

CORPORATE SOCIAL RESPONSIBILITY IN THE SOUTH AFRICAN BANKING SECTOR

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ABSTRACT

Instead of trying to justify CSR by demonstrating the profits associated with CSR or the social necessity of CSR, there is also a need for studies that explain how institutions, such as banks, respond to an increasing demand for CSR as a business imperative.

The study uses a sense-making framework that seeks to illuminate the cognitive, linguistic and conative elements to how CSR bank managers in South Africa relate to CSR stakeholders, and how they have thus far heeded the call to be socially responsible in a triple bottom line driven fashion.

Potential respondents were approached, resulting in a purposive (convenience) sample of 12 institutions, and 17 individual managers from the South African CSR banking population being chosen for interviews carried out in a semi-structured, informal, and in-depth format.

Thematic analysis of transcribed interview data revealed that the practice of triple bottom line inspired CSR is limited in South African banking, with CSI being the dominant practice. The terminologies CSR and CSI were confused and used interchangeably, flagging a sector-wide misunderstanding of what CSR is relative to CSI.

The influence of apartheid legacy and African culture are noted as underlying drivers to the preferred vehicle for social responsibility investment, namely philanthropy. Added to this, the coordinated expenditure of the CSR budgets is largely earmarked for educational and financial inclusion priorities, regardless of the lack of basic monitoring and evaluation techniques to justify the sector wide focus.

DECLARATION

I, Palesa Tebogo Ramodibe, declare that this research report is my own work except as indicated in the references and acknowledgements. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration in the University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in this or any other university.

Palesa Tebogo Ramodibe

Signed at

On the day of 2012

DEDICATION

Mama, Papa and Sello...

“You live inside my heart where no one sees you. But I do. And that vision
becomes this art.”

-

Rumi

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1. CHAPTER 1: INTRODUCTION

1.1 CSR defined upfront

As a concept, Corporate Social Responsibility has undergone constant metamorphosis through the ages, resulting in a combination of understandings that permeate the literature and academic landscape of the practice. Crucial to this study, was to understand the essence of CSR as it is being honoured in South African banking relative to and underlying the understanding of what CSR is deemed to be in the present global context. Popularised by Elkington in 1997, the triple bottom line has become the most generally accepted premise for sustainable development efforts, citing, the three dimensions of environment, economic and social as intrinsically connected. In satisfying the triple bottom line, CSR is executed in a sustainable manner. This report was written based on this three-pronged understanding of CSR through the triple bottom line and its findings were interrogated through the same lens of CSR, as manifest in pursuit of the triple bottom line. (Elkington, 1987)

1.2 Purpose of the study

Contemporary firms face a dual role: (i) the need to respond to social calls and (ii) the need to satisfy the traditional role of maximizing shareholder wealth. It is therefore important to evaluate how firms balance these seemingly two competing roles of the contemporary firm (Margolis & Walsh, 2003). To that end, the purpose of this research is to explore how banks in South Africa have thus far responded to the task of balancing economic, environmental and social obligations. Put somewhat differently, the research focuses on how South African banks have interacted with all of their stakeholders in the midst of growing calls for banks to be socially responsible. The research also aims to understand the South African CSR bank manager's appreciation of the related but vastly differing activities of CSR, CSI and philanthropy.

1.3 Context of the study

The role of the firm in an economy is not clearly defined. Merton (1976: 88) cited in Margolis and Walsh (2003) succinctly highlights this by asking: “Does the successful business try first to profit or to serve?” The role of the firm in society has been topical and will continue to spark debate for many years to come. Two divergent viewpoints exist in financial economics literature: on one hand is the view that the rightful role of a firm is to maximise shareholder wealth (Friedman, 1970) and on the other hand is the view that the firm should take into account the interests of society as a whole while conducting business. Friedman famously stated that “few trends could so thoroughly undermine the very foundation of our free society as the acceptance by corporate officials of a social responsibility other than to make as much money for their stakeholders as possible.” (Friedman 1962). Certainly, this hard-nosed approach to business is no longer seen to be sustainable, with the divergent point being an understanding that firms have a responsibility to the societies they serve. Rightly, more recent definitions of sustainability, like the United Nations’ Brundtland Report of 1987, contend that corporations should look to meet the triple bottom line of environmental protection, economic development and community building in such a manner that “meets the needs of the present without compromising the ability of future generations to meet their own needs.” (UN, 1987)

Triple bottom line language dominates modern day definitions of corporate obligations, with the three pillars of the environment, economics and community development being at the centre. The theory proposes that the sole objective of a company is not profitability, but that companies also have to heed the objectives of adding environmental and social value to society (Crane & Matten, 2004). Also espoused by the South African constitution, the Companies Act, King III and the United Nations Global Compact, these three pillars should offer a familiar backdrop for corporations in the sphere of social responsibility and have only strengthened the case for those against maximizing shareholder wealth at any cost, even from a regulatory perspective.

Following recent corporate scandals as a result of the sub-prime crisis of 2008 in the U.S. and the subsequent global financial meltdown, banks are at the centre of a heightened interest of why firms need to align CSR with corporate strategies. In this regard, academics, regulators, and general society at large have taken a keen interest. This largely emanates from the perceived “irresponsible behaviour” of financial institutions which resulted in reputational risks that institutions have failed to manage. As a result, banks have invested heavily in CSR programs in the hope of improving corporate brands and stakeholder relationships (Gdansk, 2003). In South Africa, banks have come under fire for exorbitant service fees, transformation reluctance and predatory lending which saw the enactment of the consumer protection act. In general, the question of ‘sincerity’ in the financial sector, and in particular in banks, to the general upliftment of South Africans has been raised by politicians and by South African society. The intersection of CSR and the business of banks become more and more important in the South African context given the country’s historical legacies on one hand and the need to realise sustainable development fuelled by a stable banking system on the other hand. Given this nexus, exploring how banks have embraced CSR is extremely important.

According to Pearce and Doh (2005), CSR has irreversibly become part of the corporate fabric and is moving from a nice-to-have into a need-to-have for companies across all sectors. Though difficult to confine to a single definition, the CSR doctrine partly reflects the continued discontentment of society with the motive of profit maximisation at the expense of the environment and society in general. Added to this, regulatory frameworks and reporting initiatives are spearheading the acceptance of CSR (e.g. The EU Directive on Transparency and the King III Code for South African companies) (KPMG, 2010), entrenching practice and compliance. In the majority of views of the current day, triple bottom line thinking underlies the definition of CSR, with the three dimensions of economic, social and environmental activities working together to achieve sustainable development (Elkington, 1997).

CSR literature highlights a number of factors why firms engage in CSR activities: (i) creating competitive advantages (ii) solidifying brand and corporate

reputation (doing well by doing good) (iii) enhancing customer loyalty and trust. As a consequence, many firms have developed extensive CSR programs. However, the underlying motivations of firms investing in such programs are not clear cut. A dominant view from literature though suggests that CSR leads to better performance in terms of profitability, competitiveness and risk management (Porter and Kramer 2002). The majority of CSR studies to date empirically examine the relationship between firms' socially responsible conduct and their subsequent financial performance (Lopez et al: 2007). Instead of trying to justify CSR by demonstrating profitability or social necessity, there is also a need to understand how institutions such as banks respond to an increasing demand for CSR as a business imperative. The intuition behind this claim is that understanding the underlying drivers of CSR reveals firm specific differences that influence CSR in the first place. Importantly, they argue that disregarding firm specific influencing factors counteract the need to understand the role of managers in shaping CSR programs of firms. How firms make sense of CSR. According to Basu and Palazzo (2008:9) this entails:

“...a tripartite view of a [firm's] essential processes: *cognitive*, which implies thinking about the organization's relationships with its stakeholders and views about the broader world (i.e. the “common good” that goes beyond what's good for business) as well as the rationale for engaging in specific activities that might impact on key relationships; *linguistic*, which involves ways of explaining the organization's reasons for engaging in specific activities, and how it goes about sharing such explanations with others; and *conative*, which involves the behavioural posture it adopts, along with the commitment and consistency it shows in conducting activities that impinge on its perceived relationships”.

While certain basic fundamentals will govern the CSR landscape globally, it cannot be denied that CSR issues will vary based on geographical location and the particular industry (Atuguba and Douwuona-Hammond, 2006) cited in Dartey-Baah and Amponsah-Tawiah (2011: 127). With this understanding, studying CSR in South African banking using the sense-making approach

provides a more vigorous framework compared to simply analysing a firm's CSR programs and the expected financial relationship (Basu and Palazzo, 2008). It will infer a more honest reflection of what happens in the business of banking with regards to the more qualitative nuances that will remain unobserved through a financial lens. The sense-making even goes further to highlight the blatant and rampant confusion between CSR's triple bottom line mandate, with the less robust and non-sustainable practices of CSI and philanthropy, that abounds in corporate South Africa, and more specifically, in banking. Marsden, in his definition of CSR, articulated that CSR is not an optional add-on nor is it an act of philanthropy, rather, a socially responsible corporation is one that runs a profitable business, and one that takes all the positive and negative environmental, social and economic effects it has on society via the social, environmental and economic dimensions, into account (Marsden, 2001).

1.4 Problem statement

1.4.1 Main Problem

To ascertain how banks have responded to the need to contribute to social upliftment through CSR programs.

1.4.2 Sub-problems

The first sub-problem is: Ascertain what constitutes CSR in the banking sector.

The second sub-problem is: Establish which social issues capture banks' attention.

The third sub-problem is: Ascertain which social duties banks prioritise when responding to social issues.

1.5 Significance of the study

Despite the growth in CSR literature and the significant contributions of most empirical attempts, several authors contend that there is still a gap in the CSR literature (Basu & Palazzo, 2008; Campbell, 2006; Margolis & Walsh, 2003). According to such critics, the majority of previous studies mainly focused on the content of CSR and its activities. They neglect a crucial topic: “how firms make sense of CSR”. Differently to the traditional framework, this study will focus on CSR from the new perspective: sense-making. By looking at the underlying sense making processes and investigating how banks view, speak and tend to behave regarding CSR, the study will give a richer understanding of how banks have dealt with the phenomenon of CSR in South Africa (Basu & Palazzo, 2008).

1.6 Delimitations of the study

For this study, a purposive (convenience) sample of 12 institutions, and 17 individual managers from the South African banking population was chosen.

1.7 Definition of terms

Sustainable Development

This is a development path that countries, companies and the planet can sustain indefinitely knowing that there is limited natural capital. (Hanks, 2009). The UN's Brundtland report of 1987 found that corporations should look to meet the triple bottom line of environmental protection, economic development and community building in such a manner that “meets the needs of the present without compromising the ability of future generations to meet their own needs.” (UN, 1987)

Corporate Social Responsibility (CSR)

Defined at length in the introduction of this report, CSR encompasses the corporations' economic considerations, "the corporate investments of time and money in pro bono work, philanthropy, support for the community and protection of the environment" (Gardberg & Fombrun, 2006: 329)

Corporate Social Investment (CSI)

CSI is a small part of CSR activities and involves discretionary or philanthropic giving in a co-ordinated fashion. In the South African context, CSI as a term is especially problematic as it has been confused with genuine CSR.

Philanthropy

Philanthropy, much like CSI encompasses donations, but is seen to be more ad-hoc and strategically uncoordinated.

Triple Bottom Line

The most dominant approach to CSR today, introduced by Elkington in 1997, concerns the pursuit of sustainable development by balancing the "triple bottom line of economic, environmental and social dimensions" (Elkington, 1997).

Corporate Citizenship

"At a minimum, corporate citizenship means adherence to laws, regulations, and accepted business practices in the places where a company operates. A more expansive interpretation is the conduct of business in ways that reflect proactive, responsible behaviour in business and in dealings with all

constituents and with respect to communities, society, and natural environment more generally.” (Logan et al, 1997: 7)

Sense-making

“a process by which individuals develop cognitive maps of their environment” (Ring & Rands, 1989: 342 cited in Basu & Palazzo, 2008).

Mzansi Account

Inspiration by the Financial Sector Charter’s requirement to make banks more accessible to the nation, allowing for the social and economic inclusion of all, fuelled the collaborative product development that is the ‘Mzansi Account’. Writing for Mail & Guardian, Maya Fisher-French states the reason the products failure could be that “for some banks, Mzansi was a kneejerk reaction to the financial sector charter and it never became fully integrated into their overall banking model. Instead, it was an expensive exercise written off as a social obligation, rather than a real acquisition strategy (Fisher-French, 2012:1) Quoted in her article, Fisher-French explains further that “Mzansi was loss-making,” and quotes Leon Barnard, director of Standard Bank inclusive banking in saying. “It had high cost origination in-branch, servicing was expensive and customer utilisation was very low.”(Fisher-French, 2012:1)

Teach Children to Save South Africa Campaign

Originally piloted in 2008, TCTS SA, “the first collaborative generic financial literacy initiative of the South African banking industry” (SA Banker, 2012), is in its fifth roll-out year. Volunteer driven, the initiative has yielded mass endorsement across the spectrum of banking institutions in the country. Citing financial literacy as the key to “full and informed participation of individuals in economic life”, the Banking Association of South Africa spear-heads the initiative on the basis that “developing a culture of saving among children is a

critical tool, instilling financial literacy in future generations, as financial literacy is the core platform for financial inclusion.” (SA Banker, 2012: 50).

UNGC Decalogue

Primarily created to promote sustainable and socially responsible policies, the 10 principles, originally delivered by Kofi Anan in December 1999 require business’ voluntary adoption of the following behaviours:

1. should protect internationally proclaimed rights,
2. ensure non-complicity in human rights abuses,
3. uphold freedom of association and collective bargaining,
4. eliminate forced labour,
5. abolish child labour,
6. eliminate employment discrimination,
7. support environmental protection,
8. promote greater environmental responsibility,
9. encourage development of environmentally friendly technology and
lastly,
10. work against corruption and bribery

(Source: unglobalcompact.org, 2011)

Greenwashing

Communicating CSR efforts is not uncommon, greenwashing on the other hand, is explained well by Parguel et al, (2011), citing (Fukuwa et al 2007), stating that “the profusion of CSR claims, whether well founded or not, creates difficulties for consumers who attempt to distinguish between truly virtuous firms and firms taking opportunistic advantage of sustainable development trends”. Greenwashing undermines those with a genuine interest to uplift via the triple bottom line.

SRI Index

The Socially Responsible Index, came into being in 2004, around the time where the sustainability debate gained momentum, citing the JSE website, the index was developed “as a means of helping to focus the debate, the JSE has developed Criteria to measure the triple bottom line performance of companies in the FTSE/JSE All Share Index, with the aim of compiling an Index comprising those companies that pass the Criteria requirements. The SRI Index further offers an aspirational sustainability benchmark, recognising those listed companies incorporating sustainability principles into their everyday business practices and to serve as a tool for investors to assess companies on a broader base” (JSE 2011)

SA Social Investment Exchange (SASIX)

Explaining their activities via their website, “SASIX makes carefully selected social development projects available as investment opportunities with a social return” (SASIX, 2012).

1.8 Assumptions

It was assumed there would be some confusion between the terms CSR, CSI and philanthropy.

2. CHAPTER 2: LITERATURE REVIEW

2.1 Introduction

Following the sub-prime crisis in the U.S. and the subsequent global financial meltdown, banks are at the centre of a heightened interest in the reasons why firms need to align CSR with corporate strategies. In this regard, academics, regulators and the general society at large have taken a keen interest. This largely emanates from the perceived 'irresponsible behaviour' of financial institutions which resulted in reputational risks that institutions have failed to manage to date. As a result, banks have invested heavily in CSR programs in the hope of improving corporate brands and stakeholder relationships (Gdansk, 2003). However, how managers, the drivers of CSR in firms, make sense of their 'duty' to stakeholders and how they are justifying their actions in fulfilling this duty is not well understood (Scherer and Palazzo, 2007). Moreover, empirical studies focusing on CSR have mainly centred on studying the 'causal link' between financial performance and CSR activities neglecting the underlying drivers of CSR activities of firms in general and banks in particular. As a consequence of this gap in the literature, a recent theoretical paradigm (sense-making) has emerged in literature advocating for empirical studies to focus on how a firm's decision making on calls to serve society is shaped (Basu & Palazzo, 2008). According to Hine and Preuss (2009), the sense-making paradigm postulates that the perceptions of managers are crucial to understanding the nature and purpose of specific firm CSR activities. To that end, Pedersen and Neergaard (2009) reason that failing to grasp the mental models that underlie organisational CSR sense-making will make it difficult to understand and predict how firms respond to societal demands. In other words, a thorough knowledge of how managers actually perceive the role of business in society is regarded as a precondition for understanding the current CSR practices of firms (Pedersen & Neergaard, 2009).

Given that this study follows the newly proposed sense-making paradigm applied to a CSR study, the literature discussion presented in this chapter is centred on two of the three blocks of the paradigm: cognitive and linguistic. According to Basu and Palazzo (2008: 8) 'cognitive implies thinking about the organisation's relationships with its stakeholders and views about the broader world', and 'linguistic, which involves ways of explaining the organization's reasons for engaging in specific activities'. In essence, reviewing CSR literature from this theoretical foundation means that in this chapter two aspects are reviewed: first, a definition of what constitutes CSR, the focus being on highlighting the divergent perceptions in literature (synonymous with the cognitive block); second is the identification of CSR dimensions which capture firms' attention, this implies reviewing motivation for specific CSR activities (synonymous with the linguistic block).

2.2 What Constitutes Corporate Social Responsibility?

Given the notion that different stakeholders demand different priorities (Stigson, 2002) from business managers, the drivers of CSR, it is imperative to answer the question: 'what responsibilities to society should businessmen reasonably be expected to assume?' (Bowen, 1953: 11). Starting from the early 1950s to 21st century studies, CSR has actually been the subject of numerous empirical investigations. Interestingly, several authors (Carroll, 1999; Moir, 2001; Joyner & Payne, 2002; Dahlsrud, 2008) have traced the historical development of the CSR paradigm, reviewing CSR definitions in the academic literature, the business literature or a combination of the two. Despite the extensive CSR literature, much about what constitutes CSR is debatable (Rowley & Berman, 2000). Although debatable, it is noted that the overwhelming majority definitions of the current day are linked to the triple bottom line of economic, environmental and social dimensions of sustainable development (Elkington, 1997).

The literature review presented in this section discusses the numerous definitions of CSR that have emerged in literature. Attention is placed on the identification of the more common definitional dimensions that have evolved.

According to Carroll (1999:269), such a review is important 'in providing a firm foundation for further research on the topic'.

2.2.1 Corporate Social Responsibility definitions through the ages

The evolution of the diverse CSR definitions that have emerged in literature starting from the 1950s through to the current day is noteworthy, and details the thinking that dominated the field through the ages. As far back as 1953, the social dimension took precedence in defining CSR, and spoke to the obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society (Bowmen, 1953). A few years later in 1957, still socially driven, CSR then became recognised by management as a combination of meeting maximum profitability and entrenching humane and constructive social policies in concert (Heald, 1957), and not necessarily as separate considerations.

It was in 1960, when the definition offered by Frederick, also a combination of economic and social mandates, purported that businessmen should oversee the operation of an economic system that fulfils the expectations of the public, meaning that the economy's means of production should be employed in such a way that production and distribution should enhance total socio-economic welfare (Frederick, 1960). The idea of social responsibilities, introduced by McGuire also in the early 1960's, supposed that the corporation not only had economic and legal obligations but that it also had certain responsibilities to society which extended beyond those obligations. The responsibilities being economically, legally and socially driven (McGuire, 1963). Taking his lead from McGuire, Walton took the new concept of social responsibility further and in 1967 by recognizing the intimacy of the relationships between the corporation and society, and realizing that such relationships must be kept in mind by top managers as the corporation and the related groups pursue their respective goal.

As previously stated, Friedman's view in 1970, was that there is one and only one social responsibility of business, to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of

the game, which is to say, engages in open and free competition without deception or fraud. This hard-lined economic approach, within a legal boundary is to date quoted as the antithesis of triple bottom line, sustainability thinking.

Returning to the idea of responsibilities being honoured in tandem with meeting business profit maximisation ideals in 1973, Eilbert and Parker introduced the notion of social responsibility as good neighbourliness. The concept involves two dimensions. On one hand, it means not doing things that spoil the neighbourhood. On the other, it may be expressed as the voluntary assumption of the obligation to help solve neighbourhood problems. Those who find neighbourliness an awkward or non-descript concept may substitute the idea that social responsibility means the commitment of a business or business, in general, to play an active role in the solution of broad social problems, such as racial discrimination, pollution, transportation, or urban decay (Eilbert & Parker, 1973). Also in the 1970's, famously, Carroll's pyramid of corporate social responsibility was introduced in the year 1979, and identified that the social responsibility of business encompasses the economic, legal, ethical, and discretionary expectations that society has of organizations at a given point in time.

Taking the voluntary and stakeholder elements of the varied theories of CSR further, a new definition by Jones emerged in 1980. The theory states that CSR addresses the notion that corporations have an obligation to constituent groups in society other than stockholders, and beyond that prescribed by law and union contract. Two facets of this definition are critical. First, the obligation must be voluntarily adopted; behaviour influenced by the coercive forces of law or union contract is not voluntary. Second, the obligation is a broad one, extending beyond the traditional duty to shareholders to other societal groups such as customers, employees, suppliers, and neighbouring communities (Jones, 1980). Carroll resurfaced in 1983, adding that CSR involves the conduct of a business that ensures it is economically profitable, law abiding, ethical and socially supportive. According to Carroll, to be socially responsible meant that profitability and obedience to the law were the foremost conditions to discussing the firm's ethics and the extent to which it supported the society in which it

existed with contributions of money, time and talent. Thus, CSR is composed of four parts: economic, legal, ethical and voluntary or philanthropic (Carroll, 1983). This is seen in Figure 1 which follows:

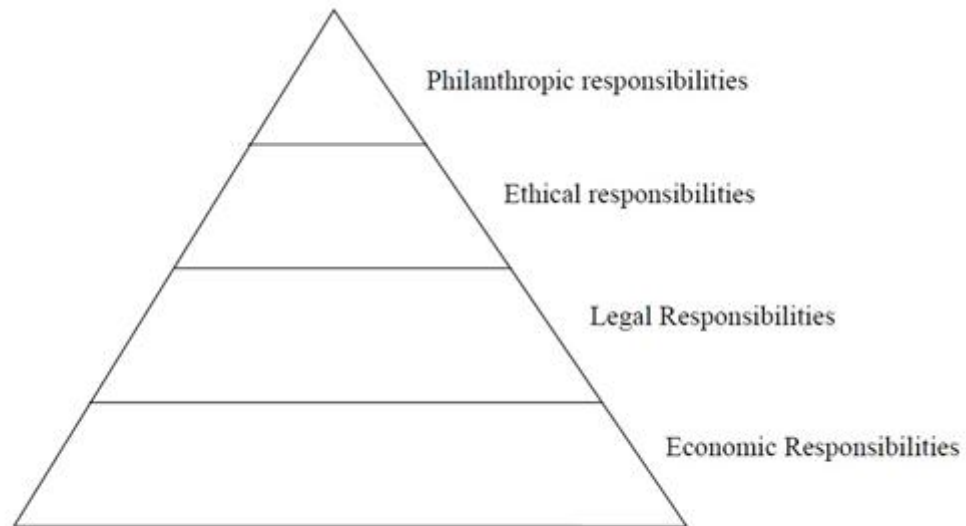


Figure 1:Carroll's Pyramid of CSR

Source: (Dartey-Baah and Amponsah-Tawiah, 2011: 135)

Four years later in 1987, Epstein stated that CSR relates primarily to achieving outcomes from organizational decisions concerning specific issues or problems which (by some normative standard) have beneficial rather than adverse effects on pertinent corporate stakeholders (Epstein,1987).The normative correctness of the products of corporate action was noted as the main focus of corporate social responsibility.

Carroll re-emerged in the 1990's stating that the CSR firm should strive to make a profit, obey the law, be ethical, and be a good corporate citizen (Carroll, 1991) The use of the term 'corporate citizenship', cited by Crane and Matten, in 2004, as having first occurred in the realm of management practice in the US during the 1980's (Altman & Vidaver-Cohen, 2000) is now commonplace term in the discussion of CSR practice.

1997 was the year that the now well adopted concept of the 'triple bottom line' which focuses on three issues, namely, social responsibility (people), environmental responsibility (planet), and economic responsibility (profit) (Elkington, 1997), was introduced. The three pillars of sustainability being economic, social and environmental are now considered the accepted norm for categorising CSR activities (Karna et al, 2003: 849). A year later in 1998, Hopkins went on to define corporate social responsibility as being concerned with treating the stakeholders of the firm ethically or in a socially responsible manner. Hoskins contended that stakeholders exist both within a firm and external to it, and that consequently, behaving in a socially responsible manner would increase the human development of stakeholders both within the corporation, and outside of it. In 1999, Woodward and Clyde chimed in with their stakeholder-centric take on CSR being a contract between society and business wherein a community grants a company a license to operate and in return the company meets certain obligations and behaves in an acceptable manner (Woodward and Clyde, 1999). Also on the brink of the millennium, Khoury et al went further to define CSR as the overall relationship the corporation enjoys with its various stakeholders. These include customers, employees, communities, owners/investors, government, suppliers and competitors. Khoury et al includes the elements of investment in community outreach, employee relations, creation and maintenance of employment, environmental stewardship and financial performance in their definition of CSR (Khoury et al, 1999).

In the year 2000, Carroll and Buchholtz then asserted that the idea of social responsibility should require the individual to consider his (or her) actions in terms of a whole social system, and should consequently also hold him (or her) responsible for the effects of his (or her) actions anywhere in that system (Carroll and Buchholtz, 2000). In 2001, Marsden stated that CSR is about the core behaviour of companies and the responsibility for their total impact on the societies in which they operate. Marsden articulated that CSR is not an optional add-on nor is it an act of philanthropy. A socially responsible corporation is one that runs a profitable business that takes account of all the positive and negative environmental, social and economic effects it has on society (Marsden,

2001). Also in 2001, McWilliams & Siegel found CSR to be the kind of activity that appears to further some social good, beyond the interests of the firm, and is also required under the law. A more voluntary perspective was espoused by the European Commission in 2002 when it stated that CSR is when companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders, on a voluntary basis.

In the year 2003, Andersen broadly defined CSR as the extension of immediate interest from oneself to include one's fellow citizens and the society one is living in and is a member, while treating the environment with the due respect that would preserve it for future generations (Andersen, 2003). In the same year, Van Marrewijk found that CSR, in general, refers to those company activities, voluntary by definition, that demonstrate that there is an inclusion of social and environmental concerns in the business operations as well as during interactions with stakeholders (Van Marrewijk, 2003). Cementing triple bottom line language in the mid 2000's, O'Riordan & Fairbrass stated that CSR is an idea that includes the social (e.g. community programmes), the economic (e.g. employment) and the environmental (e.g. waste reduction) aspects of a business's activities (O'Riordan & Fairbrass, 2006). Most pertinent to the sense-making framework that underlies this study, Basu and Palazzo in 2008 defined such a framework as the process by which managers within an organization think about and discuss stakeholder relationships as well as their roles in relation to the common good, along with how they behave in alignment to those roles (Basu and Palazzo, 2008). This stakeholder perspective speaks to how CSR is likely to differ across nations, cultures and even industries.

As documented, CSR as a paradigm has been subject to different conceptual definitions and specifications by scholars, the corporate world and even governments, and often leads to the debate of what its precise components and characteristics are (Rowley & Berman, 2000). As discussed in the chronological evolution of the CSR debate, perceptions of what constitutes CSR differ remarkably in the academic sphere and these perceptions have historically changed over time (Carroll, 1999). These varied definitions of CSR cover a wide range of overlapping themes (Carroll, 1999; Garriga & Mele, 2004; Kisku &

Zarkada-Fraser, 2004; Fassin & Van Rossem, 2009): corporate citizenship, corporate sustainability, triple bottom line, and corporate social investment. Van Marrewijk reasons that the explosion of new themes could be attributed to the evolutionary nature of CSR (Van Marrewijk, 2003). Consequently, there appears to be a tendency for CSR definitions to be separated into separate dimensions. Carroll (1979, 1991) had identified four (economic, legal, ethical, and discretionary or philanthropic) whilst Dahlsrud (2008) had identified five dimensions within CSR definitions as being predominant, namely, environmental, social, economic, stakeholder and voluntary dimensions. The need for firms to be profitable is captured under the economic dimension, the legal dimension reflects the expectation that firms have to be profitable within the boundaries of the law, the social dimension reflects the need for firms to go beyond the requirement of law and do what is right and avoid harming society. The voluntary dimension captures the voluntary responsibilities of firms that go beyond social calls, and the environment dimension reflects the need for firms to cater for the natural environment in which they operate. According to Matten, Crane and Chapple (2003) the two most important dimensions in the CSR definitions are the social and voluntary dimensions since they allow differentiation between voluntary firm behaviour and mere compliance. (Matten et al, 2003).

From the varied definitions of CSR presented, it is not very clear which dimensions are most popular or are more preferred by CSR practitioners. Based on this, according to Dahlsrud (2008), 'it is not possible to separate the definitions into different schools of thought'. Perhaps it is also important to note that the environmental dimension received significantly lower attention in the early years (Vogel, 2005); CSR definitions seemed to hinge on how businesses needed to have a positive impact on society within the confines of the law. In other words, emphasis was on how firms had to be moral, taking cognisance of the consequences of their actions on society for ethical reasons (Loew, Ankele, Braun and Clausen, 2004). According to Carroll (1999), the environmental dimension was simply not included in early definitions, which is the likely reason that we do not see it appear dominantly in definitions up until the late 1990's. In contrast, recent definitions have tended to focus on the avoidance of harm on

society and the environment, with 'sustainable development' influencing how the world understands and defines CSR (Hockerts & Morsing, 2000). According to Hockerts and Morsing (2000: 7), recent definitions imply that firms are now 'expected to also consider traditionally unrepresented stakeholders such as the environment and as well as future generations'. Sustainability (social and environment) and the traditional duty of the firm (economic) have given prominence to the notion of the 'triple bottom line', first expounded in Elkington (1997).

2.2.2 Corporate Social Responsibility definition debate

According to O'Riordan and Fairbrass (2006: 5) 'the loaded nature of CSR has given rise to considerable debate relating to the notion that CSR is ill defined'. In general, it could be argued that the conceptual vagueness (de Bekker et al., 2005) and ambiguity (Van Marrewijk, 2003) in the definitions lead to very different and diverging interpretations of the CSR concept (Moon, 2002). Specifically, critics point to the fact that CSR language is 'too broad in its scope to be relevant to organisations' (Banerjee, 2001: 42 cited in Van Marrewijk, 2003) hence 'there is no solid and well-developed consensus which provides a basis for action' (Henderson, 2001: 21). However, some counterarguments to these criticisms have been offered. For example, Thomas and Nowak (2006: 3) contend that since 'the terminology changes over time, it also suggests that the meaning ascribed to the CSR concept will continue to evolve in tune with business, political and social developments'. Other scholars like Van Marrewijk (2003: 96) assert that 'it is not so much a confusion of how CSR is defined, but what constitutes the social responsibility of business; hence, a definition addressing this question would not be applicable across a variety of contexts'. Similarly, Dahlsrud (2008) claims that the dimensions in the CSR definitions highlight the different stakeholders to which the firm must be answerable. Thus, a possible conclusion to be drawn from the proliferation of CSR definitions, is that a firm's responsibility is dependent on its context. Van Marrewijk (2003) goes a step further using the same line of argument asserting that if CSR is context specific, then a different approach to studying CSR that takes into account firm contextual factors may be fruitful. Thus, 'further knowledge of how

CSR is socially constructed in a specific context must be obtained by other means than through a definition of CSR', Dahlsrud (2008: 6) argues.

2.3 Research Question 1 – What constitutes CSR in banking?

Van Marrewijk (2003: 96) asserts that, 'diversity in definition hampers academic debate and on-going research,' thus it is imperative to foremost ask what constitutes CSR if the key issue of understanding CSR in South African banking is to be resolved. Since the CSR definitions found in literature describe a phenomenon (Dahlsrud, 2008) but fail to present any guidance on how to manage the challenges within this phenomenon, the challenge for business is not so much to define CSR but to understand how CSR is constructed in a specific context (Van Marrewijk, 2003). In the South African context, CSR is often confused with CSI and philanthropy, and to be able to pin down the industry's conception of the triple bottom line versus cheque book philanthropy must also be gauged. Against this background, the research question from the literature review from this section can be phrased as follows: How do managers in the banking sector make-sense of their duty to society? or What constitutes CSR in banking?

2.4 Research Question 2 - Which social calls do managers respond to?

A plethora of studies highlight the business case for CSR (Porter & Kramer, 2006; Margolis & Walsh, 2003; Griffin & Mahon, 1997). According to Colbert & Kurucz (2008: 85), these benefits can be categorized as: cost and risk reduction, gaining competitive advantage, developing reputation, legitimacy and seeking win-win outcomes through synergistic value creation. Conceivably, many firms have developed extensive CSR programs in the hope of reaping the aforementioned benefits. However, it is important to note that stakeholders place a burden on firms by demanding a range of CSR programs that might be similar to or different from those in the interest of firms (Husted, 2003). In light of the above assertions, it is interesting to ask how managers reconcile societal CSR demands with company CSR priorities. According to Basu and Palazzo

(2008: 17), the specific action of a company hinges on how it balances 'costs and benefits associated with actions that might be necessary to bring into congruence its values and those of its critics.'

2.4.1 Categories of CSR investment

As stated previously, Carroll (1979, 1991), in presenting his famous pyramid, defined four categories in which firms can invest when responding to societal demands: economic, legal, ethical, and discretionary/philanthropic programs. Accordingly, a number of studies (mainly in the US) using the Carroll (1979, 1991) framework have provided empirical evidence on 'how managers prioritise their limited resources to fulfil the economic, legal, ethical, and discretionary expectations placed on their organisations' (Chen, Patten & Roberts, 2008: 132). For example, an early study by Aupperle, Carroll and Hatfield (1985), cited in Chen et al. (2008), surveyed 241 managers' perceptions of the relative importance they placed on each of the dimensions in Carroll's (1979) framework.

The empirical results of the study showed that managers were mainly concerned with their economic duty paying less interest to ethical and discretionary duties. Seeking to investigate if CSR preferences of managers had shifted in response to society's changing expectations, Pinkston and Carroll (1996) investigated top executives and plant managers of chemical and allied industry of US companies. Similar to Aupperle et al. (1985), Pinkston and Carroll (1996) found that managers had top preferences for the economic duty with the legal duty coming second. Thus, US literature points to the dominance of the economic duty of firms with the discretionary/philanthropic duty being least regarded by managers. Chen et al. (2008:133) reasons that 'the conceptualization of corporate philanthropy as a discretionary activity and the evidence suggesting managers see it as such suggest that companies facing concerns along economic, legal, or ethical dimensions would be expected, on average, to allocate their discretionary resources toward addressing these concerns before making charitable contributions'.

2.4.2 Culture and categories of CSR investment

Within the framework presented by Carroll (1979, 1991), some researchers have sought to investigate the influence of culture on managers' CSR preferences. Kisku and Fraser (2004) surveyed a cross-industry sample of managers in Australia and Turkey and established that Australian managers, unlike Turkish managers, prioritised operating within the confines of the law and were less keen to invest in philanthropic programs. In another cultural study, Ibrahim and Parsa (2005) surveyed managers from the US and France and discovered that managers from the US had a stronger orientation towards legal and ethical responsibilities whilst managers from France prioritised economic and philanthropic duties. Crane & Matten (2005) found that ethical responsibilities enjoy a much higher priority in Europe than in the US. With their findings, Ibrahim and Parsa (2005) were aligned with Kisku and Fraser (2004) in suggesting that culture does indeed influence the preferences of managers towards different societal demands.

Most of the research on the preferences of CSR managers to date has been conducted in a US context (Visser, 2005). Accordingly, Visser (2005: 48) argued that the 'relative priorities of CSR in Africa are likely to be different from the classic US ordering of priorities since the socio-economic needs of African societies in which companies operate are so great, that philanthropy is an expected norm.' Visser (2005: 48) further argues that 'companies also realise that they cannot succeed in societies that fail, and philanthropy is seen as the most direct way to improve the prospects of the communities in which business operates.' Using Carroll's (1979, 1991) CSR priorities framework, Visser (2005) explored the nature of CSR in an African context and concluded that in Africa, economic responsibilities still receive the most emphasis, however, philanthropy is given second highest priority, followed by legal and then ethical responsibilities.

Unlike the existing US studies, Visser's (2005) study highlights that in Africa: first, the philanthropic duty has a higher priority as compared to the US and second, that the legal duty is less of a pressure point for determining 'good conduct'. Since Visser (2005) used a descriptive analysis approach, he

cautioned that the findings were mainly speculative and provocative and could benefit from further empirical research. Important to this research, Visser (2005) contends that if the results of his study were to be true, then it would contribute to the debate on the importance of culture in influencing the determination of appropriate CSR priorities and programmes.

2.4.3 Industry and categories of CSR investment

Evidence presented in literature on how specific industries influence CSR priorities is mixed at best. On one hand are studies that refute the hypothesis that CSR priorities are industry specific (Cowen, Ferreri & Parker, 1987; Balabanis, Philips & Lyall, 1998). On the other hand are studies that accept the hypothesis that CSR priorities are industry specific (Godfrey & Hatch, 2007; Raghubir, Roberts, Lemon, & Winer, 2010; Boutin-Dufresne & Sacaris, 2004; Simpson & Kohers, 2002; Sweeney & Coughlan, 2008,). This emanates from the debate on whether firms in certain industries have a compelling business case for making substantial CSR commitments in certain categories (economic, legal, ethical, discretionary/philanthropic) (for e.g. banks vs. oil companies). Moore (2001: 304) typifies this debate succinctly by remarking: “comparing the CSR priorities of an oil company, where environmental and employee safety issues are likely to be paramount, with a high street retailer in effect makes no sense”. Even though empirical findings are mixed at best, it is important to highlight a deficiency/gap in studies that investigate the influence or lack of influence of industry specificity in CSR.

2.5 Research Question 3 - Which social duties do South African banks prioritise?

Given that the literature from western countries especially the US, highlights that managers prioritise the economic duty whilst the discretionary/philanthropic duty is least regarded by managers, and added to that, the findings of Vissers’s study of 2005, stating that African CSR priorities would differ from those of the US, as well as various other cross-country studies showing that culture does influences a managers’ CSR priorities, the research question that can be posed

from the literature review is: Which social duties do South African banks prioritise? The perspective of a specific industry becomes important in contextualising its prevalent CSR programs.

2.5.1 African CSR – a unique context

The African perspective with regards to CSR is of especial interest, and given the forerunning source of most CSR studies is western in origin and context; those studies carried out on the continent are comparatively rare. Noteworthy African studies like those carried out by Dartey-Baah and Amponsah-Tawiah (2011), Adanhounme (2011), Gilbert and Tompkins (1996), Mbembe (2001), Skinner and Merham, (2008) amongst others are cited in the discussion of the findings of this study, chapter 5. A few of the concepts delivered through those studies are unpacked briefly here.

Starting with Dartey-Baah and Amponsah-Tawiah (2011)'s assertion, citing Visser (2005), "that CSR in developing countries is most commonly associated with philanthropy or charity, i.e. through corporate social investment in education, health, sports, development, the environment, and other community services" Dartey-Baah and Amponsah-Tawiah (2011: 129). Added to this, Dartey-Baah and Amponsah-Tawiah list the seven major drivers for CSR in developing countries as: "cultural tradition, political reform, governance gaps, market access, international standardization, stakeholder activism, and socio-economic priorities" (Dartey-Baah and Amponsah-Tawiah, 2011: 130). The role CSR plays in African society is incomparable to the western norm, thus the analysis of African CSR with only western references will no doubt stifle the responses to enquiry.

Idemudia's study of CSR in developing countries cites (Hamman, 2006) in saying that there is a "recurring tension between universal expectations and local challenges and opportunities" (Idemudia, 2011: 1). To this point, Ofori (2010)'s finding that companies in Ghana, although very active in CSR activities "such as education and sponsorship of events, no comprehensive policy framework setting the parameters of CSR activities in Ghana exists." (Ofori, 2010: 21). Without the same infrastructural basis or foundation from which CSR

springboards, often, the African context is a clean slate for corporate police, never mind the social nuances associated with those policies. These African perspectives offer an orienting point of departure in assessing the South African response to CSR in banking.

2.6 Conclusion of Literature Review

Given the notion that different stakeholders demand different priorities (Stigson, 2002) from firms, defining what constitutes CSR is contentious (Rowley & Berman, 2000; Abreu & David, 2004). The proliferation of definitions over the ages has tended to confuse. What prevails today as a common place understanding is triple bottom line language introduced by Elkington in 1997, placing the economic, social and environmental pillars of sustainable development at the centre of CSR. With the evidence from literature seeming to suggest that CSR differs from place to place, industry to industry and over time, as a consequence, it is increasingly accepted that in order to understand CSR, the challenge is not so much on how to develop a blanket CSR definition but to understand how CSR is socially constructed in a specific context, culture and industry. Added to this, in South Africa specifically, the confusion of the terms CSR, CSI and philanthropy is rife, and an in-depth understanding of whether this is also the case in the banking sector is required.

Against this background, three research questions are posed in this study:

1. What constitutes CSR in banks?
2. How do banks evaluate possible options responding to social change?
3. Which social duties do South African banks prioritise?

3. CHAPTER 3: RESEARCH METHODOLOGY

3.1 Introduction

A new approach to studying the intersection of CSR and the firm has been proposed: studying how firms make sense of CSR. As discussed in the previous two chapters, the intuition behind this claim is that understanding the underlying drivers of CSR reveals firm specific differences that influence CSR in the first place thus providing a more vigorous framework compared to simply analysing a firm's CSR programs and the expected financial relationship (Basu & Palazzo, 2008). According to Basu and Palazzo (2008: 9) this approach entails studying the 'internal institutional constituents (mental frames) of a firm's CSR strategy creation.'

The question of "sincerity" in the financial sector and in particular in banks to the general upliftment of South Africans has been raised by politicians and South African society at large. Thus, the objective of this research report was to study how banks' balance conflicting corporation goals and societal demands (Basu & Palazzo, 2008). The study employs the sense-making perspective which describes how banks view CSR given the context of their existence. As argued by Basu and Palazzo, (2008), this perspective favours interpretative methods of enquiry such as narrative analyses, ethnographic studies and case studies. Thus, the general purpose of this chapter is to present the research paradigm employed to answer the main research question, the rationale for the chosen research design and data collection methods. Issues of reliability and validity are discussed last.

3.2 Research paradigm

According to Watson and Bargiela-Chiappini (1998), cognitive complexities faced by individuals in firms call for sense-making in organisations. Woodside (2010) defines sense-making as a 'process by which an individual (i.e. person, group and/or organisation) make sense of stimuli.' As categorised by Woodside

(2010), sense making foci would encompass: (i) focusing on what is perceived by managers; (ii) framing what they perceive (iii) interpreting what they have done, including how they solve problems and the results of their enactments. Accordingly, research which endeavours to make sense of 'why things are the way they are in the social world and why people act the way they do' constitutes qualitative research (Hancock, 1998: 2). Thus, to study the CSR sense-making processes of managers in the South African banking sector, a qualitative research paradigm is chosen. The goal of qualitative research as argued by Dougherty (2002: 1) "is not to describe complex social processes, but rather to identify a few central themes that explain why and how a particular phenomenon operates as it does in a particular context". In essence, a qualitative research paradigm is suitable for this type of research (sense-making) since the paradigm can be used as "a vehicle for studying the empirical world of managers from their perspective, not the researcher's" (Duffy, 1987: 47). The important characteristic of qualitative research which is relevant for this research is that the paradigm depends on meaning rather than the frequency of occurrence of phenomena. As previously argued in chapter one and two, by using the qualitative paradigm, this research explores important issues and factors not addressed by linking CSR to financial performance (quantitative).

3.3 Research design

According to Saunders, Lewis and Thornhill (1997: 74), 'a research design is a general plan of how a researcher will go about answering the research question(s) set for the study.' Literature on CSR reviewed that the way in which firms approach and appreciate CSR is influenced by contextual and cultural factors. As a result, firms make sense of CSR in different ways. Given that background, the researcher proposes to study banks' CSR character through the use of a thematic content analysis. According to Ritchie and Lewis (2003: 5) the qualitative paradigm chosen for this study 'addresses research questions that require explanation or understanding of social phenomena and contexts.' As a consequence, a thematic content analysis approach supports this study's investigation since it 'has the advantage of being both idiographic and nomothetic in that it seeks both an understanding of the individual case and an

understanding of the theoretical constructs that are relevant between/among cases (Burgess-Limerick & Burgess-Limerick 1998: 66). To that end, a thematic content analysis research design for the sense-making research is appropriate since it gives the researcher a conceptual basis to recognise themes or patterns of relationships among cases in the same industry. However, the issue of external validity (generalising findings beyond the actual case) is cited as a weakness when using the method. For this reason, the method is cited as 'a poor substitute to well-conducted surveys' (Crosthwaite, Leod & Malcolm, 1997: 4) since the method 'leaves room for too broad interpretation [which] may lead to vague conclusions' (Cegato, 1999: 13). However, Stake (1995) and Crosthwaite et al. (1997) argue that generalisation cannot be emphasised in all research and Yin (1993: 39) argues that 'the goal of a researcher in a thematic analysis study unlike in a survey is not to make statistically based normative statements about the frequency of occurrence of a phenomenon in a defined population.' As a result, 'the correct context for generalising beyond immediate case findings is that of theory development and generalisation to theory' (Crosthwaite et al., 1997: 4).

3.4 Population and sample

3.4.1 Population (Case site)

According to Zikmund (2003: 373), 'the first question related to sampling concerns identifying the target population. The target population when identified then defines the set of elements from which the research sample can be taken. Most importantly, the target population chosen for any study sets the boundaries against which research findings can be generalised (Eisenhardt, 1989). In this research the target population identified for the research consisted of all banks in the South African financial sector. According to the Banking Association of South Africa, 'there are currently 19 registered banks, 2 mutual banks, 13 local branches of foreign banks and 43 foreign banks with approved local representative's offices' represented as members. The intuition behind studying a single industry is that all institutions in the sector experience similar

shocks and stresses; hence comparisons can be made, as well as relegating the need to control industry specific influences.

3.4.2 Sample and sampling method

Ideally, in any research, studying the entire population yields a rich understanding of the phenomenon under study. The basic idea behind sampling is that it is difficult and in some cases impossible to study the entire population, hence a subset of the population (universe) is used in most studies. According to Cooper & Schindler (2003: 179), 'there are several compelling reasons for sampling, including: lower costs, greater accuracy of results, greater speed of data collection and availability of population elements.' Despite its appealing properties, sampling is a complex and vexing issue in case study research (Coyne, 1997). This is mainly attributed to the inherent nature of case studies ('case studies take as their subject one or more selected examples of a social entity' (Hakim, 2000: 61)). However, the basis of choosing a case or cases is not clear because of the existence of a plethora of sampling strategies advanced in literature (e.g. Patton (2002) identifies 18 sampling strategies). Moreover, there is the issue of how well a sample represents the population for the obvious reason of generalisation. However, researchers like Coyne (1997) contend that sampling in qualitative research is more about appropriateness, purpose and access to good information rather than representative and random/probability sampling as with quantitative studies.

For this study, a purposive (convenience) sample of 12 institutions, and 17 individual managers from the South African banking population was chosen. Zikmund (2003: 381-382) describes purposive sampling as 'a non-probability sampling technique in which an experienced individual selects the sample based on his or her judgment about some appropriate characteristic required for the sample members'.

Absa Capital, Nedbank Limited, FirstRand Group Limited, Investec and Old Mutual of the 12 institutions chosen, represent heavy hitters in the South African banking sector. These big 5 banks (cases) are considered to have adopted

some form of CSR in their corporate strategies, missions, visions or in marketing campaigns.

The major drawback of using a purposive sample is that cases excluded, mainly on the basis that their CSR activities are not so pronounced, might deny the study information coming from a different 'polar type'. According to Eisenhardt and Graeber (2007), 'polar types' are extreme cases chosen to enable the researcher to identify contrasting patterns among cases. Six cases, African Bank Limited, Ubank (formerly Teba bank), Development Bank of Southern Africa, Industrial Development Corporation, International Finance Corporation and Ithala Finance Corporation were chosen to provide the 'polar type' information. African Bank Limited and Ubank focus primarily on the low income and previously unbanked market whilst the Development Bank of Southern Africa, International Finance Corporation and Ithala Finance Corporation, focus on socio-economic development by funding physical, social and economic infrastructure.

3.5 Procedure for data collection

3.5.1 Interviews

In order to achieve the set research objectives, primary data was collected through the use of informal, semi-structured, open-ended, in-depth interviews. In-depth interviews were appropriate for this study since the main aim was to gain an in-depth understanding of how banks make sense of CSR in South Africa. According to Zikmund (2003: 130), 'in the interviewing session the researcher asks many questions and probes for elaboration after the subject answers'. Thus, interviews give the researcher the 'opportunity to probe deeply to uncover new clues, open up new dimensions of a problem and to secure vivid, accurate inclusive accounts that are based on personal experience' (Burgess, 1990: 22). According to Hagen (1992: 87), "Interviews can take many forms, ranging from open-ended questions to loosely structured conversations". To make sure that all relevant areas of interests were covered and discussed (following the CSR dispositions of Carroll 1979; 1991), the researcher prepared

a question guide before each interview (see Appendix 1). As argued by Hagen (1992: 88), the guide prepared before each interview 'is not a [list of] structured questions to be asked word for word as written, but a list of topics or questions to have in mind when talking to the person interviewed'. Thus, the type of interviews used in this research can be described as being semi-structured, where the interviewer predefined subject areas to cover, 'leaving the interviewer to decide on the sequence/wording of questions in the course of the interview' (Jamali & Mirshak, 2007: 252).

3.5.2 Interview process

Before the interviews commenced, executives responsible for CSR in the different banks were identified. A pre-interview email (see Appendix 2) was sent to over 25 managers in the fields of CSI, CSR, environment and sustainability, introducing the researcher and the purpose of the study. In addition, a request for a meeting was included, resulting in 17 interviews being secured. The individuals approached were identified as those responsible for the management of CSR activities within the respective institutions. The confusion of some of their titles referring to CSI was also flagged as a considerable hurdle to the triple bottom line thinking required when addressing CSR and the agenda of sustainable development in general. The 30 minute in-depth interviews were subsequently conducted between February 2012 and May 2012. Included in the sample are two complementary in-depth interviews with the Banking Association of South Africa were conducted. The notion behind these interviews was to get a better understanding of the sense-making of banks from a united stance, which augmented the case by case interviews. The sample of banks and financial institutions sampled is listed alphabetically in Table 1 that follows:

3.5.3 Table 1: Sample of 12 banking sector institutions and 17 CSR managers

Institution	Interviews Conducted
Absa Capital	1
African Bank	3
Banking Association of South Africa	2
Development Bank of South Africa	1
FirstRand Limited	2
Industrial Development Corporation	1
International Finance Corporation - World Bank	1
Investec	1
Ithala Finance Corporation	1
Nedbank	2
Old Mutual	1
Ubank	1
Total	17

In line with discussions in previous chapters and the main research question, the researcher employed the interview guide to ask open ended questions. The interviews conducted in English were recorded using an Olympus Digital Voice device. According to Yu (2009), the use of semi structured questions and a digital recording program eliminates the critic of lack of scientific vigour in interviews. In total 665 minutes or over 11 hours of interview dialogue were recorded.

3.6 Data analysis

3.6.1 Thematic Content Analysis

According to Hancock (1998: 22), in qualitative research it is 'advisable, if at all possible, to analyse qualitative data using transcribed records of data'. Thus, the first step in the data analysis was the analysis of transcribed interview data

using vertical and horizontal analysis in order to identify emerging themes. According to Denzin (2000), thematic content analysis is an appropriate and sufficient method used to analyse replicable themes in data. Within thematic content analysis, the motivation in the first stage is to identify constructs and themes in the data. Thus for each case, the transcribed data was categorized according to the subject areas examined (CSR definition, type of CSR, CSR policy and responsiveness strategies). The subject areas as discussed earlier emerge from the theoretical work of Carroll (1979; 1991). The second step of the data analysis called for the identification of patterns in the data (i.e. how findings of each case compare or match to the theoretical constructs discussed in literature) e.g. Does the definition of CSR given by a bank match the concept of philanthropy or economic responsibility of a firm? According to Wimmer and Dominick (1994: 156), with a pattern-matching strategy, an empirically-based research pattern is compared with a predicted pattern or several alternative predicted patterns. Since data was collected from multiple cases, within case analysis was eventually complemented by cross case analysis. Within cross case analysis, cases were compared against the predefined categories identified earlier. The motivation at this stage was to search for similarities and differences among the study's 17 respondents so as to understand how banks responded differently to similar social calls thus giving cross-case conclusions.

3.7 Limitations of the study

3.7.1 Sample size

This research focuses on how banks make sense of CSR in South Africa. As consequence a multiple case study approach is chosen. However, with only 17 cases chosen, there is a limitation to how the results can be generalised to the entire South African banking sector, especially if one considers that smaller banks do not form part of the study sample. As argued by case study scholars like Yin (2003), the main motivation in the use of the case study methodology is not to generalise to the entire population since cases do not constitute sampling units drawn randomly from a large population but to acquire in-depth

understanding of a complex social phenomena. Thus, the study will only give analytic generalisations and not statistical generalisations.

3.7.2 *The good news syndrome*

According to Saunders et al (1997: 84), if only the top executive or people in decision making positions are interviewed then there is the likelihood of obtaining the 'good news syndrome'. For this research it would have been more beneficial to interview bank employees at different levels, obtaining a more holistic CSR sense-making of banks. However, focusing (interviewing) on managers in CSR strategy influencing positions may limit the true representativeness of how banks make sense of CSR in South Africa.

3.7.3 *Researcher bias*

As can be expected data collection and analysis in a qualitative study can be subjective (Eisenhardt, 1989). According to Eisenhardt (1989) this can be reduced through the selection of categories or dimensions to fit data into themes coupled with inter-case comparisons.

3.8 Validity and Reliability

According to Lincoln and Guba (1985: 290), validity and reliability allows the researcher to ask how they can persuade the audience to accept their research findings. Compared to quantitative research, the issues of validity and reliability are not so straight forward in qualitative research. At the heart of the confusion/debate is the concept of reliability, since it involves the element of measurement which is absent in qualitative research. According to Stenbacka (2001: 552) cited in Golafshani (2003) 'the concept of reliability is even misleading in qualitative research...If a qualitative study is discussed with reliability as a criterion, the consequence is rather that the study is no good'. Resultantly, some authors (Healy & Perry, 2000; cited in Golafshani, 2003) assert that the 'quality of a study in each paradigm should be judged by its own paradigm's terms'. To that end the terms reliability and validity are replaced by

terms like quality, rigor and trustworthiness (Golafshani, 2003). In spite of the confusion/debate on the issues of reliability, validity, trustworthiness, quality and rigor in research, there is a 'need for some kind of qualifying checking to differentiate 'good' from 'bad' research' (Golafshani, 2003: 602).

3.8.1 Reliability

In this research, the issue of reliability arises due to the fact that the researcher constitutes the 'research instrument' when the interviews are conducted. As a result the issue of reliability hinges on whether the researcher is biased or not. According to Yu (2009: 28), adopting semi-structured questions 'based on the purpose of the study allows elicitation of unbiased answers from interviewees'. According to Crosthwaite et al. (1997: 13), 'plans for documenting key aspects of the study for each case study, independent of the case report, will increase reliability and consistency' across the cases.

3.8.2 Validity

According to Kvale (1996: 289) cited in Yu (2009) interviewing can create validity through 'a continual checking, questioning, and theoretical interpretation of the findings. Yu (2009: 28) asserts that Kvale's (1996) insight (cited above), in a study of this form can be achieved since 'in-depth interviews allow follow up questions from the researcher which enables interviewees to explain themselves closer to the truth' and transcripts being double checked by interviewees ensures continual checking. In terms of construct validity, multiple cases will be used to generate multiple sources of evidence as opposed to using a single case. According to Yin (2003) using multiple sources of evidence ensures construct validity. Additionally, construct validity is increased in this study through a clear definition of the research questions. To maximize external validity, the researcher has carefully selected cases known to be involved in CSR activities and five of the cases constitute some of the biggest banks in South Africa

4. CHAPTER 4: PRESENTATION OF RESULTS

4.1 Introduction

Through conducting a total of 17 semi-structured, open-ended, interviews with high-level strategy influencing banking executives, in the fields of “CSR”, “Sustainability” and “Environment”, the data for this analysis was duly gathered over a period of several weeks. Culminating in over 665 minutes of uninterrupted interview dialogue, what resulted was a rich and layered understanding of the sector and its inner mechanics and nuances regarding corporate social responsibility.

In order to facilitate the most probative interview environment, the anonymity of all respondents was guaranteed up-front during the interview securing stage. This aided in not only securing interviews at the highest possible level of executive, but also allowed a free and uninhibited discourse, crucial in sense-making.

The 12 identified institutions and 17 conducted interviews yielded much in the form of useful thematic clarification. The type of data that was expected and subsequently gathered per research questions is as follows. Research Question 1 looked to gather ‘CSR Definition data’; Research Question 2 looked to gather ‘CSR Principles and Policies’ data and Research Question 3 aimed to gather data regarding ‘CSR Responsiveness Strategies’

The results of the interviews are presented in this chapter as a list of emergent themes, the themes have been distilled and generalised, whilst also serving to ensure the anonymity of the various individuals interviewed. As was expected, both recurring and unique themes were uncovered. The calibre of executive interviewed proved to be exceedingly high, ensuring robust and articulate ideas were explored during the 30 min to an hour long interviews.

4.2 Demographic profile of respondents

The titles of some of the 17 respondents was cause for concern as the terms CSI and CSR were used interchangeably, while some holding titles pertaining to the environment and sustainability were managing what is typically understood to be CSI activities or practicing philanthropic or discretionary giving. With this as a starting point, it was expected that data confirming that the average South African CSR manager confuses social responsibility and social investment, and could perhaps be failing to meet the triple bottom line was retrieved. The full, anonymized transcripts to the interviews are included in Appendix 6. As stated previously, what follows in this chapter are distilled, generalised themes that emerged from the analysis of those transcripts.

4.2.1 Table 2: Designations of respondents

Designation	Transcript
CSI Executive	DM 5
CSR Divisional Executive	DM 10
Head of CSI	DM 11
CSI Contractor	DM 13
Specialist: Environment and Sustainability	DM 14
Group Account Leader	DM 15
Sustainability Executive	DM 16
CSI Manager	DM 17
CSI Manager	DM 18
CSI Executive	DM 19
Corporate Governance and Sustainability Executive	DM 20
Head of Communications, Sub-Saharan Africa	DM 23
Environmental Specialist	DM 21
General Manager: Head of Sustainability	DM 24
General Manager: Head of Socio-Economic Growth and Development	DM 25
Environmental Transformation	DM 26
Head of Foundation	DM 27

4.3The African dialogue

Given the literature is skewed to the US perspective and that African managers would likely be swayed by different CSR priorities (Visser, 2005), the findings to other African studies findings that have come to pass, are of especial interest. “South African banks also dominate the banking landscape in Africa. For Africa’s top 200 banks in 2008, South African banks, accounted for 40.4 per cent of total banking assets, 34.6 per cent of net earnings, 49.9 per cent of bank credit, and 42.4 per cent of bank deposits.” (Mlambo and Ncube, 2011: 6). South African banks are indeed a model for the rest of the continent, and their grasp of CSR as opposed to CSI and philanthropy cannot be undermined as the mistakes made here are likely to replicate across the continent. Similarly in Asia, there is evidence of CSR taking hold as a “management concern in China, yet the mainsprings of this are very different from those in the Western business systems (Moon and Shen, 2010: 613). Context cannot be negated in making sense of CSR in South African banking.

4.3.1 CSR motivations, issues and processes presented on company websites in Kenya

(Source: Muthari and Gilbert, 2010: 474)

Table 4.4.1 presenting the distilled, emergent themes was adapted from the Kenyan study carried out by Muthari and Gilbert, and offered a comparable base upon which to add the new, emergent themes for the South African banking perspective. Although not specifically based on banking industry concerns alone, the Kenyan study’s findings can be found to mirror those of this South African study in many ways. For this reason, the results are presented in the three categories devised by Muthari and Gilbert, (2010: 472), namely: CSR motivations, CSR issues and lastly, CSR processes. The results of this study must be seen through the perspective of an African lens (Dartey-Baah and Amponsah-Tawiah, 2011), since we now have understand that not all western institutional and management models that are exported to other parts of the

world are always well received or implemented (Wohlgemuth, Carlson and Kifle, 1999).

4.4 Results pertaining Research Questions 1, 2 and 3

4.4.1 Table 3: Distilled, Generalised and Categorised Emergent Themes:

CSR Motivations	CSR Issues	CSR Processes
Apartheid	Community	Strategic alignment
Culture	Environment	Philanthropy
Sector Perspective	Financial Inclusion	Legal Compliance and Codes of Conduct
National Priorities	Greenwashing	Partnerships / Collaborations / and
Value-driven	Social Development Practitioners vs Human Resources and Marketing	Stakeholder Engagement
Sustainable Development	Soft, white and feminized space	Employee Volunteerism
Leadership	Geographical bias	Centralized CSR management approach versus outsourced model.
	Institutional willingness	Continuity of tenure
	Corporate Citizenship	Monitoring and Evaluation Standards
		Corrective Perspective

4.4.2 *Results pertaining to understanding what constitutes CSR in South African banking.*

Far less than the CSR is being carried out at South African banks. The level of commitment to the triple bottom line does not inspire much confidence as CSI tends to dominate the landscape of practice. The lack of consistency in triple bottom line alignment across the spectrum of institutions would lead to the belief that there is either a sense of apathy about CSR, or there is a misunderstanding of what true sustainable development practice is. CSR is not CSI nor is it philanthropy, but the majority of respondents used the terms interchangeably, while almost always addressing what is deemed CSI. In pockets, some are vigilantly greening their daily activities in pursuit of carbon neutrality and reduced emissions, not just for their respective institutions, but for the individuals who form part of that institution. This type of stewardship in the environmental aspect of sustainability, was rare, but when it was encountered, it was undeniably well-articulated and understood. This was the case, especially with regards to reference of international protocols and standards of conduct e.g “The Equator Principles” and the “Carbon Disclosure Project”.

4.4.3 *Results pertaining to categories of investment preferred by CSR managers in South African banking.*

Given the CSI or philanthropic bias in the general activities of the respondents, it is not surprising to see that the philanthropic dimension receives a lot of attention from managers. Perhaps if CSR in its true essence was the industry mode, then the figure that follows (Figure 2) representing Dartey-Baah and Amponsah-Tawiah’s findings with regards to CSR layers in developing countries, could have rung true. The Economical layer would have taken precedence, as true sustainable development does not negate the economic in pursuit of social and environmental wins. CSI on the other hand, is rather co-ordinated philanthropy, with little if any measurable returns. Measurability being one of the largest stumbling blocks of the sector, according to almost all respondents interviewed.



Figure 2: CSR layers in developing countries

Source: Dartey-Baah and Amponsah-Tawiah (2011: 135)

4.4.4 Results pertaining to the priorities of CSR managers in South African banking

Given this noted philanthropic lens the South African CSR manager sees his duties through, the prevalence of educational CSR programmes, as uncovered through the interviews, is congruent with this view. Argued by Jenkins in 2005, and cited by Idemudia (2011: 2), “mainstream CSR suffers from selective amnesia as issues such as, unsustainable investment and poverty reduction do not appear on the agenda, nor does it attempt to address the structural and policy issues of under-development.” Perhaps then, The South African CSR manager faced with the daily realities of poverty in the communities he serves is more so afflicted than his western counterparts, and thus, more likely to endorse typically CSI-centric programmes, leaving fewer resources for triple bottom line objectives. Also high on the agenda is the matter of the unbanked masses, and the attempt to financially include them in the economy of South Africa. Through lack of education, lack of financial literacy and lack of product knowledge, 23 % of the population is said to be financially excluded (SA Banker, 2012: 21). Added to this, the Minister of Finance Pravin Gordhan would like to take the number of the currently banked population from 63% to 70% by the year 2013. (SA Banker, 2012: 21) It is in this light that the collaborative

banking volunteerism project, spearheaded by the Banking Association of South Africa, the 'Teach Children to Save Campaign', is well supported amongst the banks.

4.5 United Nations Global Compact Performance Model as a Funnel for Results

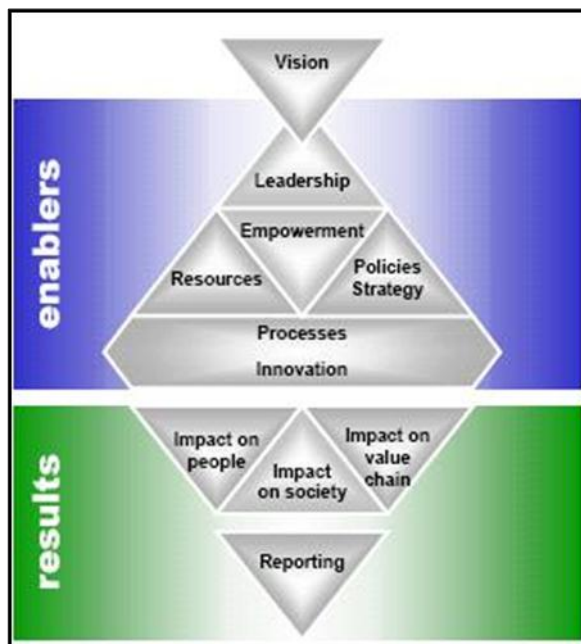


Fig 3:UNGC Performance Model

(Source:www.pacrimconsult.com/.../ARTDO_CONFERENCE_PAPER_UN_Global_Compact_and_Performance_Model.docx)

The United Nations Global Compact is a voluntary decalogue that states business should protect internationally proclaimed rights, ensure non-complicity in human rights abuses, uphold freedom of association and collective bargaining, eliminate forced labour, abolish child labour, eliminate employment discrimination, support environmental protection, promote greater environmental responsibility, encourage development of environmentally friendly technology and lastly, work against corruption and bribery (unglobalcompact.org, 2011). The results of the study have been funnelled through this model (Figure 3) and interrogated to gain further insight to what the

enablers of CSR are and how they have been mitigated by South African CSR managers.

The principles broadly relate to human rights, labour standards, the environment and anti-corruption. The vision steers the entire model towards the “desired end state “(unglobalcompact.org, 2011), of CSR via triple bottom line profits, as the forward looking perspective is strategic in nature, and will be influenced by the business’ choice of leadership. The leadership will in turn, set the tone and pace for the entire organisation. Respondents affirmed that leadership is either a friend or foe to the adoption of CSR policies through either activism or absence. Stewardship involves leading by example, with one respondent identifying their CEO as head of a foundation; this is still exceptional behaviour across the sector.

The empowerment of employees, facilitated partly through leadership’s vision, but also requires the inputs of resources, be they natural, financial, time base, intellectual or physical, are harnessed through the policies and strategies that govern the institution. Respondents made reference to making a certain amount of hours annually available for staff members to be able to volunteer without work absenteeism constraints. Information is also made freely available to staff according to another respondent, so as to own their contribution to aspects of the CSR strategy.

The desired end result for the institution, being the enabling of stream-lined processes and potential advances through innovation that would in turn have a positive impact on its people, society at large, and the value chain that consists of the various stakeholders to the business. Very little evidence of innovation was uncovered. With only Mzansi account being mentioned as such an innovation, and having noted Mzansi has failed to achieve any noteworthy penetration, there is still some way to go for banking.

Despite the little evidence of impact, sustainability reporting in the context of South African banking is well conducted. One respondent spoke of how the reporting requirement was in fact, the beginning of achieving momentum with regards to adopting CSR strategies, some years ago. With King III’s integrated

reporting requirements as testament to good corporate governance ideals, banks have heeded, and are mostly all compliant in their communications. Apart from integrated reporting successes, given the stagnancy of the CSR space in South Africa, one would then question whether any real, measurable impact has resulted from the current activities widely being supported. In the case of education for example, one could ask whether banking's investment in this cluster of related activities, has made any real measurable, tangible impact. The answer would likely be no, and based on respondents views, there is little hope of any change on the horizon.

4.6 Summary of the results

The emergent themes extracted through content analysis, and raised by the 3 research questions posed to respondents were distilled and then categorised, presented in a table format, mirrored in a Kenyan study, as either motivations, issues or processes that relate to CSR (Muthari and Gilbert, 2010). The African perspective was noted as a dominant influence as expected, and this is seen in how the results unfold, that being, philanthropy is dominant, and is expressed mostly through the support of educationally based CSR programs. Also dominant, but to a lesser degree, is the endorsement of financial inclusion activities. Having presented the results pertaining to their respective research question, the results were also funnelled through the UNGC performance model, to further understand the dynamics of CSR enablers and how they inter-mingle to either achieve impactful results, or fail to make any meaningful differences to society at large.

With little measurable evidence, the sector cannot make claim to having made any impact on education and financial inclusion, the two areas of focus in terms of sector priorities, based on expenditure. These findings do not bode well for CSR, and illuminate a sector that has displayed little commitment to triple bottom line thinking.

5. CHAPTER 5: DISCUSSION OF THE RESULTS

5.1 Introduction

Having listed the emergent themes gleamed through the analysis of the transcribed interviews in chapter 4, what follows in chapter 5 is an in-depth discussion of those identified themes. The generalized emergent themes stem from the insights of the respondents, and were further distilled to succinct concepts or themes, and then categorised as CSR motivations, CSR issues or CSR processes, in order to ascertain how CSR managers have thus far, responded to CSR in the case of South African banking.

5.2 Discussion pertaining to Research Question 1, 2 and 3 via Identified Themes and Categories

5.2.1 CSR Motivations

Apartheid

A dominant theme that emerged early and was featured in most interviews was that of contextualizing South Africa's transformation requirements to its unique and extensive legacy of apartheid. Dartey-Baah and Amponsah-Tawiah (2011:130), quoting Roussou et al (2002) clarifies how "in South Africa, the political changes towards democracy and redressing the injustices of apartheid have been a significant driver for CSR, through the practice of improved corporate governance, collective business action for social upliftment (Fourie and Eloff, 2005), black economic empowerment and business ethics (Malan, 2005)." Apartheid's far reaching consequences plague South Africa still, 18 years into political freedom, the economic and social components to that freedom are lagging far behind. South African banks' CSR programs have a role to play facilitating these political reforms in their capacities as agents for societal change. With the rest of the continent head and shoulders above our ailing education system, having inherited the devastation that was Bantu-education, the need for intervention is overwhelming. Banks are especially

cognizant of the specialised skills required to facilitate a healthy supply of human resources central to their own functional success. Appropriately, this understanding is not limited to just succession planning but also includes the role the sector feels they must play in the active reconstruction of South Africa. Scenes of ceaselessly deteriorating schooling conditions via lack of infrastructure, teacher unrest and dwindling pass rates all but point to a national crisis in education and banks have seemingly taken note. With education taking a firm stance on the podium as a forerunning priority for respondents, sectoral thinking in general seems to speak to the wide majority of CSR managers following suit with their education-centric CSR investment decisions. This is evidenced by financial literacy being one of the mass-championed interventions succeeding as a collaborative sector activity (Teach Children to Save Campaign), largely due to it not being seen as a blatant competitive advantage.

Culture

Heeding the warnings of Van Marrewijk (2003), it is noted that the challenge for business is less about defining CSR but rather to understand how CSR works in a particular context. With regards to culture influencing which social calls CSR executives heed, the South African case has its own unique culturally led nuances. To reiterate the findings of the literature review in chapter 2, most of the research on managers' CSR preferences has been conducted in a US context (Visser, 2005). Accordingly, Visser (2005: 48) argued that the 'the socio-economic needs of African societies in which companies operate are so great that philanthropy is an expected norm.' Visser further argues that 'companies also realise that they cannot succeed in societies that fail, and philanthropy is seen as the most direct way to improve the prospects of the communities in which business operates. This noted, respondents affirmed Visser's findings, naming the challenges of undoing the legacy of apartheid as the main driver for their investment choices, education being the largest beneficiary of their expendable CSR budgets. With aspects like "communalism, ethnic religious beliefs and charitable traditions" being purported to influence

CSR in Nigeria (Amaeshi et al, 2006), culture surely is a driver of the CSR behaviours of an individual, the institution and even the nation.

Sector perspective

Collaboration at a sector level is rare to say the least. Respondents indicated that competitive advantages can often be associated with the activities of CSR, and thus, some advances are guarded closely instead of being shared across the sector as an industry wide advantage. Jamali (2007), cited in Beneke et al, (2011: 45), found that “in order to excel in a competitive market place, banks are turning their attention towards CSR as an essential component of their marketing strategies”. For this reason, there is little in evidence of a united and collaborative sector.

The Mzansi account, with financial inclusion driving its creation, has had little to no success according to most interviews. Respondents quoted several reasons why this well-meaning innovation has failed to penetrate at the levels the sector had anticipated. The lack of literacy in the targeted consumer segment was identified as a stumbling block, with one respondent explaining that bank cards were routinely replaced as some users were disposing of them with each withdrawal, not knowing the exorbitant fees that result from such a replacement. Repeated monthly with each salary withdrawal, this was not sustainable. Another respondent spoke to the aspirational nature of South African consumers. Association with Mzansi, a product known to be targeted at entry level, low income users, has been less than welcome for those who aspire to be seen in a different light.

Figure 4, which follows, maps how CSR should progress from the corporate entity perspective, collective action in a sector and finally, transcend to cross-sector collaboration for maximum regional impact. Banks need to embrace the evolution from philanthropy to multiple stakeholder action as the figure suggests.

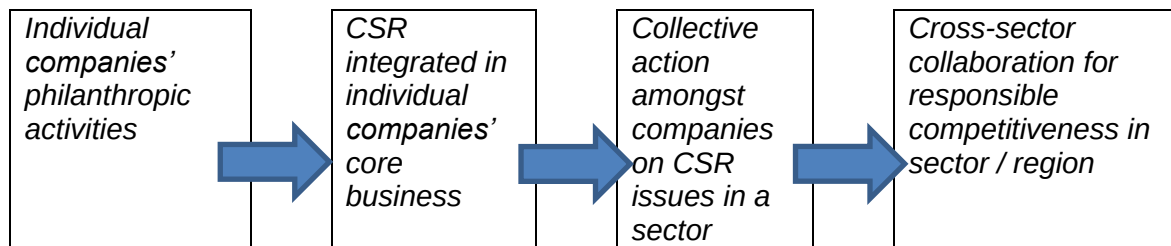


Figure 4: Progression of CSR from individual companies' philanthropic action to collective multi-stakeholder action

(Source: The Business of Sustainable Development in Africa, pp. 65)

National priorities

Discussed in the literature review, Carroll (1979, 1991) presenting his famous pyramid, postulated that there are four categories in which firms can invest when responding to societal demands, namely: economic, legal, ethical, and discretionary/philanthropic programs. The adopted investment categories are driven by certain banking norms unique to the South African context. Nationally speaking, a high ranking economic theme is that of financial inclusion. Looking at what respondents had to say, this reality, of millions still being unbanked is less than ideal and a sore point. In this vein, their endorsement of the Mzansi account was also identified by several respondents as a meaningful and noteworthy contribution to a collaborative product innovation, which was in fact a national inclusion strategy. Sadly, Mzansi's failure to penetrate the unbanked segment was also noted.

Another noteworthy objective highlighted in interviews, and expressed by the bulk of respondents as a concern, is that of providing much needed financial assistance to help educate the children and adults of this nation who may have otherwise not enjoyed the privilege of education. The scarcity of financial resources in this country for the majority offers banks in South Africa the opportunity to intervene and address this lack, especially with regards to the infrastructural development, academic mentorship and stewardship. The economic funding of educational initiatives is by far the most widely noted social call heeded by all CSR managers interviewed. Sadly, lack of accurate

monitoring and evaluation standards of a robust and reliable nature are yet to be enjoyed according to respondents. How then, can this heavy investment in education as a sector be quantified through the results it hopes to achieve? In essence, this is point of concern as the industry could be failing to make any impact, and not even know.

Alignment with national priorities seems to be banking's default position, education as a forerunning strategic priority stands out over other investments area's like enterprise development, skills development, job creation, the environment, sports development, social welfare and the arts. Education is inextricably linked in essence to the theme of financial inclusion, financial literacy being the conduit to real inclusion. The banked population of South Africa is estimated at 63%, with the targets for 2013 set at 70% (SA Banker, 2012: 23). One respondent went on to note that the tools to inclusion, beyond just financial literacy, also include product benefit knowledge and access to micro financing. To that end, banks should be participating in developmental micro financing, sector co-operatives, co-operative banking, as well as empowerment financing, in order to target the shamefully underserved rural and poor communities.

Value-driven

Another central emergent theme relates to the perception of what CSR is versus what it is in reality. Several respondents alluded to more discussion than implementation often being the norm for some parts of the sector, and in other cases, where the reporting function takes precedence over the actual doing. Perhaps this is symptomatic of the jargon that tends to plague the industry, another theme deduced through respondent interviews. The prolific use of evolving terminologies tends to confuse audiences, a setback to a concrete understanding of CSR and sustainability in general. This thread of thought leads to the next emergent theme uncovered, that of becoming more value oriented in articulating the CSR vision, as opposed to being needlessly verbose, and confusing a fickle and untrusting audience. When people speak in terms of

value, clarity about objectives and desired outcomes will likely prevail according to some respondents.

Taking the idea of value further, shared value as a theme also emerged in two interviews. Popularised by Michael Porter, the concept of shared value relates to operating behaviours that combine both economic and social value for the business and for the greater communities that the businesses operate within. Shared value, unlike philanthropic based giving, looks to create long-term mutually beneficial relationships with other socially minded enterprises. It really addresses the link between social and economic success, and not one at the expense of the other. The term, “creating shared value (CSV)”, (Nohria and Ghosal, 1994), cited in Gholami (2011: 150) mentions the idea that company success and societal success are interdependent, and has in its essence, a triple bottom line ethos. Respondents, who touched on this theme, spoke mainly to green sourcing and procurement policies being adopted by their respective banks, allowing for suppliers and buyers to “co-produce value” for their organizations (Normann and Ramirez, 1993), as cited in Gholami (2011: 150).

Sustainable development

The chasm between active economic participation through sustainable practices versus that of charity is further widened by the respondents’ polarized perceptions. While some see it fitting to participate in random unsynchronized ad hoc charitable activities, many took exception to what they saw as investment dilution or cheque book philanthropy, a practice the respondents feel has no place in sustainable CSR programs. In much the same way, the sometimes staccato assistance offered by certain CSR initiatives cannot be seen to make any noteworthy impact due to the contracted length of assistance being too brief. Some respondents go as far as to mention that a minimum acceptable period to offer assistance should fall between 3 to 5 years, if the intent is to truly make a positive impact. Triple bottom line pursuits should have dominated interviews, but respondents further entrenched the finding that CSR and CSI in the South African context are used interchangeably as terms,

resulting in a hodge-podge of roles and responsibilities, with CSR neither being clearly defined nor practiced. McDermott (2009: 294) noted commonly recurring socio-economic, social responsibility themes from prominent reports as: “protection of human rights, health issues, partnerships with nonprofits, promotion of global diversity, crises assistance, women and minority owned businesses, volunteerism, product to the disadvantaged, diversity in workplace, employee education, employee health and safety and employee satisfaction.” Some, but certainly not all themes uncovered by McDermott (2009:293) were discussed by respondents. Two themes that were mirrored from the study by respondents were the advancement of women and financial inclusion. Given the challenges of the sector assuming CSI and CSR are one and the same, it is clear that the commitment to sustainable development is limited in South African banking.

Leadership

High on the agenda of influential scenarios described by respondents was the theme of leadership within the bank, and the championing of the sustainability agenda from the highest echelons within the institution. One respondent spoke of their CEO, and how his commitment to the portfolio was manifested in his heading the institution’s foundation and taking an active voice in thought leadership in this area.. The space of CSR and more widely, sustainability is one that largely challenges the status quo, and as a result, will often have to either tweak or completely challenge the standing business case. Ferns et al (2008: 121), confirm that a business’ corporate reputation can be linked to the reputation of the CEO, and go further to find that the CEO’s “ethical performance” is correlated the companies “overall corporate reputation”.

According to researchers, Angus-Leppan et al, (2009: 194), citing Crossan and Hulland, (2002), and Vera and Crossan, (2004), “the new key responsibility of leadership is sensemaking of the external environment as leaders must help the organization stay aware of and adapt to the rapid changes in its industry and new stakeholder demands.” By scanning the environment in which it operates, the leadership is better equipped to lead strategically from the front. With leadership at the helm of change, progressive changes to the daily business

landscape can become a reality. This theme of leadership was attested to in both the affirmative and dissenting scenarios put forward by respondents, which spoke to participatory leadership and absent leadership respectively, as well as the effects thereof.

The noted lack of transformational leadership in some institutions proved to stifle the progress of the CSR mandate. In their model, Angus-Leppan et al (2009: 196), propose that institutional forces, these being societal norms and national business systems, make an impact on the organization, allowing for leaders to adapt their leadership style, based sensemaking organizational practices and environment in which the organization functions. It is in that context, that leaders will have to make decisions about which leadership style would be best suited to the execution of CSR in the organization. The model is captured in figure 5 which follows:

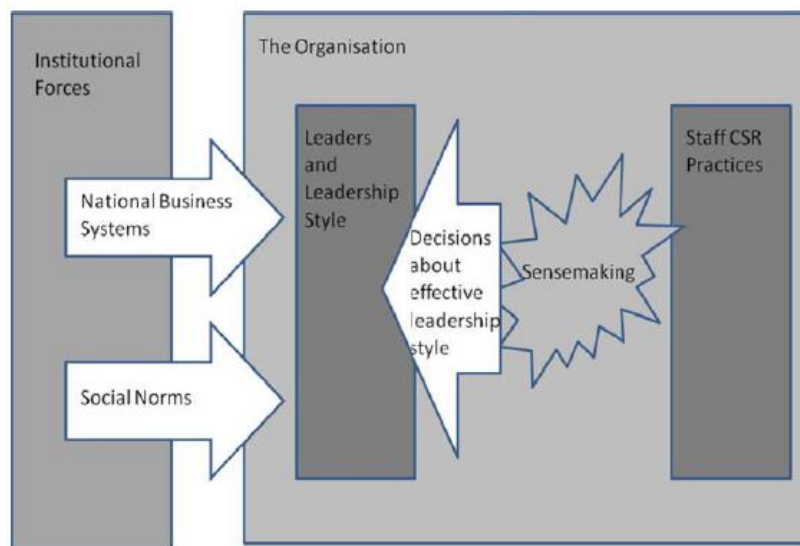


Figure 5: Model of interaction of variables

(Angus-Leppan et al, 2009: 196)

5.2.2 CSR Issues

Community

The recurrence of the themes of community development, community cohesion, integration or even societal impact was noted as a high priority to South African banks. The overwhelming majority of respondents mentioned the need to make a difference in the communities in which they operate. In a similar study, Ghanaian CSR managers were found to believe that “operating in a community involves supporting the community through social programs” (Ofori, 2010: 21). With community being one of the three pillars of sustainable development, the South African CSR manager has identified with this need in an overwhelming manner. Although their main mode of interface has primarily been through philanthropic vehicles, it must be noted that the call to serve the communities in which they serve has been heeded to some extent by most if not all CSR managers.

Environment

Those respondents whose roles and designations were explicitly environment related were of especial insight with regards to the ‘green’ activities that are underway at the majority of corporate institutions, and more specifically in the banking community at large. Supply chain considerations along ‘green’ lines were alluded to by some, whilst others simply had no environmental thrust to their corporate strategies, and relied heavily on their staff volunteerism initiatives to cater to this arena. With education getting the lion’s share of philanthropic attention from bank managers, it is hardly surprising that this element would fall by the wayside for some. In an exceptional case, the environmental strides of one bank in particular, stood out. With an inherently ‘green’ corporate strategy, this particular case offered a rich and layered approach to not only partaking in the green economy, but leading the pack from the front, having secured a massive first-mover advantage. Congruence of this particular banks’ views with commonly recurring environmental themes identified in prominent CSR reports, is confirmed by McDermott (2009: 293),

which she lists as: “measurement of carbon footprint, protection of the atmosphere, environmental research, educating consumers, partnering with non-profits, partnering with the employee, environmental management programs, protection of biodiversity, sustainable building, green products, energy efficiency, waste management, water management and recycling” (McDermott 2009:293). Some respondents admitted to completely ignoring the environmental dimensions to triple bottom line strategies, claiming they preferred to focus on other areas, as per alignment with their respective corporate strategies.

Financial inclusion

Alignment with the national priority of financial inclusion is noted; although there is little evidence of success, with the failure of Mzansi account presenting some noteworthy lessons for future product innovation endeavours. Financial literacy is noted by respondents as the biggest hurdle to financial inclusion, and in this light, volunteer based initiatives like “Teach Children to Save” are invaluable to the sector as a whole. Micro-finance is also high on the agenda for some banks, as they scramble to cater to a segment they had largely neglected. Sadly, the competitiveness of the sector is in decline with the number of banks in the South African sector falling from 58 in the year 2003 to only 34 in the year 2009 (Mlambo and Ncube, 2011: 7). This does not offer a good premise for financial inclusion, despite government’s efforts to persuade the sector to such. The reason cited by most respondents for not making better strides in collaboration, was the concern of losing competitive advantages. In their study, to ascertain whether competition law is an impediment to CSR, Dubbink and van der Putten (2007: 383), quote Kimman (2006) in saying that “CSR depends on inter-firm cooperation” and that “CSR is only possible if competitors are allowed to contribute collectively to setting the norms for competition”. Perhaps if government took a more active role in facilitating the discussion around corporate collaboration, they could help influence a new movement, towards consolidated sector impact with regards to CSR.

Greenwashing

Greenwashing proved to be a theme the respondents reacted to with unified rejection as an acceptable practice. Many respondents went as far as highlighting how their policy towards carrying out CSR initiatives was in fact not to publicize or promote their activities, so as to be sure their intentions were not misinterpreted. None of the respondents could attest to any such practices taking place in their respective institutions, but some hinted that perhaps some banks were too keen to publicize their 'green' activities. Greenwashing should not be confused with the legitimate communication of honest activities, as some banks have indeed mastered the marketing elements to their CSR campaigns, but cannot be accused of greenwashing. CSR communications expenses are said to have grown to "the third largest budget item for corporate communications department in large companies" (Hutton et al, 2001) cited in Parguel et al, (2011: 15). With so much money being thrown at CSR communication, the perception of marketing being the emphasis could be justified. Possible categories of marketing and CSR intersection are listed by Jahdi, (2007), cited in Jahdi and Acikdilli (2009: 105) as:

- Posthumous – CSR applied for damage-limitation purposes.
- Pantomimie – Superficial; play-acting dressed up as CSR.
- Piecemeal – Token gestures at applications of CSR.
- Public Relations – Communicating CSR intentions to stakeholders.
- Parsimonious – Frugal application of CSR.
- Parrot fashion – Following competition or market leader.
- Profit driven – CSR application for economic gains only.
- Proactive – Anticipation of need for and possible benefits of CSR.
- Partnership – Co-operation with customer and/or other firms.
- Philanthropic – Attention to welfare of fellow humans in the shape of CSR.

(Jahdi, 2007)

Jahdi's categorisations of marketing and CSR intersection offers an understanding of how greenwashing can manifest in the corporation, and banks

are not exempt from the risk, but according to respondents, the risk has been well navigated in banking.

Social development practitioners versus human resources

The type of CSR practiced in banks was noted by several respondents as determined largely by who is responsible for it in the business. Does the duty lie with professionalised social development practitioners as it should, or has it been relegated to likely unwilling and unknowing human resource and marketing professionals, who are out of their depth? The answer to this question was divided amongst respondents. Some vehemently denounced the linkage of CSR to Human Resources, saying CSR should have its own banner and be treated as a unique science, not to be bundled up with other areas of the business. Weybrecht (2010), quoted in Gond et al, (2011: 117) states “within a company, the HR department plays a key role in promoting positive behavior, in creating an engaged workforce and in creating an environment where CSR is embedded in every aspect of the employees lifecycle.” Where the comfortable home of CSR should be is thus contentious; as individual banks argue their placement of the office is well considered and well matched to the needs of their operations. CSR’s home would naturally enhance the look and feel of how CSR is practiced in an institution. Where some interventions may have gone by unheard or seen, a marketing led CSR team would likely not forgo the opportunity to leverage any visibility to that end Gond et al (2011) found that there are three CSR and HR functional configurations. Firstly, CSR as part of, or emerging from, HR. Secondly, CSR as a function shared across departments and/or emerging from a department other than HR. The last configuration, is described as CSR as a separate and autonomous function. To some extent, all three configurations could be identified amongst respondents. Perhaps the blatant confusion of CSI and CSR would not be the case if the CSR department was not influenced by non-practitioners, who to some extent, have sullied the essence of triple bottom line thinking with lack of understanding.

Soft, white and feminized space

While the global economic downturn's impact on the reputation of global banking practices has offered banks an opportunity to professionalize the practice of CSR in a more co-ordinated fashion, this may not be the case in the South African context according to a respondent, who went as far as describing CSR in South Africa as a soft, white, and feminized career path. This perception does the practice of CSR great harm as it nullifies the strategic excellence required to harness collective efforts in order to effect real change on a massive scale. This comment, although limited to just one respondent resonated, as implicitly, the 'softness' of CSI has permeated the CSR vision, reducing its potential triple bottom line impact. Some post-colonial studies have provocatively linked imperialism to CSR, one such by Adanhounme, (2011: 92), quoting Gilbert and Tompkins, (1996) and (Mbembe, 2001), speaks about "variations in the contestation of colonial discourses and practices over periods in Africa relative to CSR". To see CSR as "white women's' work" renders CSR toothless and impotent to the great responsibilities it houses. Perhaps this view stems from the ills of the legacy of apartheid, and the racial aspects to poverty and perceived privilege in the current day context.

Geographical bias

Another theme, geographical bias, emerged as a concern when discussing the theme of philanthropy via staff volunteerism. Respondents confirmed that this is often the case, especially given the implied link between bank branch proximity and where volunteerism is likely to take place. Those in rural and far flung areas remain excluded when they are in fact, the most in need of such interventions. Also, given the density of population in Gauteng, other parts of the country tend to be forgotten. Two respondents, having noted the bias to urban and peri-urban communities, have taken efforts to tailor their community development projects around rural areas and the empowerment of women in those areas. Those respondents, whose institutions were more development focused, spoke of special interest in infrastructural development, as well as in the support of

women based initiatives. Perhaps another legacy of apartheid at play is the displacement of millions of people via apartheid's hunger for migrant labourers, who came to Johannesburg in search of sustenance, leaving their loved ones and breaking up the family structure. As a result, the concentration of population in Gauteng tends to bias those in further flung areas from the receipt of much needed CSR driven attention.

Institutional willingness

Institutional willingness for transformation emerged as a theme central to the success or the failure of CSR within an organization. Without a willing audience, the task to ignite sustainability thinking in banks is an arduous task. The respondents spoke to the rigorous internal communications they facilitate in order to incite 'corporate citizenship' (discussed further below). To be expected in banking, financial success speaks to the business case. Where the daily business is disrupted in pursuit of CSR objectives, not necessarily linked to the business case, there is likely to be resistance to change, according to one respondent. This resistance concerns whether an institution is willing to make the required changes in order to meet the triple bottom line. A few respondents were despondent in their views, emphasizing that their daily duties involved lobbying for the causes within the organisations they serve. The involvement of the employee as a crucial stakeholder in the design and implementation in CSR must not be neglected (Bolton et al, 2011). Hence, the caliber of employee under-roof will be linked to willingness to adopt new and novel approaches to meeting the triple bottom line.

Corporate citizenship

Having established the employee's role in facilitating change, Bolton et al, (2011: 64)'s view that "the employee indeed does not only engage in CSR activities, but is also instrumental in their creation and success as part of a dynamic and ongoing CSR process embedded in a moral community" is noted,

and related to the notion of corporate citizenship, defined by Carroll, (1999) as business' duty to society. The theme of authentic internal belief and adherence came to light via several respondents, with them noting that the desired end goal was to achieve true corporate citizenship, where the daily business would be so entwined with the triple bottom line that the respective institution would be inherently operating on a higher moral plane. In essence, the corporation, as an entity, has a role to play in facilitating an ongoing dialogue with stakeholders in pursuit of the triple bottom line, and respondents affirmed this view in the overwhelming majority. Coming back to Logan et al (1997)'s view that "at a minimum, corporate citizenship means adherence to laws, regulations, and accepted business practices in the places where a company operates", the United Nations Global Compact performance model is a tool that is voluntarily adopted globally for the implementation of corporate citizenship. The model identifies the enablers of citizenship, as well as noting the resulting impact, as well as the monitoring and reviewing of results of CSR strategy.

5.2.3 CSR Processes

Strategic alignment

Also emerging strongly was the theme of strategic alignment of the banks' organisational strategies and CSR ideals. The linkage to core business drivers and values is made by banks, manifesting in the tailoring of selected vehicles for CSR. Alignment of social matters to the core business strategy of the institution is a recurring theme because all managers are well aware that when there is little or no alignment, the CSR activities may indeed be ad hoc and uncoordinated, diluted and thus less than impactful on the identified beneficiaries or partners. Jamali and Keshishian (2009: 281) cite Husted (2003) who identified "two salient drivers of collaborative CSR projects as centrality and specificity ", speaking directly to the alignment of the two parties' strategic and benefit-oriented perspectives. What the respondents fail to see, in spite of this knowledge, is the impact of their own choices with regards to being ad hoc and uncoordinated due to neglecting upfront strategic considerations, especially

with regards to the scope and focus areas of their CSR strategies. A particular respondent was clear about only looking at educational initiatives as their overall business strategy spoke to their talent pipeline, and as a result, there were no allocations in their budget for environmental matters. Simply, the environment was ignored by the bank, and left to other institutions to engage in the field.

CSR versus CSI and philanthropy

While the dominant language in the CSR domain looks to the triple bottom line for a current and common place definition, South African corporates notwithstanding, banks and other financial institutions have confused the terms CSR, CSI and philanthropy to the point where CSI is the more prevalent practice, even under the guise of CSR.

Perhaps the most vital finding of this study is the fundamental inability to differentiate CSR from CSI that plagues the sector at large. Having defined the differences in chapter 1, CSR includes the dimensions of economic, environmental and social benefits when devising corporate strategy, i.e. CSR is the business of sustainable development, whilst CSI is only a small part of CSR, dedicated to the philanthropic domain under the social banner. Figure 6, which follows, looks at the spectrum of CSI or as they term it, corporate giving (Skinner and Mersham, 2008: 241), adapted from the CSI Handbook, (2006: 9), and delivered as part of their paper on emerging trend of CSR in South Africa. It details the various activities of “corporate giving”, and names them as:

- Public relations management
- Reputation focus
- Charitable giving
- Grantmaking
- Social Investment
- Social change approach

(Skinner and Mersham, 2008: 241)

Explained by Skinner and Mersham, at the far end of the spectrum, companies whose CSI programs focus on the marketing element of public relations, are likely to be more concerned with the business' reputation, and are "more concerned to derive a benefit for the business". Moving along the spectrum, into social investment, the "social benefits" take precedence, and ideally, the strategic CSI zone interrogates the "point of balance where benefits are maximised for both the business and the development cause" (Skinner and Mersham, 2008).

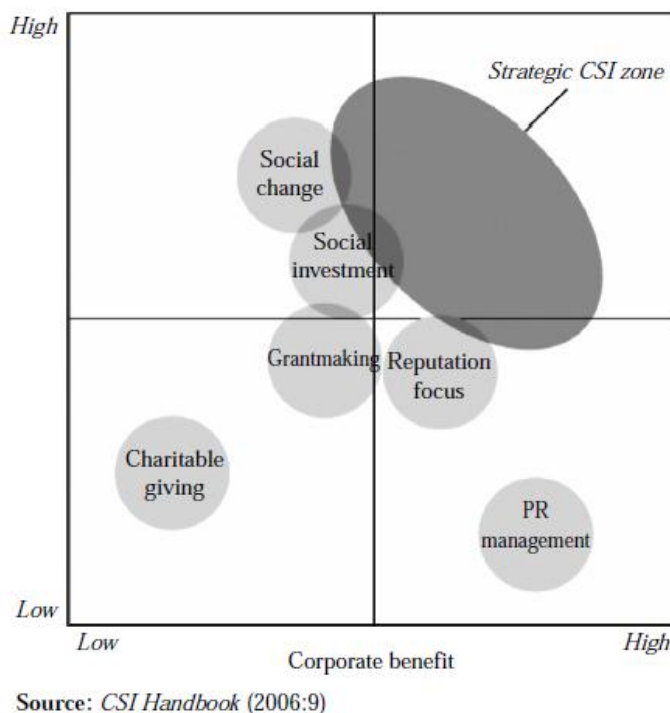


Figure 6: The corporate giving spectrum

(Skinner and Mersham, 2008: 242)

Having already established the power of culture in context of CSR, one can perhaps make the link between the prevalence of philanthropy in South Africa and the practice of the ethos of Ubuntu, an African lexicon for the belief that a man can only be a man through others (Dartey-Baah and Amponsah-Tawiah, 2011), which permeates popular sentiment, and thus also the disposition of certain strategies. Dartey-Baah and Amponsah-Tawiah also found that "traditional African approaches to community, leadership and business are at times at variance with the very principles upon which western theories are built."

In the following figure, the evolution or shift from philanthropy and impact mitigation, through to community investment then finally, to social partnership or shared value, marks the journey from unsustainable acts of kindness to the essence of triple bottom line inspired sustainable development. Based on the following figure (7), the South African banking sector is likely trapped in the second stage, namely, “community investment and eco-efficiency”. The new wave of CSR revolution yet to come, should endeavour to propel the sector to “social partnerships” in order to entrench meaningful changes that will yield maximum societal impact

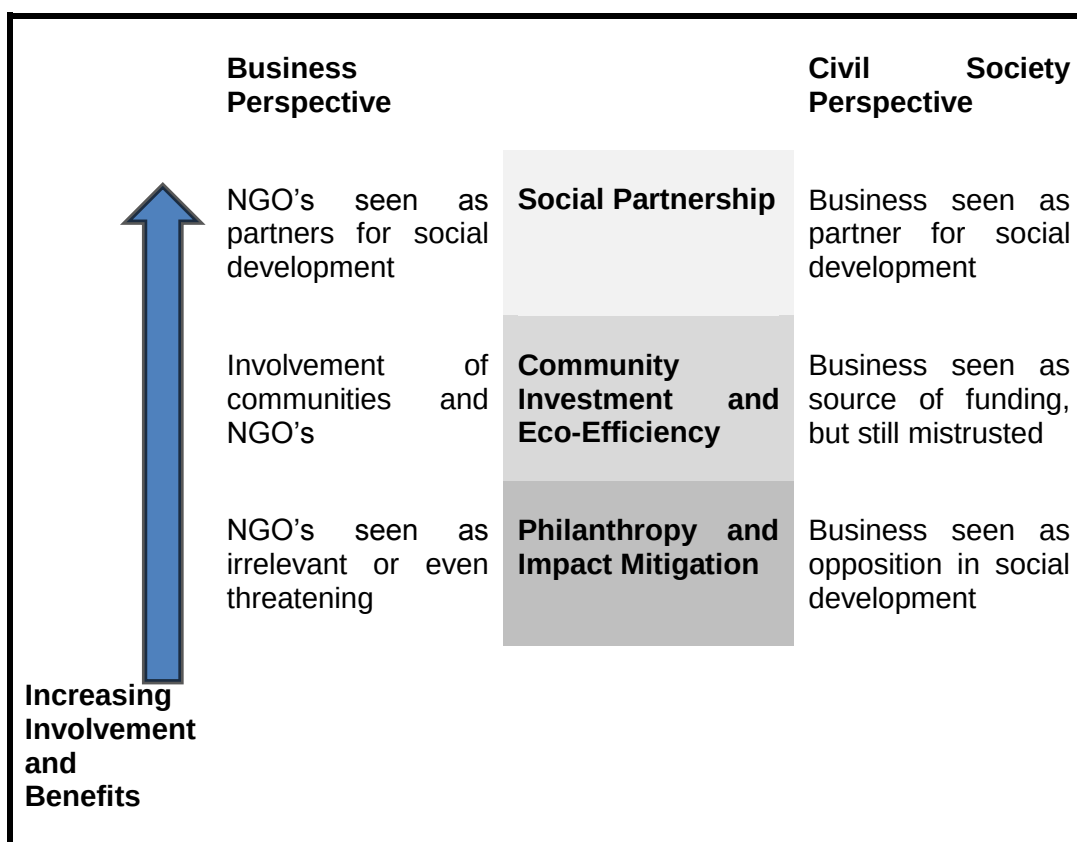


Figure 7: The Evolving CSR agenda from philanthropy and impact mitigation to social partnership

(Source: The Business of Sustainable Development in Africa, 2008, pp 65)

Legal compliance and codes of conduct

Legal and ethical considerations tended to merge as a theme, as respondents spoke of bodies and codes they either subscribe to legislatively, voluntarily, or by virtue of their widespread and expected compliance. Basel III, King III, the financial services charter, codes of good governance, and the Banks Act were all mentioned. Specifically with regards to CSR, the policies that emerged recurrently amongst respondents, noting that they would apply these frameworks to their legal and ethical considerations, while carrying out their duties, either explicitly or implicitly spanned the following:

- The Carbon Disclosure Project (CDP), an independent not-for-profit organization working to drive greenhouse gas emissions reduction and sustainable water use by business and cities. Respondents either partook in the project or knew of it and hope to participate in time. In the South African context, banks are well represented in the project. See Appendix 4
- The United Nations Environment Programme Finance Initiative (UNEP FI), a unique global partnership between the United Nations Environment Programme (UNEP) and the global financial sector. It has 200 member signatories (financial institutions) around the world and aims to progress sustainability thinking in the global financial sector. They have a 'guide to banking and sustainability' that a respondent shared with the interviewer, outlining implementation of sustainability in banks based on UNEP's statement of commitment by financial institutions on sustainable development.
- Equator Principles, an industry benchmark for determining, assessing and managing social and environmental risk in project financing, is also widely adopted by banks, and is referred to by the majority of respondents.
- King III Framework for Integrated Reporting recommends the use of integrated reporting, which combines sustainability data with traditional financial reporting for a more true reflection of the health of a business. All respondents were familiar with the new sustainability reporting requirements as per King. South Africa is noted as a country with high quality environmental and social reporting. See Appendix 5.

- Companies Act of 2008 makes critical provisions towards the liabilities of directors and prescribed offices, as well as with regards to indemnification, where a company used to be able to intervene financially on behalf of its directors, they can no longer do so.. Leadership is thus duly warned to act in the best interests of society, or face the consequences of a breach knowingly executed. Such breaches would entail going against the corporate governance principles of fairness, accountability, responsibility and transparency (King III, 2011)
- The Green Jobs Report, a joint effort released by the Industrial Development Corporation (IDC) and the Development Bank of Southern Africa (DBSA), is an estimate of the direct employment potential of a greening South African economy. Although respondents were familiar with the report, few had engaged with it, given its 2011 release date. The green economy also encompasses green buildings, to which two sampled institutions could attest.
- Participation in COP 17 or the 17th Conference of the Parties (COP17) to the United Nations Framework Convention on Climate Change (UNFCCC), which took place in Durban, South Africa, from the 28th November - 9 December 2011, was confirmed by some respondents.

Partnerships / Collaborations

According to respondents, the next theme discussed, collaboration, is limited to only those activities that are seen to be non-competitive and therefore do not compromise the profit maximization values at the heart of the South African banking model. This is certainly a stumbling block for sectoral CSR traction as beneficial advances could be denied to certain parts of the population because they are seen to diminish an individual bank's competitive advantage. This concerns the dual obligation of the CSR manager not just to heed social calls, but to constantly weigh them against the business imperative. One such non-competitive advent was the Mzansi account. Aimed at the unbanked masses, and marketed to those at the bottom of the pyramid, this innovation had financial inclusion at the core of its desired outcomes, the result of multiple

banks coming together in a non-competitive, attempted game-changing initiative. Sadly, Mzansi has failed to meet expectations and leaves the gap still unfilled in terms of the unbanked masses. At the core of such collaborations or rather, the lack thereof, is the idea of competitive and non-competitive spaces of convergence. Guarding their competitive advantages fiercely, institutions in this sector have some way to go before one could consider them to be collaborative. One would have presumed that with a “relatively well developed and sophisticated banking sector” (Mlambo and Ncube, 2011: 6), such a reality would be nearer in sight, but respondents were less than hopeful that this would change in the foreseeable future.

In the African perspective, there are some instances where governments fail to deliver essential social services, resulting in ‘governance gaps’ that can often be addressed by CSR (Dartey-Baah and Amponsah-Tawiah, 2011: 131). The much touted but rather illusive public private partnership vehicle to real sustainable development is the burning bush of CSR in South Africa, and perhaps the only real hope for sustained triple bottom line profits.

Stakeholder engagement

Respondents each spoke about their existing criteria for partner selection and articulated steps taken in selecting a certain NGO partner or CSR outreach programme. It was made clear by respondents that often, a case will be looked at based on the ability of the potential partner to demonstrate transparency in the financial management and in the running of their daily business, as well as a healthy track record for successful interventions, setting a good tone for future communications. Initiatives not well suited to the strategies of the banks or their high standards of governance and transparency were not considered at all. Some spoke of special interest in those programmes that were created to focus on the development of women and more so, women in rural areas, as this is where the greatest need was. Most respondents also spoke of how their most successful relationships were groomed over time, and one went further to referring to such partners as counterparts and not stakeholders, ringing true to

the joint commitment required from all parties, for a successful CSR intervention.

The concept of stakeholder activism, similarly involves the same notion, where stakeholders go beyond their traditional role and are actively involved in shaping the vision of the CSR strategy. With even shareholders potentially influencing the areas of future investments and with society becoming more and more interested in the social responsibility of the corporate entity (Reinig and Tilt, 2009: 176), there is more of a need to ensure all parties are included in the discussions towards strategy formulation. Jenkins, (2005) cited in Dartey-Baah and Amponsah-Tawiah (2011), speaking about the state of stakeholder activism in developing countries, states how stakeholder groups like development agencies, trade unions, NGO's and business associations, emerged as the most powerful activists for CSR .

The Socially Responsible Index (SRI) of South Africa, a “pioneering initiative, the first of its kind in an emerging market, and the first to be launched by an exchange” (JSE, 2011), mentions how multiple stakeholders can begin to shape the landscape of sustainable development by doing good for the community and environment in concert with the typical financial considerations of investment. Similarly, the SA Social Investment Exchange (SASIX) tries to “match donor funding with high performance development projects” (JSE, 2011)

Stakeholders include employees, customers and communities (Hodgetts, 1996), cited in Reing and Tilt (2009: 177) and as such, the communications that go out to them either via the media or through advertising and sponsorship are part of the CSR strategy. Marketing communications and CSR communications have started to uncomfortably co-exist, with greenwashing being flagged in recent times. In spite of this, according to Jahdi and Acikdilli (2009: 105), “marketing communications can play a tool in conveying a company's CSR messages and communicating a more socially responsible image.” Bhattacharya et al, (2007) cited in Sangeetha and Pria (2011:2), state that “CSR is also considered for its role as an internal marketing strategy due to the fact that companies find it difficult to attract, retain and motivate talented employees”. The role of employee volunteerism is discussed further below.

Employee volunteerism

As per Carroll (1979, 1991), the final category of his pyramid for social investment categories, points to discretionary/philanthropic activities. Banks have responded to this call with strong staff volunteerism programs, mostly through internally communicated messages of aspiring to good corporate citizenship. One such intervention previously mentioned, which has successfully yielded a second scarce collaboration of all banks, is the Banking Association spear-headed 'Teaching Children to Save' financial literacy program. Seen as the gateway to inclusion, this literacy intervention is well adopted throughout the banking population, with professionals volunteering their time to educate children in rural, peri-urban and poor communities where the need for such has been proven to be the greatest. Staff volunteerism was mentioned in each and every conducted interview. Either through donating their time or even a small percentage of their monthly salaries, staff are a vital component in the philanthropic activities the banks have immersed themselves in. Some respondents went further and spoke of incentivizing volunteerism by allowing a certain amount of formal working hours to selected volunteer based projects. The type of staff members who are likely to partake in staff volunteerism efforts, according to the findings of Peloza and Hassay (2006), cited in Houghton et al, (2009) are those with "high organizational citizenship behavior profiles (Organ, 1997) are more likely to engage in organization-sponsored volunteerism". With respondents indicating that staff volunteerism is key to their CSR strategies, McDonald (2007)'s view, also cited by Houghton et al (2009: 481), that "employer-sponsored volunteerism was associated with greater organizational attachment and strong positive identification of the employee with the organization...", makes a case for CSR managers to continue in this vein.

Centralized CSR management approach versus the outsourced model.

The theme of a centralized CSR management approach versus an outsourced model dominated upfront, with varied responses to the probe. Those banks that engaged in the outsourced model made a case for the audit, assurance and strong governance benefits offered by the external specialized CSR practitioners, funded through tightly monitored management fees. Others spoke of owning the CSR vision by keeping the function integral within the business and not outsourcing it. Does the CSR vision become disconnected from that of the entire institution by being housed in a physically separate structure? The majority of respondents certainly felt that keeping the management function integral in the daily running of the business was likely to be the best way to advance the policies of CSR in a holistic and integrative manner. Several respondents spoke about the foundations that were formed by their respective institutions, and were proud of the amount of money that was channeled to worthy causes, the most endorsed of course, being education.

Monitoring and evaluation standards

Top of mind for all 17 managers were the themes of monitoring and evaluating the impact and value added through CSR, measurability of interventions, scarcity of reliable and valid metrics as well as devising key outputs for CSR interventions. And judging by the overwhelming majority of respondents' views, there is still some way to go in addressing these concerns. That this theme is a major priority for banks is not surprising in the least, given they need to motivate for the investment decisions they undertake. Currently, the measurement of impact remains primitive according to respondents. There is little in the way forward in perfecting the science of CSR measurement. Current techniques struggle to articulate intention and consequences, direct and indirect benefits, non-economic, social and environmental benefits, as well as their respectively corresponding limitations.

Also thematically key, was the acknowledgement of the reporting requirement of integrated financial reporting (the integration of both financial information and non-financial sustainability information in consolidated reporting), as per the 'King code of good governance principles for South Africa', previously discussed.

Continuity of tenure

With the CSR manager being custodian to the CSR vision as it relates to the bigger organisational strategy, the length of his or her tenure, another theme, would also likely impact the momentum of newly implemented policies and programs, much to the disadvantage of the CSR mandate within the institution and within the sector as a whole. Respondents did indeed concur that often momentum on certain projects could become disjointed due to leadership turnover and lack of consistency with regards to implementation. Having already discussed the emergent theme of leadership in some detail, the role of the CEO and his length of tenure is also a concern. As the face of the organization (Ferns et al), his commitment to sustainability and CSR will permeate the organization. If there is no consistent leadership due to limited lengths of tenure, one would imagine the CSR vision would have to be re-envisioned with each change of leadership. The likely result being the exhaustion of their employees' already limited dispositions towards change.

Corrective perspective

Less resonant amongst respondents, but certainly noted as a theme, was the corrective perspective. At the highest levels within CSR at the banks, the long-term strategies that would remedy our current day CSR shortcomings are being pondered and deliberated. These minds are toiling with the idea of the future of CSR. Without real collaboration on a large scale, there is little hope for massive impact, keeping the desired end state of truly sustainable development a pipe-dream. The most insightful response from one respondent, the head of a

foundation, spoke to how the total CSR contribution in South Africa is approximated at R6.7 Billion, and how surely the consolidation of funds to effect massive change is where the future of CSR lies? The softening of the competitive divide that hampers true collaboration within the sector would likely facilitate such consolidation, but banking seems to be far from such a noble end. With sector collaboration almost non-existent, this challenge may go largely unmet. The combined efforts of commerce are the utopic end that CSR aspires to, whether this will become a reality in the next few years or rather decades, remains speculative conversation, with little solid evidence pointing towards mass consolidation of efforts firstly within sectors, and then, across them.

5.3 Conclusion

In conclusion, Research Question 1, 'What constitutes CSR in banking?' yielded the expected finding, that CSR must be contextually understood as opposed to being easily defined. In the context of South Africa, CSR and CSI were found to be used interchangeably, with CSR being short-changed in practice. Respondents related their perspective with regards to inherited legacies that are unique to the South African landscape, whilst articulating the varied structural nuances that govern the CSR model as it exists in this unique context. The philanthropic lens that South African banking managers tend to look through has diluted triple bottom line understanding of sustainable development, in effect, denying all three pillars the attention they duly deserve. From a sector perspective, alignment to national priorities is rife but collaboration is limited to pockets, and fails to make any noteworthy advances in product innovation or spaces of synergy.

With regards to answering the second research question, which social calls managers respond to?', the finding is that all four layers of Carrol's triangle are considered, these being the philanthropic, economic, legal and ethical dimension, with the philanthropic apparently being the most exercised category of social responsibility investment here in the South African context of CSR in

banking, more so than economical, legal and ethical considerations, that are more resonant in western countries. The dynamics of navigating apartheid legacies and the general culture differences from western counterparts seem to be behind the drive towards philanthropy in banking.

In answering the third and final research question, 'which social matters do banks prioritise?' it was established through the interviews that the national priorities of poverty alleviation via education and financial inclusion were also satisfied by the activities of CSR in banks, highlighting them as priorities, meaning in essence, that the CSR strategies of the majority of banks are aligned to that of the national strategy. Managers gravitate to projects with a strong educational focus (largely facilitated through staff volunteerism), as well as those that look to allow for more social and financial inclusion at the bottom of the pyramid. Banks monitoring and evaluating of their investment of time and resources in such initiatives is weak, rendering the efforts banks make or their impact impossible to quantify. This poses cause for concern, as the business case for CSR is catered for in the economic pillar of sustainable development, and profitability and sustainable development are not mutually exclusive phenomena.

The state of CSR in banking points to a lack of commitment to the triple bottom line approach to sustainable development, in its place, philanthropic activities dominate the investment decisions of both time and money.

6. CHAPTER 6: CONCLUSIONS AND RECOMMENDATIONS

6.1 Introduction

The final chapter looks to firstly conclude the study, CSR in the South African banking sector, and then delves into recommendations for the sector, based on the presented and later, discussed results of the study. The findings, pursued in order to make sense of the state of CSR in South Africa, did indeed cast a light of understanding of the underlying drivers that inform the CSR manager in his strategy formulation as well as execution. This study has contributed to the generation of a knowledge base-line from which corrective measures and innovative solutions can be devised, in order to make triple bottom line driven strategies the mode as opposed to the exception for the sector as a whole. Lastly, the chapter and report will conclude with suggestions for potential future research studies, based on the limited wealth of literature available in the field of CSR on the African continent in general, but more specifically in South Africa.

6.2 Conclusions of the study

Having taken note of the gap in CSR literature with regards to sense-making, (Basu & Palazzo, 2008; Campbell, 2006; Margolis & Walsh, 2003), this study sought to understand the workings of the CSR in South African banking through analysis of the cognitive, linguistic and conative recounting of the CSR manager, unlike the majority of previous studies, which had mainly focused on the content of CSR and its activities, as well as linking CSR to financial performance. Differently, this study focused on CSR from the new perspective: sense-making. By looking at the underlying sense making processes and investigating how banks view, speak and tend to behave regarding CSR, the study resulted in a richer understanding of how banks have dealt with the phenomenon of CSR in South Africa (Basu & Palazzo, 2008).

The main research problem of the study, 'to ascertain how banks have responded to the need to contribute to social upliftment through CSR programs' and its three respective sub-problems, tackled via three correspondingly appropriate research questions were presented to 17 respondents from 12 financial sector institutions. The recorded interviews were transcribed and analysed for thematic content via a process of vertical and horizontal analysis. The distilled emergent themes were categorised into CSR motivations, issues or processes and presented in a table format. The table framework, based on, and adapted from a Kenyan study, carried out by Muthari and Gilbert, (2010) in their work entitled 'An institutional analysis of corporate social responsibility in Kenya', provided a congruent funnel for the results of this study.

Unpacking the themes in chapter 5 offered a more in-depth appraisal of the inner workings of this industry, and revealed a muddling of the practice of CSI, a small component of CSR, with CSR, which involves a triple bottom line approach to sustainable development. Added to this alignment with the national priorities of poverty alleviation through education and financial inclusion made a case for where the highest priorities of CSR managers lie. The culture and context of the South African manager emerged strongly as the main drivers to CSR strategy thrust through the whole sector. Thus, the findings of the study can be briefly summarised as follows: CSR is better understood in the context in which it operates. South African managers are more likely to heed philanthropic investments; these supersede those of economic, legal and ethical investment categories in South Africa, largely due to culture and context. Lastly, influenced by their philanthropic bias, South African banks tend to prioritise education and financial inclusion, with little or no measurable success to point to.

6.3 Recommendations

The desired end state of sustainable development should be the driver of the CSR manager's vision. It is recommended that CSR bank managers find ways to increase collaborative efforts, especially in the formation of one common

language, a new CSR vernacular, to measure social impact. Beyond just measurement, it is also recommended that an entire sector template for consolidated CSR strategies and investments, be developed. The proposed template should look to map out the next 20 years of CSR in banking. This would allow the entire industry to pool funds, thus becoming capable of effecting massive change. Given that total CSR contributions in South Africa are approximately R6.7 Billion, as estimated by a respondent, this would be a big blow to poverty, lack of infrastructure and barriers to skills developments and access to quality education. The collaboration continuum (Austin, 2000), cited in Jamali and Keshishian (2009:281), offers a path for the sector from philanthropic to transactional and finally, to integrative collaborations. Detailed in the figure (8) below, the continuum examines the various relationships and how they evolve as they move from one stage to another, with integrative collaboration being the end-goal.

Collaboration Continuum (Source: Austin, 2000)

Relationship Stage	Philanthropic	Transactional	Integrative
Level of engagement	Low	→ → → → → → → → → →	High
Importance to mission	Peripheral	→ → → → → → → → → →	Strategic
Magnitude of resources	Small	→ → → → → → → → → →	Big
Scope of activities	Narrow	→ → → → → → → → → →	Broad
Interaction level	Infrequent	→ → → → → → → → → →	Intensive
Managerial complexity	Simple	→ → → → → → → → → →	Complex
Strategic value	Modest	→ → → → → → → → → →	Major

Figure 8: Collaboration Continuum

(Jamali and Keshishian 2009:281)

According to Jamali and Keshishian (2009: 288), there is “an increasing appreciation” of the potential benefits and added value that can accrue from collaboration and the powerful synergies that can ensue. Banks cannot continue to compete on the basis of CSR at the expense of much needed collaboration in the sector as a whole.

Another recommendation to the sector is to go further in cementing public and private partnerships. The level of expertise in corporate South Africa is

desperately needed in the formation and management of well-meaning but ill-equipped NGO's. Thus, the recommendation extends to deploying high caliber bank employees for tangible amounts of time in the offices of the social partners linked to the institutions. Having transferred the knowledge, implemented change and empowered NGO staff to continue with the newly acquired management know-how, banks will be able to effect real coordinated change, as opposed to fragmented investments with little notable impact over time contributing to wastefulness via the reality of poorly run social entities. Jamali and Keshishian (2009: 279) list the main ingredients for successful partnerships, cited from Samii et al (2002), as: "resource dependency, commitment symmetry, common goal symmetry, intensive communication, alignment of cooperation working capability, and converging work cultures. Added to this, Jamali and Keshishian (2009: 279) add to the list of ingredients for a successful requirements, "individual excellence, importance, interdependence, investment, information, integration, institutionalization and integrity" (Kanter, 1994).

A final recommendation would be for banks to embark on value creation. There is an opportunity to innovate and perhaps reinvent the sector as it toils to include the underserved masses of South Africa in the banked economy. Mobile penetration on the continent alone offers exponential entry points to products and services that have likely yet to be designed. Thulani et al (2011: 8) in a Zimbabwean study of SMS banking benefits, listed incentives to such technology as: "lower transactional costs, higher accessibility, faster transaction processing, high adoption, higher volume of transactions and a larger client base". South African banking could certainly work on the advancement of such initiatives, if they plan to ring true to their support of financial inclusion at the bottom of the pyramid. By leading this combination of value creation and innovation, South African banking will be well placed to meet its CSR aspirations well into the foreseeable future.

6.4 Suggestions for further research

It is suggested that this study of sensemaking CSR in the South African banking sector is duplicated several years from now to gauge whether the banking sector still perceives its dual role to respond to social calls and the need to satisfy the traditional role of maximizing shareholder wealth, in the same way, or if there have been noteworthy shifts in beliefs, communications and behaviour. Having noted the confusion of CSR and CSI that is rife, how this muddling progresses or is corrected over time would prove enlightening.

It is also suggested that a multi-application of this study in other sectors in South African industry be carried out. Mining, telecommunications, petroleum and energy, FMCG (fast moving consumer goods, products with a relatively small cost that are sold quickly in a retail environment), are but a few industries that could benefit from such a sense-making framework, in order to have a clearer understanding of CSR in South Africa as a whole.

Having funneled the results of the study through UNGC performance model for a general understanding of banking sector CSR performance, it is suggested that further studies should look to use the UNGC performance model similarly, for individual cases within a sector, as well as for other sectors as a whole. This would allow for comparison within and across sectors.

Socially responsible investments funds are touted to have noteworthy growth potential. The advent of the SRI Index as an alternative to the JSE, also addresses this. A suggestion for future research involves monitoring the paces of the SRI Index, and interrogating whether it has, over time, delivered on the expectations currently being cultivated could prove to be an interesting business case.

Leadership, vision and strategy articulation are said to be crucial to the effective endorsement of CSR in business. Following the rise of the sustainability executive over time and interrogating how roles and profiles

have evolved along with the science of CSR, may prove an interesting research exercise. It is suggested that research into the roles and designations of CSR and how they have morphed over time in tandem with the ever evolving jargon and terminology is carried out. A chronological evolution of roles and responsibilities of CSR over time being the possible result of the study, could offer some insight into perceived CSR roles and expectations.

How willing is private business to embark on partnerships with public institutions? Public-private partnerships are spoken of as the best way forward to entrench development. How many examples of committed partnerships are there, and what can be learnt through their formations, ideologically, strategically and through observed lessons through implementations and daily management concerns? This suggested future study will illuminate on how to get the collaborations required started while maximizing their chances to succeed by studying successful collaborations to date.

The media has been known to sensationalise and popularize certain phenomena, with untold reach via multiple communication platforms, has the media perhaps played a role in helping the average lay person on the street come closer to understanding the complex issues that pertain to sustainability practices and the green economy? Or has the media conflated issue and confused audiences with the choice of language in articulating sustainable development? A study of media and language could help clear up certain perceptions and biases with regards to the practice of CSR.

Corporate Affairs, Marketing and Human Resources departments are often used interchangeably as the home of CSR. Where do the most impactful CSR departments find themselves in the organizational structure, and how is this linked to their perceived and actual performance standards? A comparison of the varying cases would prove interesting, and potentially offer an answer to the much contested view that human resources and marketing should play no role in the administering of CSR.

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APPENDIX 1

Actual Research Instrument – Interview Guide

1. Sense-making CSR is 3 pronged approach to understanding it, namely:
 - Cognitively – what does the bank think CSR is?
 - Linguistically – what does the bank say CSR is?
 - Conatively – does the bank’s CSR activities/behavior speak to their thoughts and words on the matter?
2. Considering the history of SA and the legacy of apartheid, how does the bank consider its specific role and contribution through CSR?
3. What are the key strategic areas for the bank? And how do these tie into the CSR mandate for the bank as a whole and through the various clusters?
4. What does the bank deem to be societally impactful? How is the banks CSR investment decided?
5. There is often a fine line between genuine and active CSR practices versus lucrative promotion under the guise of CSR. What’s the bank’s perspective on “Greenwashing”? (note: greenwashing exaggerates the CSR contribution for the purposes of preserving public relations and inflating public perception)
6. How does the bank seek to ensure alignment with “Codes of Good Governance” as well as the Financial Services Charter? Especially with regards to “management, ownership and skills development“?
7. How would the bank define “Good corporate citizenship”?
8. Pillars for the bank’s CSR interventions are noted as....
Where does the environmental element, as per sustainable development imperatives (economic, social and environmental) fit into the puzzle?
9. Shared Value – what’s the bank’s view of this concept?

10. Transformation charter frameworks seem well intended - what about implementation and action?
11. Philanthropy versus true CSR – the bank's view?
12. From a measurability perspective, how do you devise the relevant metrics? Strategies and key outputs?
13. As an emerging science, have CSR metrics evolved well over time? What are the most important metrics the bank looks at with regards to CSR?
14. In terms of the big picture in terms of organizational strategy, and individual sector perspectives – how do these inform your CSR vision and undertakings?
15. How do the various banks collaborate if at all? What's BASA's (Banking Association of South Africa) role in setting a collaborative tone?
16. Please expand on the social mandate of implementing Mzansi Account?
17. How far is the industry from "pooling resources" in order to meet national transformation goals? Foreseeable future or pipe-dream?
18. Please comment on the banks entrance into the "bottom of the pyramid" by introducing a microloan business portfolio. What does this mean with regards to stratification of consumers and their needs?
19. Selection criteria – how do CSR partners qualify for inclusion?
20. Is BASA able to play a monitoring function? Collaboration? Consumer education for banking as a whole? Do you feel they can do more?
21. How would you rate the banks "institutional willingness for transformation"?
22. How does the centralized CSR management approach work for the bank? Or...

23. How does the outsourced CSR management model work for the bank?
24. What's the bank's view on the formation of "foundations" – is it better to outsource CSR or to ensure it remains integral within the business?
25. Is there a geographical bias in terms of investment (often skewed to Gauteng)?
26. With regards to the global economic downturn, there has been some reputational damage to banks, please comment on this.
27. The overall sustainability of the business rests on what beliefs held by the bank?
28. Please comment on the bank's internal belief and adherence to the group wide vision for CSR. Or does the external dialogue take precedence?
29. Please comment on the need for real social development practitioners implementing policy on the ground, as opposed to marketing and HR employee's being saddled with the duty of CSR.
30. How does the level of continuity influenced by tenure of the average CSR executive's impact on the progress of CSR ?

APPENDIX 2

Pre Interview Email Example

Email Subject: **MBA Research - CSR in Banking**



Dear **xxx**

I hope this email finds you well. **xxx** has indicated you look after the "**xxx** Social Responsibility Portfolio". Your help in gathering data via a face to face interview would be much appreciated. What follows is a brief description of my research topic: CORPORATE SOCIAL RESPONSIBILITY IN THE SOUTH AFRICAN BANKING SECTOR.

The general scope of the research is to:

- Ascertain what constitutes CSR in the banking sector.
- Establish which social issues capture banks' attention.
- Ascertain how banks evaluate possible options to responding to social issues.

To that end, a 30 minute, loosely structured interview with yourself and/or other CSR Executives at **xxx** would be greatly appreciated. Confidentiality of the individual and the bank is guaranteed. Are you able to meet this week at all?

Regards,

Palesa T Ramodibe

Wits MBA

APPENDIX 3

Carbon Disclosure Project 2011– Financials Sector and JSE 100

Fig. 20: Carbon disclosure score breakdown for Financials sector vs. JSE 100 and JSE 100 CDLI

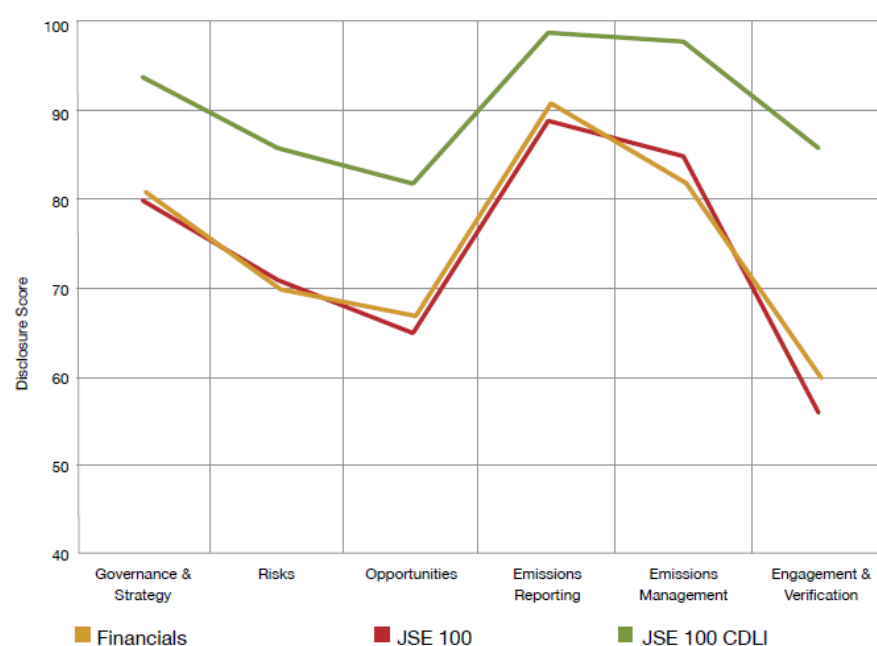


Table A: The JSE 100 CDLI

Rank	Company	Sector	Score
1	Gold Fields	Energy & Materials	98
2	Nedbank	Financials	96
3	Exxaro Resources	Energy & Materials	94
4	British American Tobacco	Consumer Staples	91
	Harmony Gold Mining Co	Energy & Materials	91
6	Barloworld	Industrials	89
	Woolworths Holdings	Consumer Staples	89
8	Firststrand	Financials	88
	Sanlam	Financials	88
10	The Bidvest Group	Industrials	87
	Group Five	Industrials	87

■ Companies highlighted in green are those that have been in the JSE CDLI[®] for three consecutive years

■ Companies highlighted in orange were not in the JSE 100 CDLI in 2010

[Source: CDP South Africa JSE 100 Report 2011]

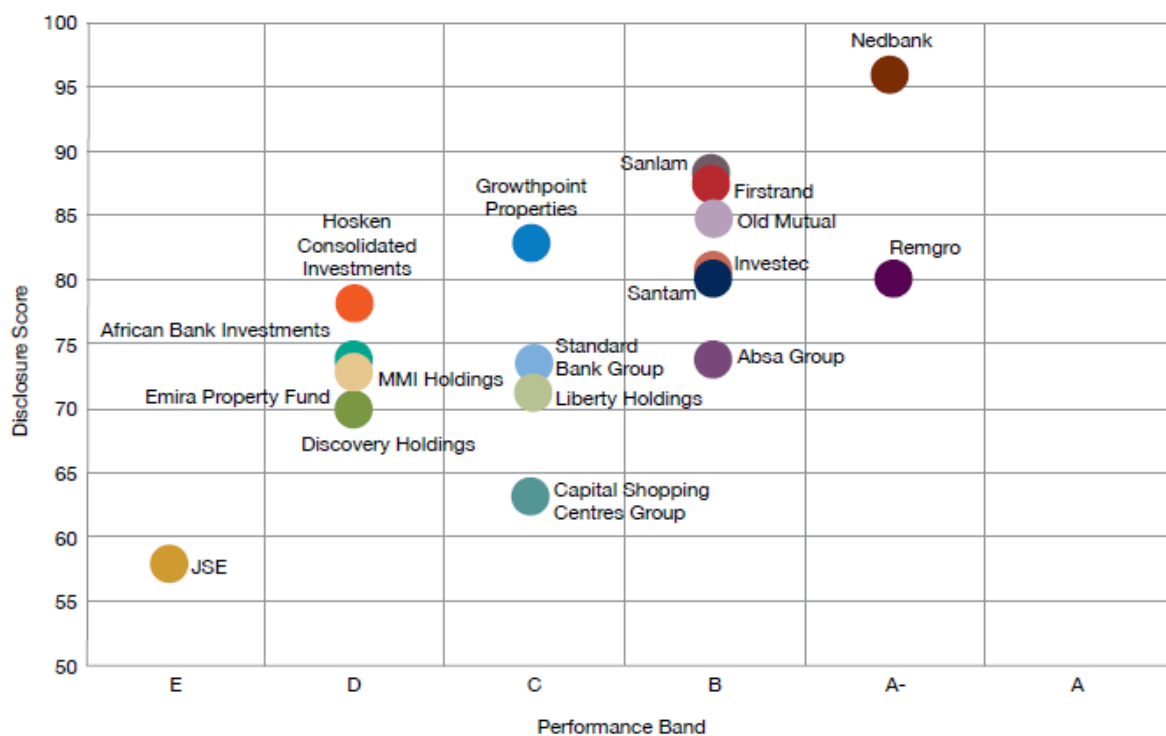
APPENDIX 4

Carbon Disclosure Project 2011 –Best Performers

Table B: The JSE 100 best performance scores

Company	Sector	Carbon Performance Score
British American Tobacco	Consumer Staples	A
Gold Fields	Energy & Materials	
Exxaro Resources	Energy & Materials	A-
Nedbank	Financials	<i>(Companies listed alphabetically)</i>
Pick n Pay Holdings	Consumer Staples	
Remgro	Financials	
Woolworths Holdings	Consumer Staples	

Top disclosure scores and top performance bands



[Source: CDP South Africa JSE 100 Report 2011]

APPENDIX 5

Leading and Lagging Countries in Contributing to a Sustainable Society (by Eccles, R.G. & Serafeim, G. May 2012) – Integrated Reporting Standards

Table 1
Company Integration and Investor Interest in Environmental Performance

Integrated Reporting by Companies

		Low	High
Investor Interest	High	Canada Greece India Japan Singapore United States	Denmark UK Germany Spain Switzerland
	Low	Australia Belgium China Hong Kong Italy South Korea	Brazil Finland France Netherlands South Africa Sweden

Table 2
Company Integration and Investor Interest in Social Performance

Integrated Reporting by Companies

		Low	High
Investor Interest	High	Canada Greece India Japan Singapore Switzerland United States	UK Germany Italy Spain
	Low	Australia China Hong Kong Netherlands South Korea	Belgium Brazil Denmark Finland France South Africa Sweden

[Source: HBS Working Knowledge Online Article, 23 May 2011]

APPENDIX 6

17 Anonymized Transcripts

Respondent Profile	Transcript Code
CSI Executive	DM 5, 8, 9
CSR Divisional Executive	DM 10
Head of CSI	DM 11
CSI Contractor	DM 13
Specialist: Environment and Sustainability	DM 14
Group Account Leader	DM 15
Sustainability Executive	DM 16
CSI	DM 17
CSI Manager	DM 18
CSI Executive	DM 19
Corporate Governance and Sustainability Executive	DM 20
Head of Communications, Sub-Saharan Africa	DM 23
Environmental Specialist	DM 21
General Manager: Sustainability	DM 24
General Manager: Head of Socio-Economic Growth and Development	DM 25
Environmental Transformation	DM 26
Head of Foundation	DM 27

APPENDIX 7

Consistency matrix

Ascertain what constitutes CSR in banking?	RQ1: What constitutes CSR in banking?	Abreu & david (2004) Atuguba and Douwuona-Hammond, (2006) cited in Dartey-Baah and Amponsah-Tawiah. Austin (2009) cited in Jamali and Keshishian (2009) Basu & Palazoo (2008) Bhattacharya et al, (2007) cited in Sangeetha and Pria, (2011), Bolton et al, (2011) Boutin-Dufresne & Sacaris (2004); Bowmen (1953) Campbell (2006) Caroll (1979, 1999) Chen, Patten & Roberts (2008) Cowen, Ferreri & Parker (1987); Balabanis, Philips & Lyall, (1998). Crane & Matten (2004, 2005) Dahlsrud (2008) Dartey-Baah and Amponsah-Tawiah, (2011), De bekker et al (2005) Dubbink and van der Putten (2007), quote Kimman (2006) Elkington (1997) Ferns et al (2008) Fisher-French, (2012) Gardberg & Fombrun, 2006) Godfrey & Hatch, (2007) Gond et al (2011)	Hamann, (2003) Hanks (2009) Heald (1957) Henderson (2000) Hockerts & Morsing (2000) Hodgetts, (1996) cited in Reinig & Tilt (2009) Hutton et al, (2001) cited in Parguel et al (2011). Ibrahim and Parsa (2005) Idemudia (2010) cites (Hamman, 2006) Jahdi (2007), cited in Jahdi and Acikdilli (2009) Jamali (2007), cited in Beneke et al, (2011) Jenkins (2005,) cited in Idemudia (2011) Joyner & Payne (2002) JSE, (2011) Kanter, (1994) cited in Jamali and Keshishian (2009) Kusku & Fraser (2004) Lopez et al (2007). Margolis & Walsch (2003) Mcdonald (2007)' cited by Houghton et al (2009), Mlambo and Ncube, (2011). Moir (2001) Moon (2002) Moon and Shen, (2010). Moore (2001). Muthari and Gilbert, 2010) Nohria and Ghosal, 1994, cited in Gholami (2011)	Normann and Ramirez, (1993) cited in Gholami (2011) O'Riordan and Fairbrass (2006) Ofori, (2010) Parguel et al, (2011), citing (Fukuwa et al 2007) Peloza and Hassay (2006), cited in Houghton et al, (2009) Pinkston and Carroll (1996) Raghubir, Roberts, Lemon, & Winer, (2010) Reinig and Tilt, (2009) Rowley & Burman (2000) SA Banker, (2012) Samii et al (2002) cited in Jamali and Keshishian (2009) Simpson & Kohers (2002) Sweeney & Coughlan (2008) Thomas & Nowak (2006) Thulani et al (2011) UN (1987) unglobalcompact.org, (2011) Van Marrewijk (2003) Visser (2005) Weybrecht (2010) cited in Gond et al Wohlgemuth, Carlson and Kifle, (1999)
Establish which social issues capture banks' attention	RQ2: What social calls did manager respond to?			
Ascertain which social duties banks prioritise when responding to social issues	RQ3: Which social duties do South African banks prioritise?			
	See Appendix 1 for Interview Guide Nominal Data Analysis: Thematic content analysis via vertical and horizontal analysis of transcribed interview dialogue.			

