Male	>1 year
14	Engineering Technician	Male	>7 years
15	Quality Assurer	Male	>7 years
16	Engineering Technician	Male	>4 years

Table 4. 2 Participants Demographic Information (FGD and Questionnaire)

Source: Author's own compilation

The overall number of participants for this study was 16 participants, of the 16 participants 2 were female and 14 were male employees. The study demographic consisted of employees who have been with the company 15 years and less.

4.3 RESULT PRESENTATION OF THE FOCUS GROUP DISCUSSION

This segment discusses the qualitative insights are derived from focus group discussion, researcher reflect on the thematic analysis that was done to get insights from data. Various variables and emergent themes are discussed according to the research main objective which are as follows below:

Main Objective: The overall aim of this study is to explore the implementation of CSR initiatives and stakeholder engagement of Hulamin in a South African context. The research attempts to assess whether Hulamin's engagement in CSR activities, within its operational

community can result in measurable developmental strategies of socio-economic enhancement and positive stakeholder engagement.

4.3.1 Defining Corporate Social Responsibility and Implementation Strategies

The participants were asked open-ended question to indicate their level of understanding of the concept of CSR and how organisation embark on its implementation strategies. The objective of this question is to gain understanding of the level of awareness the staff has and if concept is something also recognised by Hulamin.

Participant 14 responded as follows: *“I think it’s giving back to the community in terms of anyways, socio economic and so forth; by institutions and businesses, also corporate companies. Also, a sense of having to give back in terms of the community particularly in areas where society needs it, the company can contribute from their financial resources”*. The participant reflects understanding of CSR through societal engagement in a form of charitable initiatives. Although the participant answered the question with a bit of uncertainty, the participant is aware of the concept and its meaning.

Participant 1 responded by adding the following: *“Just to add on that as well I would say my understanding of it, my little understanding is. Beyond the mandate of business, it’s about what is your involvement or your responsibility in terms of external environment the community, so meaning those external stakeholders, what is your role as a business on that regard. Which in a way will contribute internally in terms of your internal stakeholders”*. The participant is aware of the essence building a relationship with external stakeholders. Participant recognises the importance of quality relationships between the company and its stakeholders and the role they play in the advancement of the internal stakeholders.

Participant 8 response was as follows: *“I would define corporate responsibility as being a company becoming an active citizen, ey you know that a company is a legal entity with its own legal personality and stuff. So Corporate responsibility is sort of the way that the company*

shows activities as a citizen of the community that you operate in and not just being an isolated entity that doesn't interact or contribute to their surrounding environment, ecological and social environment". In this definition participant recognises that the company has its own legal personality meaning: "a company is recognized as a legal entity separate from its members. A company with such nature is an independent legal existence separate from its shareholders, directors, officers and creators" (Solaiman, 2017). This means that the company should not operate in isolation, which also acknowledges the importance of stakeholder engagement.

Participant 3 responded as follows: "*Social responsibility is the act of engaging and giving back to all your stakeholders, you know when a company does activities that help develop their country and communities. The company will consider their environment and the social needs of their stakeholders. They consider both the external and internal environment of the business and do what's necessary to assist them by contributing various resources. Example here at Hulamin we help schools in our community*". The participant is aware of the meaning and also added examples of initiatives his organisation is involved in.

Thematic Analysis

What are the participants understanding of the concept and implementation of Corporate Social Responsibility?

Category A- Societal Contributions

P 1: "contribute internally in terms of your internal stakeholders".

P 8: "not just being an isolated entity that doesn't interact or contribute to their surrounding environment".

P 3: "*consider both the external and internal environment of the business and do what's necessary to assist them by contributing various resources*".

Category B – Community Activities

P 14: *“Also, a sense of having to give back in terms of the community particularly in areas where society needs it”.*

P 1: *“Beyond the mandate of business, it’s about what is your involvement or your responsibility in terms of external environment the community”.*

P 8: *“the company shows activities as a citizen of the community that you operate in”.*

P 3: *“company does activities that help develop their country and communities”.*

Category C – Stakeholder Engagement

P 1: *“meaning those external stakeholders, what is your role as a business on that regard”*

P 3: *“The Company will consider their environment and the social needs of their stakeholders”.*

Category D – Resource Exchanging

P 14: *“the company can contribute from their financial resources”.*

P 3: *“do what’s necessary to assist them by contributing various resources”.*

Category A- Societal Contributions

Category B- Community Activities

Category C- Stakeholder Engagement

Category D- Resource Exchanging

Theme: Social Empowerment

Quotes 1, 3, 14 appeared in more categories than others. Participants describe CSR implementation as business societal contributions through community activities with stakeholders, where the exchange of resources can be identified.

The below in table 4.3 is an illustration of coded sub-themes and the number of times they were mentioned by participants during the focus group discussion

Codes	Frequency of Responses	Participants
Contributions	8	P1, P14, P3, P5, P12, P11, P6 & P9
Activities	7	P1, P2, P12, P11, P6, P14 & P5
Engagement	4	P14, P1, P5 & P11
Exchanging	3	P1, P14 & P7

Table 4.3: Sub-themes for Implementation of Corporate Social Responsibility Practices

Source: Author's own compilation

Researcher noted that the above coded themes illustrated in table 4.3 were mentioned frequently during the discussion with the participants. It was rather interesting to see the associations of themes that CSR is paired with, even though some were more frequently mentioned than others.

4.3.2 Organisational Internal CSR Policy Developments

Thereafter, participants were asked to if they thought there is a difference in CSR implementation policies pre and post democracy, and how the changes affect employees and communities. This question was asked in order to get an overview of CSR influential factors.

Participant 7 stated the following: *“Companies were only focusing on profit making and now they are more into minding the communities’ social and economic development”*. This participant gave a short and straight forward answer, where they stated the pre and post implementation factors.

Participant 14 also states that: *“Regulations have changed, and government was expected to do everything and hold the back of private entities. Now we find that companies are involved in a board vast of issues that the state would have dealt with alone. Economic development and social stability are a priority of most public and private entities. The laws have been adjusted to enable this. Profit making alone is prohibited unless beneficial to all.”* The participant acknowledges that changes in the law of the country and how they impact organisations at large.

Participant 1: *“I think yes there is a difference, because I will say pre ‘94’ pre-democracy the focus for most of the companies have changed. We’ve gone beyond just profit making. The basis of existing has gone beyond that post ‘94’. So, there is more involvement of companies which gives them more of eh competitive, it gives like a competitive advantage to be involved in societal issues or to make a difference within your community. Which than becomes what makes you different from competitors”.* The participant acknowledges the impact that the new governing system has on businesses and recognises that to attain competitive companies need to engage with stakeholder and invest on their stakeholders.

Participant 12 went on to state this in response: *“I think before businesses were not obligated to assist communities with any of their social challenges. Company policies were subjected to operational and some environmental laws, but beyond that the social obligations were only tackled by government”.* Today you will find the social and economic development are key elements in organisations striving to be socially responsible”. The participant is aware of social challenges and how organisations have a role in social and economic development.

Thematic Analysis

Is there a difference in CSR implementation policies pre and post democracy, and how do they affect employees and communities?

Category A – Profit Generating

P 7: Pre-democracy - *“Companies were only focusing on profit making”*.

P 14: Post-democracy - *“Profit making alone is prohibited unless beneficial to all”*.

P 1: Post-democracy- *“We’ve gone beyond just profit making”*.

Category B – Policy Changes

P 14: Pre-democracy - *“Regulations have changed, and government was expected to do everything and hold the back of private entities”*.

P 12: Pre-democracy – *“Company policies were subjected to operational and some environmental laws”*.

Category C – Economic and Social Development

P 7: Post-democracy – *“now they are more into minding the communities’ social and economic development”*.

P 14: Post-democracy – *“Economic development and social stability are a priority of most public and private entities”*.

P 12: Post-democracy – *“Today you will find the social and economic development are key elements in organisations”*.

P 1: Post-democracy – *“it gives like a competitive advantage to be involved in societal issues or to make a difference within your community”*.

Theme: Regulation Adjustments

Quotes 1, 7, 12, 14 appeared in more categories than others. The participants stated that there is a difference in the CSR implementation policies before and after democracy. The inclusion of social and economic needs of communities are subjected to organisational policies

Category A- Profit Generating

Category B- Policy Changes

Category C- Economic and Social Development

The below in table 4.4 is an illustration of coded sub-themes and the number of times they were mentioned by participants during the focus group discussion.

Codes	Frequency of Responses	Participants
Profit Generating	5	P12, P13, P1, P5 & P14
Policy Changes	4	P1, P14, P6 & P12
Economic and Social Development	9	P12, P14, P13, P5, P11, P1, P7, P6 & P9

Table 4.4: Sub-themes of CSR Internal Implementation Policy Development

Source: Author's own compilation

The above table illustrates the three main themes that emerged from the discussion of CSR implementation policy changes pre and post democracy in South Africa. The Hulamin staff gave several points in support of witnessing changes in organisations and their regulations over the years. Researcher found that economic and social development are the most frequently mentioned words, or themes, with profitability following behind.

4.3.3 Challenges of CSR Implementation and Engagement

The participants were yet again asked an open-ended question which investigated whether the company (Hulamin) empowers its employees with skills on CSR engagement strategies with its stakeholders. The objective of this question is to establish the implementation mechanisms and level of engagement participants have been introduced to since working for the company.

The respondents were asked if the company educates them on CSR engagement with other stakeholders and do, they provide training, courses or policies to enable their participation.

Participant 1 commented and said: *“I don’t think there is a formal programme or structure or office with a clear mandate”*. The participant is not aware of any training programmes.

Participant 12 then went on to add and said: *“In terms of training, well training we don’t have a specific programme or course offered to get us aware, but for example (named a colleague), her job is to develop enterprise and the previously disadvantage and that’s her task. So, when we do tenders for suppliers, it’s part of the scoring the use of elements, tender processing there right. So, Participant 1 is correct there is no formal processing in terms of training, but there are structures for those types of issues”*. The participant suggests that although there are no training programmes the company does make some attempt in providing awareness and policies are developed in such a way that they support development.

Participant 1 continued to state that: *“If you are asking me for example about employee safety I can tell you they are structures, there is an office; there are 5 of them. There are systems for safety, there is even a mandate. Now specifically with corporate responsibility there is nothing, there is bits of it like P2 was saying, but I don’t think it’s that formal or structured. We don’t have a programme to say, this this is our programme in terms of giving our mandate within this Maritzburg region”*. Participant 1 states again that they understand P2 perspective however they are not aware of any programmes and think it should be in the mandate if it’s to be considered formally.

Participant 6 also commented and stated the following: *“I think with procurement that’s 80 percent of their discussion, where else our discussion in the plant may be totally different. I think in different structures you may find CSR is very high priority and some areas our priority is a little bit different and we may not be informed or aware”*. The participant emphasised the importance of considering each unit of the organisation and that perhaps priority for such programmes to be administered in their unit is limited.

Participant 8 stated the following: *“Although CSR is not communicated to all of us as employees, our KPIs encourage transformation of which that is not enough but some form of awareness”*. This participant states that their KPIs encourage transformation as well as CSR in the company.

Thematic Analysis

Does Hulamin educate its employees on CSR engagement with other stakeholders and do they provide training, courses or policies to enable involvement?

Category A – Structures

P 1: *“I don’t think there is a formal programme or structure or office with a clear mandate” and “there is bits of it like P2 was saying, but I don’t think it’s that formal or structured”*.

P 12: *“Participant 1 is correct there is no formal processing in terms of training, but there are structures for those types of issues”*

P 6: *“I think in different structures you may find CSR is very high priority and some areas our priority is a little bit different”*.

Category B – Programmes

P 1: *“I don’t think there is a formal programme” and “We don’t have a programme to say, this this is our programme in terms of giving our mandate within this Maritzburg region”.*

P 12: *“In terms of training, well training we don’t have a specific programme”.*

Category C – Awareness

P 12: *“we don’t have a specific programme or course offered to get us aware”.*

P 6: *“CSR is very high priority in some areas; our priority is a little bit different and we may not be informed or aware”*

P 8: *“our KPIs encourage transformation of which that is not enough but some form of awareness”.*

Category A- Structures

Category B- Programmes

Category C- Awareness

Theme: Transformation Structures

Quote 1, 6, 8, 12 appeared in more categories than others. The participants explained that they are not particularly informed or involved in initiatives of CSR that the company may have developed for their stakeholders. Moreover, they are not aware of any formal structures or CSR programmes of this nature.

The below in table 4.5 is an illustration of coded sub-themes and the number of times they were mentioned by participants during the focus group discussion.

Codes	Frequency of Responses	Participants
Structures	7	P1, P12, P14, P16, P3, P5 & P4
Programmes	5	P14, P16, P3, P12 & P3
Awareness	4	P14, P5, P1 & P14

Table 4.5 Sub-themes of CSR Engagement through Information Training, Courses or Policies

Source: Author's own compilation

The above table reflects the developed sub-themes and their frequency level, most respondents agreed that they are no structures of CSR in place. Most participants, particularly management stated their lack of awareness regarding any formal structures and programmes connected to CSR implementation and stakeholder engagement.

4.4 RESULT PRESENTATION OF THE QUESTIONNAIRE SURVEY

This segment discusses the insights consequential from questionnaire survey, researcher reflects on the data accumulated from the questions derived from the research objectives. The results of the focus group revealed that there is no department dealing with CSR and no policy on the frequency of reporting CSR related strategy. The table below also illustrates the level of internal stakeholder involvement in initiatives of CSR. These results are in conjunction with the focus group questions which reflected on the main/overall objective of this study. Research

4.4.1 Objective 1: CSR Activities towards Poverty Alleviation

The results on Hulamin’s CSR initiatives towards poverty alleviation as observed by internal stakeholders are discussed and illustrated using descriptive charts and graphs. The first overview is presented in Figure 4.1 where the drivers of CSR implementation activity are discussed. Thereafter, table 4.6 discusses the founded activities of CSR implementation.

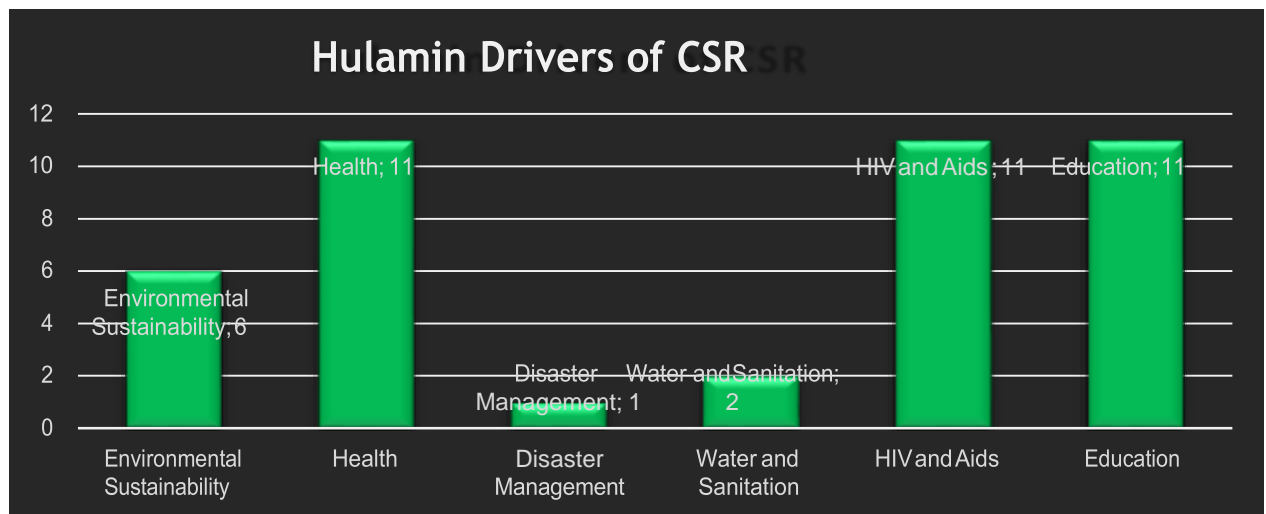


Figure 4. 1 Hulamin Drivers of CSR

Source: Author’s own compilation

Figure 4.1 reflects on what the participants view as the drivers of CSR at their organisation. As noticeable most staff believe that CSR is largely influenced by SA company legislation. The other portion of respondents equally state that global factors; community; vision, mission and company objectives are the drivers of CSR at Hulamin. The remaining staff suggested that CSR is driven by the revenue of the company.

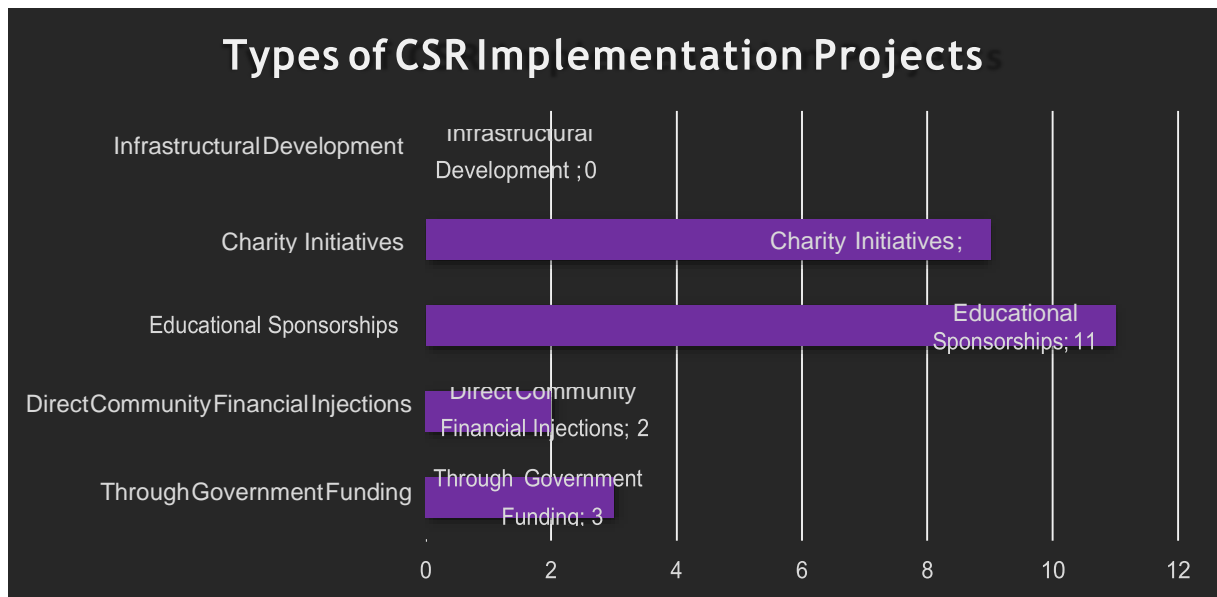


Figure 4. 2: CSR Implementation Projects

Author's own Compilation

The information on the above figure 4.2 reflects on the projects that Hulamin partakes in regionally to uplift their external stakeholders. Participants had to state whether they believed that the organisation is involved on any if not all the listed projects. Most respondents stated that the company is mostly involved in educational sponsorship projects. Six of them went on to further support the notion company's involvement towards charity initiatives projects. With the list ratings was government funding and direct community financial injection, were only a few respondents stated their awareness of company's involvement in the stated projects. Shockingly no participants are aware of their organisation partaking in infrastructural development projects.

4.4.2 Objective 2: Job Creation and Employee Development Initiatives

This segment reflects on the attained pertaining to whether the company contributes towards job creation and employee development initiatives. The internal stakeholders were asked to choose amongst a vast range of activities the organisation has embarked on and to state companies target groups, which are presented in below figure.

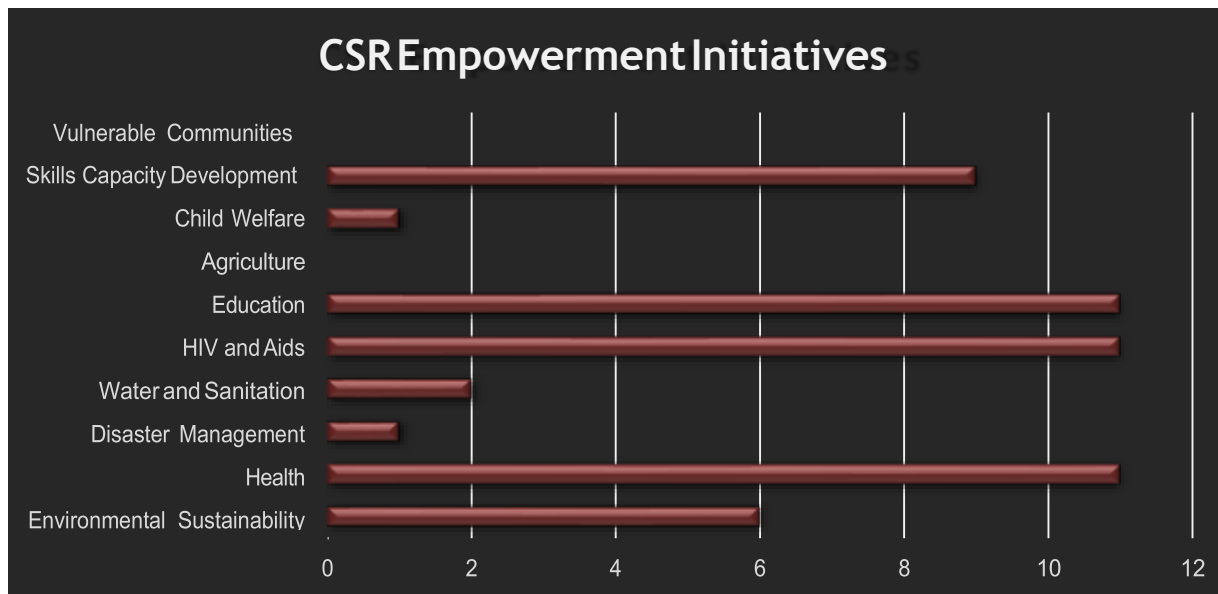


Figure 4. 3: CSR Societal Empowerment Initiatives

Author's own compilation

When looking at the above figure the researcher wanted to determine the extent which Hulamin contributes in job creation and employee development. Noticeably reflected is that under skills capacity development initiatives, which can be interlinked with job creation; 9 participants suggested that company embarks on such initiatives. Most participants also suggested that the company embarks in Health; HIV & Aids; and Education activities. A low response rate was detected when it came to respondents being aware of environmental sustainability, water and sanitation while the disaster management and child welfare initiatives.

4.4.3 Objection 3: CSR role in Environmental Sustainability

The results here are based on the evaluation of whether the respondents are aware of the contributions their company makes towards environmental sustainability. Table 4.4 illustrates the results yielded by the questionnaire.



Figure 4. 4: Sustainability Programmes

Author's own compilation

The above table illustrates a somewhat smaller number of participants in support to company's involvement in environmental preservation programmes. Moreover, referring to figure 4.3 is that 40 percent of respondents support the notion that states Hulamin partakes in environmental sustainability initiatives. While figure 4.3 reflects that participants are not aware of company's involvement in agricultural initiatives.

4.4.4 Objective 4: CSR Educational Enhancement Systems

Researcher requested that the participants mention any educational projects that they are aware of, where the company has assisted in educational enhancement. The researcher discovered that Hulamin is actively involved initiatives that enhances the educational system in its community. Reflected in figures 4.1, 4.2 and 4.3, a number of participants acknowledge the efforts the company puts in towards educational projects. Although respondents are not familiar with internal processes that lead these projects, however they stated that the company distributes bursaries, donates to a few schools and offers in-service training to students from nearing higher institutions.

Nyakazani Pre-School pre-school founded by Lila Madondo in 2009 is one of the schools that Hulamin has been sponsored since 2014. Hulamin is also involved in Welfare/Employee Participation As part of the “67 Minutes” campaign held in honour of the late Nelson Mandela, Hulamin employees spend time in the local Edendale community every year to help assist social transformation projects. The projections reflected in figures 4.1, 4.2 and 4.3 researcher noticed that most participants acknowledged Hulamin’s interest in educational development projects.

4.5 SUMMARY OF CHAPTER

This chapter presented the researchers interpretation of the empirical results. The results were interpreted using themes with the focus group discussion data. Thereafter created illustrative figures with the information gathered from the questionnaire. Results also indicated how the concept CSR lacks well elaborated methods of practice. The findings also reflected the importance of organisational internal influences to promote CSR stakeholder engagement with all stakeholders. The next chapter will focus on the discussion of research outcomes in conjunction with the objectives.

CHAPTER 5: RESEARCH DISCUSSION

The previous chapter presented an interpretation of the study results. This chapter provides the discussion of research outcomes in line with the research objectives and reviewed literature.

5.1 INTRODUCTION

This study focused on attempting to attain a broader understanding of CSR practices at Hulamin, an established manufacturing corporation. The investigation resulted in a better understanding of Hulamin's CSR implementation approaches and stakeholder engagement activities in surrounding communities. Therefore, below is the discussion of the results to demonstrate whether the objectives of the study were met and if research questions were answered. Below is a table summary of the previous chapters.

5.2 DISCUSSION IN RELATION TO THEMES

This study gave an overview of research entailing strategic approaches of CSR in a multinational corporation Hulamin. The findings of this study indicated that with the current socioeconomic issues, a self-regulating business model (CSR) with no universal meaning can prove to be rather challenging to measure, process and evaluate (Littlewood and Holt, 2015). The results and previous chapters (refer to table 5.1.1), enabled the construction of three main themes, social empowerment; regulation adjustments and transformation structures. There after the themes were evaluated in relation to the research objectives to identify the gaps in current CSR approaches.

5.2.1 Theme 1: Societal Empowerment

CSR has a different meaning for different people and organisations, however for most individuals it is a business approach that contributes to sustainable development by delivering social benefits for all stakeholders. CSR in relation to an individual is a strategy that aims to achieve greater employee commitment, gaining information from employees, improving the bottom line, and increasing responsiveness to customers (Lashley, 1996; cited in Dillon, Back and Manz, 2014).

In the context where CSR is an internal business practice that empowers external stakeholders, respondents reflected the ideology of the concept as being societal based business strategy that is monitored at an executive level in their organisation. The theme of societal empowerment emerged from the discussion around what each respondent perceived as the definition of CSR, this was in relation to organisational activities they had encountered. Fernando and Lawrence (2014) state that stakeholder engagement activities exist within a broad range of business events. The motivation behind the use of the term ‘engagement’ in CSR and the stakeholder theory is the need to emphasize that, for companies simply to interact with participants is no longer enough. Study participants acknowledge that the interaction with stakeholders is a necessary activity of business. Contextually, engagement is viewed as a mechanism to achieve a number of objectives including accountability, involvement, consent and co-operation as a method of enhancing trust, as a discourse to enhance fairness or as an instrument of corporate governance (Dhavaleshwar and Swadi, 2016). The first thematic analysis portrays the idea that respondents view CSR as business societal contributions through community activities with stakeholders, where the exchange of resources can be identified.

5.2.2 Theme 2: Regulation Adjustments

Participants were asked if they are aware of differences in CSR implementation policies pre and post democracy, and how the changes affected their organisation policy developments and stakeholders. Participants indicated that there is a difference where previously the organisation was purely driven by profit motives and labour laws only favoured the minority privileged stakeholders. Although regulations have been amended since, external stakeholders are still

disadvantaged as organisations level of social engagement is only guided by state laws such as the Kings IV report (Littlewood and Holt, 2018). The participants stated that there is a difference in the CSR implementation policies before and after democracy. The inclusion of social and economic needs of communities are subjected to organisational policies. In order for company policy to be inclusive and accommodative to social and economic change a review of not only national company regulations, but also internal need to be reviewed and adjusted (Kühn, Stiglbauer and Fifka, 2018). The development of this theme was inspired the sub-themes were participants stated three ideologies of that through inspired by the changes of the country where there is a shift in profit generating priorities; policy change; economic & social development.

5.2.3 Theme 3: Transformation Structures

The theme transformation structures emerged from discussion were the respondents mentioned that CSR as a business approach lacks structure and reflects the absence of programmes that may enable the company to effectively engage with stakeholders. Visser (2014) reflects the evaluation of Carrols pyramid were proportion in level of priority is subjected to the economic responsibility. According to the results participants recognise the need for organisational structures to be transformed to a level where they prioritise on all aspects of business. Participants stated that they are not aware of the procedures and strategies that the company has in place for CSR. Respondents also declared that their level of involvement in CSR is very limited as it is only stated in their key performance indicators, are evaluated and stipulate that employees are subjected to responsible behaviour that is beneficial to both the company and its stakeholders. Respondents suggested the company should aim to create new forms of business structures to address social or environmental community issues (Rangan, Chase and Karim, 2015).

5.3 DISCUSSION IN RELATION TO RESEARCH OBJECTIVES

This part discusses the research findings in relation to the research objectives and the reviewed literature.

5.3.1 Research Objective 1

To determine the extent to which Hulamin CSR activities assist in the pursuit of poverty alleviation in KwaZulu-Natal

The purpose of research objective one was to gain more understanding of how Hulamin's CSR activities give assistance in poverty alleviation in surrounding communities. The two data set results showed connectivity in the reflected themes. As stated on theme one CSR is perceived differently by differing entities, the concept is greatly associated with the term of societal empowerment. Through study evaluation CSR has been identified as the "process that assists powerless people in self-strengthening, enabling them to have dominant participation, control, and influence over their own affairs (Torre, 1985; cited in Kao, Chen, Wu, and Yang, 2016: 142).

Its integration is often for disadvantaged groups and can be initiated on an organisational or socio-political level (Kao *et al.*, 2016). The results support the body of literature that states that most of the theoretical approaches of CSR have been developed at macro level, this results in CSR implementation of a company to be affected by the external environment (Glavas and Kelley, 2014). When individual community problems are evaluated using CSR policies and measures of a macro level stature, it proves to be rather difficult assess the level of impact and if the outcomes are suitable for those particular individuals, this may also hinder growth mechanisms. Constructing suitable decisions for CSR strategy, business managers need to study the types social problems their communities need assistance on, therefore they can determine if projects of alleviation can be implemented effectively.

5.3.2 Research Objective 2

To determine the extent to which Hulamin contributes towards job creation and employee development initiatives in KwaZulu-Natal

This objective aimed to evaluate whether the company has a significant role in creating more jobs opportunities and also develop employee's skills. The results indicate some activity in Hulamin's role in job creation and development where respondents in support of this notion were reflected at 60 percent in figure 4.3. The thematic analysis of all three themes supports

the re-evaluation of CSR strategies and that it should begin at a macro level, thereafter priorities to micro level strategic planning. The literature reviewed suggests that in SA, not all CSR initiatives result from voluntary or indirect business decisions; in some cases, they are a creation of corporate compliance together with BEE legislation (Jain and Jamali, 2016). Nonetheless, businesses are generally very inward focused with top management deciding what they presume is material to stakeholders, rather than observing outwards and engaging their stakeholders. The organisation needs to make an effort into understanding its stakeholders, thereafter, creating opportunities which are of substance (Bondy and Starkey, 2014). Apart from the various contribution's companies can make in communities, providing employment opportunities for people is more effective than any other forms of CSR (Glavas and Kelley, 2014).

5.3.3 Research Objective 3

To determine the extent to which Hulamin contributes towards environmental sustainability in KwaZulu-Natal

The results indicate very limited activity of CSR in relation to environmental sustainability initiatives. The findings reflect that only a few participants are aware of Hulamin's involvement in environmental preservation efforts. Although literature views this aspect of CSR as a fundamental practise, were environmental efforts should be one of the primary focus of an organisation. Moreover, it suggests that interaction with all stakeholders should involve activities that encourage healthy environmental practices beyond the normal regulatory mandates. Scholars in support of this notion suggests that companies must set the bar higher than minimising environmental damage by targeting to contain and improve ecosystem sustainability (Visser, 2014). In further evaluation results revealed that a small number consider Hulamin an organisation that goes beyond the obligatory requirements to meet environmental preservations. Moreover, reflected in figure 4.3 the company does not engage in agricultural initiatives. These findings reflect on the amount of efforts still required in order to broaden the role of CSR beyond legislative requirements.

5.3.4 Research Objective 4

To determine the extent to which Hulamin contributes towards the enhancement of the educational system in KwaZulu-Natal

The results that emerged from this objective can be evaluated to have reflected a somewhat positive outcome. The findings indicated that although internal stakeholders may have a limited role in the facilitation of initiatives that promote educational development, Hulamin plays a prominent role in this aspect. This aspect of the outcomes indicates an apparent association with the first theme which is societal empowerment, where it was identified that beyond the legal liabilities of companies, CSR strategy deals with a company's interaction with its stakeholders in the external environment (Kao, 2016). The Sustainability Report (2017) indicates that Hulamin injects most of its CSI funding is towards the enhancement of education. Also reflected in the focus group in support of this was a large number of participants who stated that they are conscious of the funding initiatives such as bursaries and scholarships developed for surrounding communities.

Moreover, the level of interaction between internal and external stakeholders is subjective, in a sense that company has internal stakeholders who are at mid-management positions that are not alert of the processes that emerge when implementing internal CSR strategies. This suggests that CSR outcomes are monitored at an executive level and that should all stakeholders play a role in developmental initiatives, company has to form strategies that allow for the engagement to commerce at the lowest level of management.

5.5 SUMMARY OF CHAPTER

This chapter outlined the discussion of the results in line with the study objectives. This chapter referred to reviewed literature from the previous chapters in conjunction to the results from chapter four. The next final phase of this research will be presented in the conclusions and recommendations chapter. This chapter will give a general overview of the important contributions of the research by summarizing the main points of the previous chapters.

CHAPTER 6: RESEARCH CONCLUSTIONS

This chapter presents an overview of the main research findings and give suggestions for future research.

6.1 INTRODUCTION

This research presented a review of extensive literature on the implementation of CSR and stakeholder engagement of multinational manufacturer through scrutiny of theories. The study explored the perceived influences of CSR initiatives, as well as implementation strategies and how those influence the engagement of all stakeholders at Hulamin. This allowed for the study to identify some of the gaps in the developed CSR strategies by multinationals and how they influence the challenges faced by stakeholders. The study suggests that CSR initiatives are motivated by macro policies of company governance where organisation adhere to legislation in order to avoid being panelised by legal restrictions. Although this type of study has been conducted by a number of researchers before, researcher formulated objectives and research questions that seek to fill up the gaps that has emerged from other research studies; and also create areas of exploration by future studies. In the attempt to address research questions, study provided evidence the impact of CSR to society and how improved implementation methods can impact on the improvement of company actions will encouraging societal development.

6.2 CONCLUSION IN RELATION TO THE RESEARCH OBJECTIVES

6.2.1 Research Objective 1 conclusion: To determine the extent to which Hulamin CSR activities assist in the pursuit of poverty alleviation

The findings in this study extended on the notion that one company CSR contributions cannot solve the world's problems (Visser, 2014). Moreover, the findings acknowledge the amount of work still required for Hulamin to meet this objectives prospect. The role of the corporation can be re-evaluated and re-defined as this will enable internal stakeholders to play a more prominent role in tackling its communities' socioeconomic issues. Societal empowerment was the main theme developed to reflect the necessity for further CSR injection in communities. In efforts to alleviate poverty Hulamin could intensify socio-economic development initiatives.

622 Research objective 2 conclusion: To determine the extent to which Hulamin contributes towards job creation and employee development

This aim of this research objective was to unfold the extent to which company contributes in job creation in local communities. With the current unemployment rate in SA, interventions from corporations are vital, and they can be initiated using CSI regimes. The results suggested that Hulamin's contributions to capacity development initiatives are notable, however as reflected on theme two and three more work is required in order to adjust current regulations and shift structures in order to create more opportunities for local and neighbouring communities.

623 Research objective 3 conclusion: To determine the extent to which Hulamin contributes towards environmental sustainability

The third objective was aimed at unfolding whether Hulmain contributed towards environmental sustainability not only through operational legislation, but also beyond expected legal liability. The results gathered which are reflected in figure 4.3 state that although the company may be environmentally conscious and is conducting business practices that are subjected to sustainability, there is no indication of improved ecosystem sustainability. The themes that emerged suggested that with transformation structures in place more work can be done to elevate ecosystems sustainability initiatives.

624 Research objective 4 conclusion: To determine the extent to which Hulamin contributes towards the enhancement of the educational system

The research findings show that although Hulamin is invested in initiatives of this nature, there is room for growth. Reflected in the discussion on section 5.4, there is a clear indication of CSR injection towards educational enhancement which the company contributes most of its CSI distribution to this initiative. Some of the identified activities where bursaries and scholarship endorsements. The findings also reflected that internal stakeholders acknowledge the efforts the company puts in towards educational projects, however they are unfamiliar with

internal processes that lead these schemes. Therefore, the extent to which stakeholders are involved in implementation strategies is subjected to macro level management.

6.3 RECOMMENDATIONS

The researcher would like to believe that this study has developed a foundation for future research within the field of strategic CSR implementation and stakeholder engagement. It can be recommended that more studies are conducted to further understand this topic. It can be recommended that future studies use a mixed research approach and different sampling method in order to enhance the relationships between variables while gaining in-depth understanding. Management can adapt to the ideologies that encourage CSR to be used as a tool for implementing successful strategies. Additionally, CSR strategies need to be incorporated into core business practices, organisation can develop designated departments dedicated to social initiatives. The clauses in the king's reports are not mandatory, although they do to some extent encourage responsible business practices. In some countries such as India, the companies act prescribed a mandatory CSR injection of 2% of the average net income. The same could be implemented only to companies who generate a larger net income, exceptions could be granted to SME's.

6.4 IMPLICATIONS OF THE STUDY

6.4.1 Managerial Contributions

A critical evaluation of corporate social responsibility was done through assessing literature and study results, which revealed the importance of incorporating CSR into business strategy. Previous studies indicate the importance of organisations to not only engage in CSR initiatives, but also driving the transformation of their implementation strategies. The results enabled for the identification of gaps in stakeholder engagements in the implementation process of CSR. Research revealed the importance in the inclusion of all stakeholders when developing CSR methods. It is evident in the study that successful implementation of CSR is driven by internal and external stakeholder participation. The study also took into account the need for re-evaluation of CSR strategies. CSR as an approach should not be subjected to policies

established by executives but should adopt an integrated strategic plan developed by all company stakeholders. The study supports the notion of the stakeholder theory which recommends the re-conceptualization of organizations and encourages CSR engagement beyond legislation expectations.

6.4.2 Limitations

The main limitation of the study is the rather small sample size and that both data samples were collected from single group of participants. The sample was also taken from the same geographical location in Pietermaritzburg. The other limitation is use of purposive sampling which is a non-probability sampling technique can be subjective because participants are selected based on population characteristics and study objectives. Lastly the focus group discussion had no anonymity therefore some of the responses may have not reflected a detailed interpretation of the issues related to the research questions.

6.4.3 Conclusion

The global expansion of CSR in recent years has been enormous. Although much debate continues the content and efficiency of CSR, the notion that corporations are accountable for the social and environmental consequences of their activities has become widely accepted by most South African businesses. This study revealed the necessity to enhance awareness of what CSR means and how each organisation can incorporate its practices into daily business activities. Moreover, findings highlighted the need for stakeholder engagement through CSR organisational development programmes and other corporate awareness initiatives. Through this study we found that Hulamin as well as other companies may experience identifiable gaps in CSR implementation and stakeholder interactions, which need to be evaluated and aided with the interventions of executive organisational management.

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APPENDIX A: INFORMED CONSENT FORM

UNIVERSITY OF KWAZULU-NATAL

School of Management, IT and Governance

Dear Respondent,

M Com Research Project

Researcher: Hlengiwe Nzama (Telephone number: 0727778681) (Email: 210501567@stu.ukzn.ac.za)

Supervisor: Dr V.W. Gamede (Telephone number: 033 260 6101) (Email: gamedede@ukzn.ac.za)

Research Office: Humanities & Social Sciences Research Ethics Administration, Govan Mbeki Building, Westville Campus, Tel: + 27 (0)31 260 8350, Email: hssreclms@ukzn.ac.za

I, Hlengiwe Ladyfair Nzama am an M Com Management student in the School of Management, IT and Governance, at the University of KwaZulu-Natal. You are invited to participate in a research project entitle: An Exploratory Assessment of Corporate Social Responsibility Implementation and Stakeholder Engagement: A Case of Hulamin. The aim of this study is to: explore the implementation of corporate social responsibility (CSR) and stakeholder engagement of Hulamin in a South African context. The research attempts to assess whether Hulamin's engagement in CSR activities, within its operational community can result in measurable developmental strategies of socio-economic enhancement and positive stakeholder engagement. Your participation in this project is voluntary. You may refuse to participate or withdraw from the project at any time with no negative consequence. There will be no monetary gain from participating in this research project. Confidentiality and anonymity of records will be maintained by the researcher and UKZN. All collected data will be used solely for research purposes and will be destroyed after 5 years.

This study has been ethically reviewed and approved by the UKZN Humanities and Social Sciences Research Ethics Committee (approval number_____).

The survey and focus group discussion should take about 30 minutes/s each to complete.

Thank you for your time.

Researcher's signature_____Date_____

Hlengiwe Ladyfair Nzama

UNIVERSITY OF KWAZULU-NATAL

School of Management, IT and Governance

M Com Research Project

Researcher: Hlengiwe Nzama (Telephone number: 0727778681) (Email: 210501567@stu.ukzn.ac.za)

Supervisor: Dr V.W. Gamede (Telephone number: 033 260 6101) (Email: gamedede@ukzn.ac.za)

Research Office: **Humanities & Social Sciences Research Ethics Administration, Govan Mbeki Building, Westville Campus, Tel: 27 31 2604557, Email: HSSREC@ukzn.ac.za**

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.

Additional consent, where applicable

I hereby provide consent to:

Audio-record my interview / focus group discussion YES / NO

Signature of Participant

Date

APPENDIX B: FOCUS GROUP DISCUSSION GUIDE

1. Primary Question: This question is an introductory question which is open-ended that initiates the entire focus group discussion.
 - We are here to discuss about Corporate Social Responsibility (CSR) implementation and stakeholder engagement, what are your thoughts and knowledge regarding this topic? What is CSR?
 - Do you think the general public in our SA is aware of the Concept of CSR and the impact it has on them?
 - Do you think there is a difference in CSR implementation and policies pre-1994 and post 1994? And how did these changes affect employees and communities where companies operate?
 - What do policies such as BBBEE have to do with CSR?

2. Questions used to probe:
 - Do you feel as though CSR is a universal concept that should be fully embraced by all South African (SA) businesses, from small to large corporations? And why?
 - Does your company educate you on CSR engagement with other stakeholders? If yes how are they doing this? Courses, training or regulation policies, please explain.
 - How familiar are you with CSR related policies or programs in your organization/company?

- As a group can you come up with five main areas that you think CSR involves or is supposed to be involved in?
3. Questions to follow-up: further probe into participant opinions and feedback.
- How does the company/organization define its community?
 - What CSR activities has it undertaken and how do they fit in companies'/organizations mission and goals?
 - Does the company/organization have CSR strategy?
 - In your opinion should your CSR be implemented at executive or non-executive level? Why?

APPENDIX C: QUESTIONNAIRE

NB: Please Mark the relevant block with an X. Where there are no blocks, please fill in the blank spaces in handwriting.

University of KwaZulu-Natal

Questionnaire

Name of Interviewer: Hlengiwe Ladyfair Nzama
Date:
Area:

All the information provided here will be treated as STRICTLY CONFIDENTIAL.

Section A: Demographics

Gender: Female Male

Designation: _____

Name of the Organisation: _____

Year of Appointment: _____

Occupation Type: _____

Section B: Questionnaire Survey

1. Are you aware of Corporate Social Responsibility (CSR) as a terminology?

a) Yes	b) No
--------	-------

2. How clear to you is its true meaning?

a) Very clear	b) Somewhat clear	c) Indifferent	d) Not clear
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3. Do you think that there is a relationship between profitability and CSR?

a) Yes	b) No	c) Not clear
--------	-------	--------------

4. Is there a CSR philosophy that your company follows, which is included in the organizations vision, mission and objectives?

a) Yes	b) No
--------	-------

5. What are some of the CSR initiatives that your company is involved in? Please tick from the boxes below.

- | | |
|---|---|
| <input type="checkbox"/> Environmental Sustainability | <input type="checkbox"/> Education |
| <input type="checkbox"/> Health | <input type="checkbox"/> Employee Wellness & HIV/AIDS |
| <input type="checkbox"/> Disaster Management | <input type="checkbox"/> Agriculture |
| <input type="checkbox"/> Water & Sanitation | <input type="checkbox"/> Child Welfare |
| <input type="checkbox"/> Skills Capacity Development | <input type="checkbox"/> Vulnerable Communities |

Others, please give details below _____

6. Who are people mainly accountable for implantation of CSR in the organization?

a) Executive Management	b) Middle Management (e.g. Directors)	c) Line managers and/or supervisors
-------------------------	---------------------------------------	-------------------------------------

7. Is there a budget assigned annually or periodically for the implementation of these initiatives?

a) Yes	b) No
--------	-------

8. Has your organisation/company introduced any of the following programmes to assist employees, their families or community members?

(please circle or tick)

a) Health	Yes	No
b) Counselling	Yes	No
c) Education	Yes	No
c) Training	Yes	No
e) Preservation programmes	Yes	No

9. When participating in CSR, does the company implement CSR through the following initiatives below? Please tick relevant boxes.

- | | |
|--|--|
| <input type="checkbox"/> Though Government Funding | <input type="checkbox"/> Charity Initiatives |
| <input type="checkbox"/> Direct Community Financial Injcts | <input type="checkbox"/> Infrastructural Development |
| <input type="checkbox"/> Educational Sponsorships | <input type="checkbox"/> Other (please specify) <input style="width: 150px; height: 20px;" type="text"/> |

10. Are there any processes that your organisations follow when engaging in CSR?

a) Yes	b) No
--------	-------

- If yes, please briefly explain some of the processes your company follows when engaging in CSR activities?

11. Which groups are targeted when your organization conducts CSR initiatives?

- | | |
|---|--|
| <input type="checkbox"/> Disadvantaged Communities | <input type="checkbox"/> NGO's |
| <input type="checkbox"/> Organization Based Communities | <input type="checkbox"/> Random Organizations Countrywide |
| <input type="checkbox"/> State Recognized Organizations | <input type="checkbox"/> Other (please specify) <input type="text"/> |

12. CSR to employees, please tick box with abbreviations of the following:

SA- strongly agree; D- disagree; NS- not sure; A- agree; SA- strongly agree.

Statements	SD	D	NS	A	SA
The management of our corporation is primarily concerned with employees' needs and wants					
The company implements flexible policies to provide a good work & life balance for its employees					
Our company supports employees who want to acquire an advanced qualification or additional education					
Policies in our company encourage the employees to develop their skills and careers					

13. CSR to Clients, please tick box with abbreviations of the following:

SA- strongly agree; D- disagree; NS- not sure; A- agree; SA- strongly agree.

Statements	SD	D	NS	A	SA
Our corporation provides full and accurate information about its products to clients					
Customers rights are protected beyond the legal requirements					
Client satisfaction is one of the company's priorities					

14. Does your Company communicate its policies to stakeholders? (Please tick)

Stakeholders	Always	Sometimes	Never
a) Investors			
b) Suppliers			
c) Employees			
d) Customers			
e) Communities			
f) Unions & Government			

15. Please rank the following drivers of CSR according to you, (5 to 1, five being the highest and one the lowest).

Drivers of Corporate Social Responsibility in South Africa	Ranking
a) Vision, Mission and company objectives	
b) Legislation	
c) Company Revenue	
d) Social Awareness	
e) Global Factors	
g) Community	

16. Rate your opinion about the benefits of CSR to the following stakeholders of a company (please tick): SA- strongly agree; D- disagree; NS- not sure; A- agree; SA- strongly agree.

Statements	SD	D	NS	A	SA
Improved financial performance					
Enhanced brand image & reputation					
Increased sales and customer loyalty					
Increased ability to attract and retain employees					
Reduced regulatory oversight					
Easier access to capital					

17. Does your company have a Supplier CSR/Sustainability Policy? If yes, which areas are covered by this policy? please tick below:

a) Yes	b) No
--------	-------

Please indicate by ticking boxes below what areas do your policies focus on?

- | | |
|---|---|
| <input type="checkbox"/> Respect for human rights | <input type="checkbox"/> Non-Discrimination |
| <input type="checkbox"/> No forced or compulsory labour | <input type="checkbox"/> Health & Safety |
| <input type="checkbox"/> Working Conditions | <input type="checkbox"/> Environment |
| <input type="checkbox"/> No child labour | <input type="checkbox"/> Other (please specify) |

18. Are there any problems that the company has experienced with implementing CSR initiatives over the years? How is the organization dealing with these problems?

19. Does the organization partner up with other companies in the same sector to implement CSR initiatives? Or are they planning to do so in the near future?

20. What plans does the organization have for CSR in the future?

APPENDIX D: ETHICS APPROVAL



23 July 2018

Ms Hlengiwe Ladyfair Nzama (210501567)
School of Management, IT & Governance
Pietermaritzburg Campus

Dear Ms Nzama,

Protocol reference number: HSS/0955/018M

Project Title: An exploratory Assessment of Corporate Social Responsibility implementation and Stakeholder Engagement: A case of Hulamin

Approval Notification – Expedited Application
In response to your application received 19 July 2018, 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 Shamila Naidoo (Deputy Chair)

/ms

Cc Supervisor: Dr Vangeli W Gamede
Cc Academic Leader Research: Professor Isabel Martins
Cc School Administrator: Ms Debbie Cunynghame

Humanities & Social Sciences Research Ethics Committee

Professor Shenuka Singh (Chair)

Westville Campus, Govan Mbeki Building

Postal Address: Private Bag X54001, Durban 4000

Telephone: +27 (0) 31 260 358/78358/4557 Facsimile: +27 (0) 31 260 4809 Email: shenuka@ukzn.ac.za / ismartins@ukzn.ac.za / mibemba@ukzn.ac.za

Website: www.ukzn.ac.za

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