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FACULTY OF COMMERCE, LAW & MANAGEMENT

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Digitalisation of corporate firms in South Africa: A catalyst in Shared Value Creation with rural communities

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A research report submitted to the Faculty of Commerce, Law and Management, University of the Witwatersrand, in partial fulfilment of the requirements for the degree of Master of Management in the field of Digital Business

Johannesburg, 2020

ABSTRACT

Introduction:

The markets that corporations have historically drawn their profits from are increasingly becoming saturated, compelling firms to explore new competitive strategies and look for new markets. Rural communities present a potential new market for corporate firms. The opportunity exists to leverage the enabling potential of digital technology in creating shared value. The study aim was to explore the influence of digitalisation of corporate firms on fast tracking shared value creation with rural communities

Method:

A qualitative examination of commonalities in the perceptions and experiences of key influencers in large corporates in South Africa was undertaken. Using the phenomenological method, thirteen interviews with Board members and C-suite executives in corporate firms in South Africa were conducted. A thematic analysis was done using the Nvivo12 qualitative software.

Findings:

Shareholders need to shift the profit maximisation paradigm to one embracing inclusive societal progress as well as profits. This requires including social impact as a measurable output and key performance indicator. Data showed that Corporate Social Investment (CSI) should be more economically driven and a key focus of all managers across all business operations and not the sole responsibility of one department or individual. Additionally, digitalisation should be a priority in the agenda of the CEO due to its ongoing transformational impact on business models, processes, budgets and customer experience.

Lastly skills such as emotional Intelligence and problem-solving skills are crucial in environments transformed by digitalisation and should receive the same attention as technical skills. Corporations need to first evolve the paradigm of rural communities to understanding and embracing technology before digitalisation can be used to enable Creating Shared Value (CSV).

Conclusion:

Key to unlocking the catalytic potential for digitalisation is a transformation of the paradigm where profit maximisation and complete ownership of the consumer are prioritised. This mindset stands in the way of collaborative strategies required to create CSV with rural communities. Further research is needed to explore rural communities 'understanding of the enabling potential of technology and how it can be used to enable CSV.

KEY WORDS

Digitalisation, Creating Shared Value, Digital Transformation, Corporate Social Responsibility, Rural Communities, South Africa.

DEDICATION

I dedicate my dissertation work to my late father Thandekile Charles Jonas, I am because you were. It is your unconditional love and teaching that have moulded me into the person I am today.

ACKNOWLEDGEMENTS

Without God my creator nothing would be possible.

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Finally, my deepest gratitude to my employer the Water Research Commission for the time, resources and support.

"*Ho nka motsana ho holisa ngoana". "It takes a village to raise a child".*

DECLARATION

I, Nomakhosazana Jonas, 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 Management in the field of Digital Business at the University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in this or any other university.

Name: Nomakhosazana Jonas Signature: 

Signed at Kyalami Hills, Johannesburg

On the 18th day of April 2020

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LIST OF ACRONYMS

ACRONYM	DEFINITION
CAGR	Compound Annual Growth Rate
CEO	Chief Executive Officer
CMO	Chief Marketing Officer
COO	Chief Operations Officer
CSI	Corporate Social Investment
CSR	Corporate Social Responsibility
CSV	Creating Shared Value
CV	Curriculum Vitae
IBM	Inclusive Business Models
ICT	Information and Communications Technology
IT	Information Technology
MD	Managing Director
NACI	National Advisory Council on Innovation

ACRONYM	DEFINITION
NDP	National Development Plan
OECD	Organisation for Economic Co-operation and Development
OOTF	Organisation of The Future
SA	South Africa
SADC	Southern African Development Community
SPI	Sub-Saharan Africa
SSA	Sub-Saharan Africa
VOIP	Voice Over Internet Protocol

1 INTRODUCTION

1.1 Purpose of the study

This qualitative study explored the influence of digitalisation of corporate firms on fast tracking shared value creation with rural communities.

1.2 Context of study

The macro environmental context of South Africa (SA) is characterized by the triple threat of unemployment, poverty, and inequality, this impacts the ability for corporates to optimize profit maximisation and derive sustainable profits (Sulla & Zikhali, 2018). The countries Gini coefficient was measured at 0.63 in a 2014/15 conditions survey, commissioned by the World Bank, placing SA as number one, among the most unequal countries in the world (STATS SA, 2018). This triple challenge is more intensified in rural communities and contributes to the barriers of entry into these markets (Makka & Nieuwenhuizen, 2018). These barriers to entry include the sparce location of most rural communities that make them difficult to reach (Hernandez & Roberts, 2018). The lack of service delivery and inadequate to no formal infrastructure, often limiting the introduction of products and services for economic development and business growth (Salemink, Strijker, & Bosworth, 2017). The rate of penetration of digital technology products and services in rural communities is negatively affected by the limited access and experience rural communities have with digital technology (STATS SA, 2018). As a result of this socio-economic context, targeting rural communities as potential markets for uptake of products and services can be challenging for corporate firms (Makka & Nieuwenhuizen, 2018). Central to this challenge is that joint company and community value creation requires significant investment over longer-periods with no guaranteed return on investment (Porter & Kramer, 2019).

The South African National Development Policy is uncompromising when it comes to inclusive growth (NDP, 2012) and Corporations that have strategies

centred on socio-economic development have a competitive advantage over those that do not (Mersham & Skinner, 2016). The legislative environment in SA has thus compelled many corporations operating in the South African market to have Corporate Social Responsibility (CSR) strategies targeted at the development of rural communities and the sustainability of the environment. These strategies are often a response to stringent legislation and industry charters in South Africa , or part of a corporate branding and reputation management strategy or driven by the need to be a good corporate citizen (Makka & Nieuwenhuizen, 2018). CSR is often a response strategy from corporates to comply to the legislative and business operating charters set by the South African government. These strategies are led by the CSR, or Stakeholder engagement unit inside a corporate with an agenda that is separate from the profit maximisation agenda of a corporate (Mersham & Skinner, 2016). In spite their agenda being determined externally through legislation, CSR strategies enable corporates to continue with business as usual because their implementation is according to the personal preference of the corporate (Porter & Kramer, 2019).

Business as usual is increasingly becoming unsustainable for corporates , as the markets that corporates have historically drawn their profits from are increasingly becoming saturated, firms are driven to explore new competitive strategies and look for new markets (Porter and Krammer, 2019). While on the macro-economic level, the need to address the triple challenge in South Africa has intensified with 50% of the population considered as chronically poor (SA OECD, 2017).

Traditional efforts by government and corporates at addressing the plight of the poor, who form a significant majority of rural communities are not working fast enough (Sulla & Zikhali, 2018). The CSR efforts of firms enable it to use its resources to engage in activities that will create or increase profits within the parameters stipulated by legislation (Mersham & Skinner, 2016). The opportunity presented for the corporate firm is transforming its CSR strategies to be driven by both sustainable profits and economic growth for society. The big leap for corporates would be the integration of their CSR strategies into the core competitive strategy of the firm and in so doing posture the firm to be in a better

position for joint company and community value creation [Porter and Krammer 2019] this posturing is central to the philosophy of creating shared value. This would progress the transformation of CSR strategies to new ways for corporates to achieve economic success through seeking business opportunities that target the social problems of rural communities and thereby linking business success to social progress (Porter and Krammer, 2019).

The challenge would remain that the rate at which macro-economic challenges are intensifying in South Africa far outpaces the corporate strategies applied to mitigate barriers to entry to rural communities and socio-economic development (Makka & Nieuwenhuizen, 2018).

Digitalisation of corporate firms is contextualised as the application of digital technologies and infrastructure in business, the economy and society (Autio, 2017) and the transformational impact of digital transformation on business models and value propositions to capture new revenue opportunities (Gartner, 2019). Digitalisation presents new opportunities for corporates to mitigating the barriers that persist in rural communities and opens new possibilities in speeding up the creation of shared value with rural communities.

When comparing the readiness of SA for embracing the changes presented by the fourth industrial revolution, the country is classified as a follower that is under-prepared for what Industry 4.0 holds (NACI, 2017). National efforts toward digital transformation are quoted to have begun in 1998 with the presidential review commission (Manda & Backhouse, 2017). This was followed by the adaptive national strategies and policies targeted at inclusive growth as captured in the National Development plan of (NDP) 2012, the National Broadband Policy of 2013 and the Integrated ICT White Paper of 2016 (Manda & Backhouse, 2017). Subsequent to this, the SA government published the National e-government strategy and roadmap in 2017. In contrast to the country progress, some SA firms rank very highly on global indexes when it comes to innovation and digital embeddedness, making business a key player in driving the digital enablement for the country (Dutta, Lanvin, & Wunsch-Vincent, 2018).

The uptake of technology on the side of business makes this stakeholder the best positioned for digitalisation. Moreover, digitalisation is recognised as a powerful enabler for firms to use in creating transformation within operating environments and beyond (Fitzgerald, Kruschwitz, Bonnet, & Welch, 2014). Guellec and Paunov (2018) propose that technology has the catalytic power to solve social problems, provided that this benefit is leveraged with complementary adaptations in social institutions. This narrative foregrounds shortcomings by corporations in harnessing the very same enabling potential that technology presents for social institutions in their applications of CSV with rural communities.

1.3 Research problem

Corporations can no longer continue with unsustainable business practices that cause harm to society (Fleming, 2013). Consumers, government and civil society are starting to place tremendous pressure on corporations to account for unsustainable business practices. The markets that corporations have historically drawn their profits from are increasingly becoming saturated, compelling firms to explore new competitive strategies and look for new markets (Porter & Kramer, 2019).

Rural communities present a potential new market for corporate firms. This is a market that has limited access to resources such as basic infrastructure as well as products and services to enhance their economic development and growth (Hernandez & Roberts, 2018). The case for rural communities as viable markets for business is well articulated by Prahalad (2009). The challenge, however, with this proposition is that the anticipated profits in these rural markets require significant investment over longer-periods with no guaranteed return on investment (El Ebrashi & Aziz, 2017).

Digitalisation has been considered as a potential game-changer that can speed up the progress of transforming the socio-economic context of rural communities and access to new markets for corporates in SA (Trendov, Varas, & Zeng, 2019). However, sustainability remains key for both mature and emerging markets. Corporations will thus need to approach this market with sustainable business as a core strategy. Additionally, it will be crucial to address the tension that exists between the drive for maximum profitability in corporations and the need for sustainable socio-economic development in rural communities which is at the heart of shared value creation.

The problem for corporate firms is how they leverage digitalisation in the development of new products and services for rural communities that will deliver maximum profits, build a sustainable business and positively transform the socio-economic landscape in rural communities to one of growth and sustainability (Porter & Kramer, 2019).

1.4 Research questions

a. How can the digitalisation of corporate firms in South Africa speed up value creation within rural communities?
    i) What role can technology play in creating shared value?
    ii) What are the common constraints that exist in rural communities that frustrate shared value creation?
    iii) What are the common constraints faced by Corporate firms in South African firms in creating shared value with rural communities?

b. How will the digitalisation of South African firms impact the role of corporate social responsibility?

1.5 Significance of the study

There are limited studies undertaken to understand how digitalisation can bring development through the diffusion of technologies into rural communities to deliver sustainable competitive advantage for firms (Salemink et al., 2017). The concepts of digitalisation as well as that of creating shared value are both emergent and are fast becoming important aspects of business strategy for firms. Understanding the concepts of digitalisation and CSV will be key to this study and exploring how these concepts can be leveraged for business and social impact in SA.

This exploratory study adds to the growing body of work in this field. It outlines some learnings that can form part of business strategy, highlighting areas for further research.

1.6 Delimitations of the study

i. The study herein does not consider the technology habits of rural communities in SA.
ii. The stakeholder theory is one of the theoretic lenses used in the theoretic framework - however, this study does not seek to undertake a depth analysis of inclusive business models of various firms.
iii. The perspectives and views of rural communities and government are not included in the report only those of key influencers in corporate firms in SA.
iv. This report does not review the power structures that drive participation and decision making in rural communities.
v. The study focus is more on inputs required to solve the research problem versus the technology outputs of digitalisation.

1.7 Definition of terms

Key terminologies such as digitisation, digitalisation, digital transformation, digital disruption are synonymous with industry 4.0, and are still being used interchangeably (Khan, 2016), indicative of the emergent nature of these concepts (Hagberg, Sundström, & Nicklas, 2016). For the purpose of this study and to ensure a consistent, contextual framework, the definitions below definitions are relevant to this report.

Digitisation: This study aligns with defining this process as one that entails moving from analogue to digital and bringing maximum access to global knowledge (Gartner, 2019).

Digitalisation: Bharadwaj, El Sawy, Pavlou, and Venkatraman (2013) define digitalisation as the leveraging of digital resources by corporate firms to create value and the formulation and execution of this in the organisation strategy. Westerman, Bonnet, and McAfee (2014) augment this definition by including the context of the use of technology to improve performance and reach of enterprises radically. On the other hand Gartner (2019) is of the view that digitalisation focuses on the transformational impact of digital technologies on business models and value propositions to capture new revenue opportunities .

Digital transformation: The use of new digital technologies (social media, mobile, analytics or embedded services) to enable major business improvements such as enhancing customer experience, streamlining operations or creating new business models (Fitzgerald et al., 2014). Moreover, digital transformation concerns the global accelerated process of technical adaptation by individuals, businesses, societies and nations, which comes as a result of digitalisation (Manda & Backhouse, 2017).

Creating shared value (CSV): According to Porter and Kramer (2019), CSV is a concept that focuses on the connections between societal and economic progress, anchored on the ability to address social issues with a business model. Previous publications by Porter and Kramer (2006); (Porter & Kramer, 2011) have defined **shared value as** policies and operating practices that enhance the competitiveness of a company while simultaneously advancing the economic and social conditions in the communities in which it operates.

Corporate social responsibility (CSR): CSR is a concept whereby companies integrate social and environmental concerns in their business operations and their interactions with their stakeholders voluntarily (Dahlsrud, 2008). It is concerned with treating the stakeholder of the firm ethically in a responsible manner. CSR includes economic oversight, while stakeholders are both inside and outside the firm. An objective of CSR is to deliver social impact by improving the standard of living for all stakeholders, while preserving the profitability of the corporation (Hopkins, 2003).

Value proposition: This is focused on the benefit that the organisation delivers to the customer in comparison to competitors (Emerson, 2003). It defines the way an organisation works and focuses on key differentiated activities that deliver benefit (functional, emotional or self-expressive) to customers while delivering profits for business (Emerson, 2003). For Corbett et al. (2017), value proposition describes the customers' problem, the solution to it and value from a customer perspective.

1.8 Assumptions

i. Multinational and global firms in SA understand digital transformation and are at minimum considering these strategies.
ii. Most multinational and global firms have at a minimum, a corporate social responsibility function that resides within corporate structure of the firm.
iii. The enabling power of technology can assist organisations in overcoming the barriers encountered when collaborating with rural communities in the development of new products and services for economic development.
iv. These are typically large firms with access to new technology and have made considerable progress with regards to digitalisation.
v. Corporates perceive rural communities as attractive new markets.
vi. Firms have the desire to transform the socio-economic landscape in rural communities.

2 LITERATURE REVIEW

2.1 Introduction

This chapter reviews the evolving concepts for digitalisation and the framework for Creating Shared Value (CSV) within digital transformation journey of the corporate firm. Digitisation has intensified on the African continent leading an increase in efforts by countries and organisation alike to understand what this phenomenon in deployment and adoption of digital technologies means for the country and firm strategy (Ndemo & Weiss, 2017). Digitalisation affords firms the ability to remodel or formulate an organisational strategy with value creation as a key focus (Autio, 2017).

Amongst its many affordances, technology enables access to markets that were previously unreachable such as those in rural communities. It is a unique proposition that can unlock a wealth of possibilities (Bharadwaj et al., 2013). This disruption to business and competition is perceived to come at a time where the dominant narrative of capitalism is under siege. Corporations can no longer focus exclusively on profit maximisation without consideration of the sustainability of the environment from which these profits are drawn.

There are various schools of thought relating to the role of business in addressing challenges related to societal and economic progress, yet the two that will be under review are CSR and CSV. These will be reviewed while also looking at what has been recorded in academia, specifically with regards to the enabling potential of digitalisation to facilitate socio-economic transformation and inclusive growth (Manda & Backhouse, 2017). An assessment is undertaken of available literature that relates to the influence of digitalisation and CSV on business, and social impact strategies and the chapter concludes with a summary of key conclusions from the literature reviewed.

2.2 Definition of concepts

At its emergence, the debate surrounding digitalisation was centred around certain negative social impacts related to rapid technological advancements. These were the exacerbation of a negative wealth gap between different social groups and the differences concerning access and experience of certain information and communication technologies (Nielsen, 2017). This negative wealth gap exacerbated by technology, is referred to by the authors as a digital divide that excludes the marginalised from the affordances that technology can unlock. This narrative is becoming more balanced as it also includes the consideration of digitalisation as a catalyst and an enabler to societal development (Khan, 2016; Ndemo & Weiss, 2017).

Digitalisation has the ability to contribute to new means of value for firms (Lee & Berente, 2012; Oks, Fritzsche, & Lehmann, 2016) and to afford them various benefits in the areas of core business risk mitigation and the alleviation of competitive pressure (Plekhanov & Netland, 2017). In earlier studies by Fitzgerald et al. (2014), digitalisation has been recorded as a powerful enabler for firms when creating transformation within the operating environment and beyond. The dominant narrative, however, seems to position digitalisation as the most significant on-going transformation of the interaction between technology with infrastructure, society with institutions and people with organisations to create value (Hagberg et al., 2016). The unique proposition in this narrative lies in the affordances such as accessibility, availability and transparency that digitalisation enables, facilitation new forms of value creation with the consumer (Amit & Zott, 2001).

When value creation and the increased visibility of transformation afforded by digitalisation are removed from the equation, digitalisation looks very similar to information technology (IT) enabled business transformation. This concept of IT enabled business transformation has its genesis in the early 90s,catalysed by scholars such as Morton (1990) and Venkatraman (1994) who pioneered ideas pertaining to information technology and organisational transformation (Bjärfors, Liljebrunn, & Pierce, 2019).

There are differences in how digitalisation is defined and evidenced,Table 1 presents some of the documented definitions that have been published in various research studies. The two that this study will focus on are the definitions of Autio (2017) and (Gartner, 2019).

Table 1: Definitions of the evolving concept of digitalisation

DEFINITION	SOURCE
The sociotechnical process of applying digitising techniques to broader social and institutional contexts that render digital technologies infrastructural"	Tilson, Lyytinen, and Sørensen (2010)
The leveraging of digital resources by corporate firms to create value and the formulation and execution of this in the organisation strategy	Bharadwaj et al. (2013)
The use of technology to radically improve performance and reach of enterprises.	Westerman et al. (2014)
The catalyst, enabler and engine of societal development throughout the previous decennia	Bengtsson et al.,2014, p.50
Digital communication and interaction between people, organisations and things become an obvious occurrence. The possibility to collect, interpret, apply and develop larger quantities of data digitally, allows for development possibilities in almost every sector.	SOU, 2015, p. 57 Khan (2016)
digitalisation is the application of digital technologies and infrastructures in business, economy, and society	Autio (2017)
Focuses on the transformational impact of digital technologies on business models and value propositions to capture new revenue opportunities	Gartner (2019)

2.2.1 *Digitalisation and digital transformation*

Digitalisation and digital transformation by extension have been at the centre of the 4th Industrial revolution narrative and have been coined as global mega-trends that are transforming business models and value chains across private and public sectors (Autio, 2017; Collin et al., 2015; Hess, Matt, Benlian, & Wiesböck, 2016; Khan, 2016). A desktop review on Google trends measuring the popularity of words based on web search traffic from 2004 to present, illustrates the visual increase in search traffic for digitalisation and digital transformation from a global search perspective as depicted in Figure 1 below.

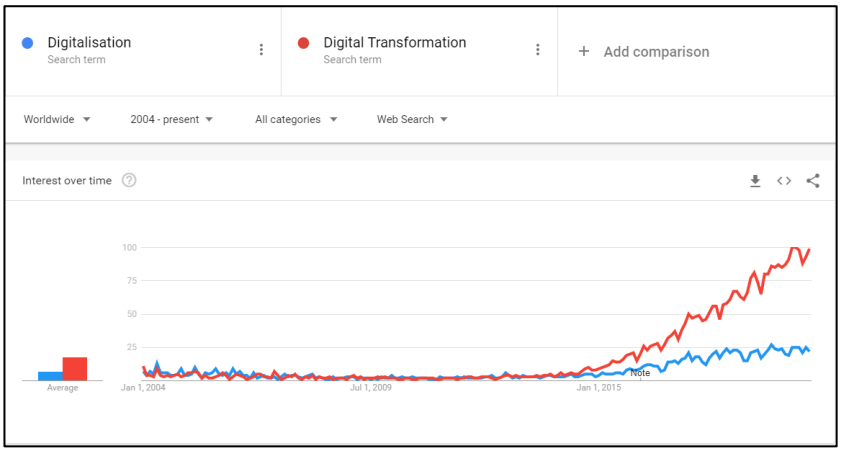


Figure 1: Web Search traffic Global result for Digitalisation and Digital Transformation 2004 – present (PWC, 2016)

The Figure 2 below is a review of the same search in the South African web search traffic. In this instance the increase is not as intense, and this may be attributed to the five year lag SA has behind global trends related to industry 4.0 (PWC, 2016).

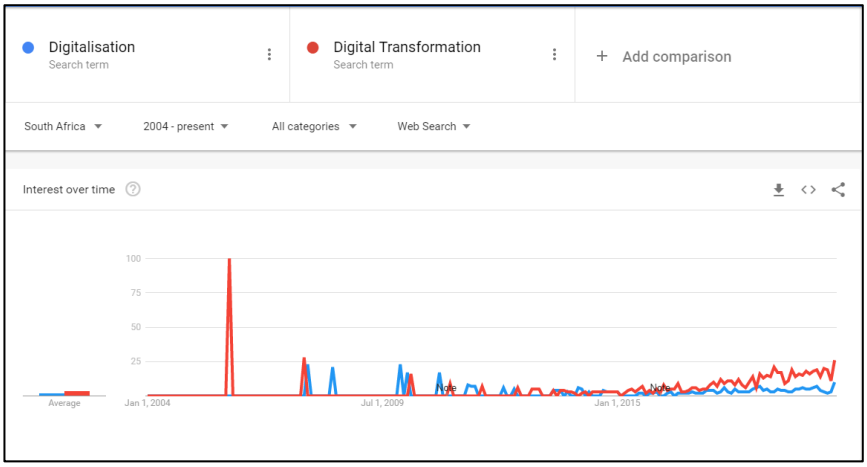


Figure 2: Web Search traffic South Africa result for Digitalisation and Digital Transformation 2004 – present (PWC, 2016)

The digitalisation of corporate firms is deemed to have both the potential and the ability to shift paradigms in the business sector with far-reaching impact on business models. Organisational structures, the role of productivity and relationship arrangements in the value chain as well as enabling collaborative development within ecosystems are also affected (Plekhanov & Netland, 2017). This potential has been witnessed in the capabilities that digitalisation affords when it comes to accessing new markets through refined or new products and services (Bharadwaj et al., 2013).

In their report calling for an embrace of digital technology, Fitzgerald et al. (2014) quote how social business tools and processes have transformed the innovation culture in organisations, aiding them in development of new products and services as new markets emerge. The same authors indicate that the opportunities for digital technologies to create new business were validated by a quarter of the 1559 executives surveyed.

Digitalisation has been recorded to afford firms the capability to refine or develop new functions in the operating environment (Fitzgerald et al., 2014). Some of the most consequential were mooted by a number of scholars in the field and summarised by Autio (2017). An adaptation of these new affordances enabled by digitalisation is presented in Table 2 below.

Table 2: New technological affordances enabled by digitalisation

TECHNOLOGICAL AFFORDANCES	DESCRIPTION	PROPONENTS
Generativity	Enabling firms to refine or produce new functions.	(Majchrzak & Markus, 2012)
Disintermediation	Cutting out the middleman, eliminating organisations that are part of the traditional value chain, perceived to be standing in the way of efficient transactions.	(Andal-Ancion, Cartwright, & Yip, 2003)
Dissociation	Enables flexibility in system design by separating materials or physical goods from the associated information.	(Ibert, Hess, Kleibert, Müller, & Power, 2019) (Jittrapirom et al., 2017)
Ubiquity	The ability to overcome the boundaries of geography, time and function.	(Autio, 2017) (Bharadwaj et al., 2013)
Remediation	Strengthen existing or new relationships with suppliers, producers, distributors or customers	(Andal-Ancion et al., 2003)

Source: Adapted from (Autio, 2017)

These new technological affordances fundamentally impact the role of production in the value chain and disrupt traditional stakeholder relationships (Autio, 2017). However, the enabling potential of digital technology represented by the affordances that digitalisation presents can only be leveraged for value creation, if the required organisational capabilities inside and outside the firm are attained (Plekhanov & Netland, 2019). Examples already exist in the retail arena, where the growing trend amongst firms has been to involve consumers in various aspects of the value creation process (Hagberg et al., 2016). This growing trend of co-creation with consumers and co-production with suppliers as observed by El Ebrashi and Aziz (2017), is a good reference point for the potential afforded by digitalisation in enabling new ways to include consumers and by extension rural communities in the value creation process (Hagberg et al., 2016).

The disruption that the adoption of new digital technologies will bring to business is unavoidable and by extension, the possibilities this presents for product development, new markets, new production methods and new ecosystems (Fitzgerald et al., 2014). These benefits do warrant further research to assess the ability to extend this value creation to rural communities with limited or no access to digital infrastructure and resources.

2.2.2 *From Corporate Social Responsibility to Creating Shared Value*

In his book *Capitalism and Freedom*, Friedman (1970) advocates for business to use its resources to engage in activities that will create or increase profits-provided that these activities are lawful and devoid of exploitation . This school of thought has been expanded and refined to include business using its resources to engage activities that will produce a sustainable increase in profits, grow the economy and ultimately benefit corporation and society in the long-term (Porter & Kramer, 2006, 2019). The author introduced the concept of CSV in his developmental work highlighting the deficiencies in the business strategies implemented by firms in the area of CSR (Porter & Kramer, 2006).

Williams and Hayes (2013), in their seminal work, report CSR strategies as divorced from the core business strategy of the firm and view this as a key issue that highlights that business is blind to its interdependence to society. Subsequent refinement of this concept of CSR resulted in a theory modelling a relationship between societal and economic progress to guide business in addressing social issues with a business model (Porter & Kramer, 2019). The motive being enabling sustainable profits for business and enduring economic growth for society. In an attempt to expand the CSV concept beyond that of CSR key differences are outlined in Figure 3 below by (Porter & Kramer, 2011, 2019).

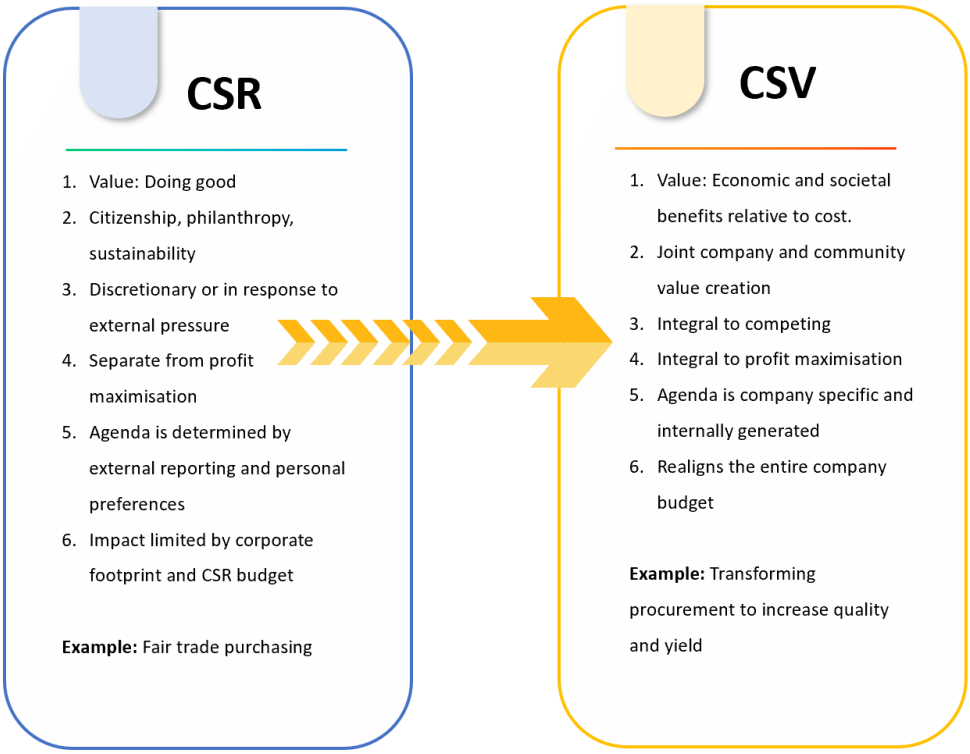


Figure 3: Differences between CSR and CSV (Porter & Kramer, 2011, 2019)

The focus of the application of CSV by Porter and Kramer (2011, 2019) has predominantly been in the market context previously deemed unattractive for business growth. Prahalad (2009) reframed the narrative that business success and social impact is possible at the bottom of the pyramid, and as such has created a baseline for value creation with rural communities. However, this work with the Bottom of the Pyramid (BOP), sets out the attractiveness of the market for mutual value creation. Which can be achieved through the reconceptualization of business models, new products and services that meet the needs of the poor and unique co-production relationships in the value chain (Porter & Kramer, 2019).

In our current global economic climate, the unsustainable nature of corporate business practice is in the forefront of the narrative of sustainability. Pertinent issues related to climate change, expanding global populations and the intensifying inequality persists in many countries, including SA (Fleming, 2013). Corporate firms in the global arena are beginning to transcend solely chasing corporate profit maximisation, without giving a thought to social impact

(Mahmoud, Blankson, & Hinson, 2017). There is also a growing realisation that, for corporations to yield healthy business profits, the socio-economic environment from which firms draw those profits needs to be healthy.

Most notable are the views Hart (2005), based on the premise that due to their access to technology, capacity and global reach, corporations are best positioned to unearth the opportunities that exist for value creation with communities at the bottom of the pyramid. These sentiments about the viability of previously unfavoured markets permeate through the work of Prahalad (2009). By proposing that the co-creation of a market built on the needs of the poor, could reduce poverty Prahalad (2009) advocates that the poor should be active and involved customers in this market. This value that is referred to is posed as a new way for companies to achieve economic success through seeking business opportunities that target the social problems of communities (Porter & Kramer, 2019).

Social impact is woven into the business approach to value creation, while social responsibility is not treated as a philanthropic exercise separate from company business or as taxation for the negative impacts that business has on society (Prahalad, 2018). The narrative about firms needing to create social impact is not novel and has been observed over the years through the evolution of the corporate social responsibility (CSR) narrative (Agudelo, Jóhannsdóttir, & Davídsdóttir, 2019). Like criticism about technology adoption within firms, the biggest criticism of CSR has been its perceived separation from the core strategy of the firm. Instead, CSR is seen as embedded within business compliance and its association with charitable works (Porter & Kramer, 2006).

The traditional approach to CSR is not enough to address the pressing socio-economic challenges that prevail in SA. There is a need to explore how more value can be created in a digitally enabled context. The GSMA (2019) report cites a number of examples across SSA on the use of mobile channels for social good. In these examples, technology has been used to implement low tech solutions that enable sustainable development at scale, for the BOP through new products and services and new stakeholder arrangements in the ecosystem. Due to the fragile nature of the SA socio-economic context, the deductions made by Sulla

and Zikhali (2018), about the necessity of a dual approach that is not only targeted at one end of the value chain, need to be explored.

2.2.3 *Linking Social Progress to Business Success*

The proposition from Porter and Kramer (2019) is that private business has the resources to deliver social impact and is best positioned to tackle social challenges at scale through business initiatives that yield economic growth. The authors propose that every firm should look at business opportunities through the lens of shared value. The focus needs to be on three key levels that shared value can be pursued namely, the re-designing of products, services and markets , re-defining productivity in the value chain and thirdly, enabling cluster development by innovation through collaboration to drive growth in the local economy (Porter & Kramer, 2019). CSV has gained significant traction in business and academic spheres and has proven where tested, to generate innovation, growth and social impact. The opportunity emphasised in the literature however, is that CSV is a framework that will enable social progress to be directly linked to business success (Porter & Kramer, 2019). Further, the assertion is made that the work in this area is emergent, and that understanding this link is key to unlocking additional shared value. In an effort to illustrate the link between business performance and shared value strategies, Figure 4 illustrates the business and social results by level of shared value (Porter, Hills, Pfitzer, Patscheke, & Hawkins, 2011).

LEVELS OF SHARED VALUE	BUSINESS RESULTS	SOCIAL RESULTS
Reconceiving product and markets: How targeting unmet needs drives incremental revenue and profits	Increased revenue	Improved patient care
	Increased market share	Reduced carbon footprint
	Increased market growth	Improved nutrition
	Improved profitability	Improved education
Redefining productivity in the value chain: How better management of internal operations increases productivity and reduces risks.	Improved productivity	Reduced energy use
	Reduced logistics and operating costs	Reduced water use
	Secured supply	Reduced raw materials
	Improved quality	Improved job skills
	Improved profitability	Improved employee income
Enabling cluster development: How changing societal conditions outside the company unleashes new growth and productivity gains.	Reduced costs	Improved education
	Secured supply	Increased job creation
	Improved distribution infrastructure	Improved health
	Improved workforce access	Improved Incomes
	Improved profitability	

Figure 4: Illustrating business and social results by level of shared value (Porter et al., 2011; Porter & Kramer, 2019)

It is argued that shared value has added to the narrative that corporate firms and their resources are key to solving social problems with business models designed to increase long term profits and enhance social impact (Williams & Hayes, 2013). Crane, Palazzo, Spence, and Matten (2014) contend that the concept of creating shared value, makes significant progress towards enhancing attention to the social dimensions of business and as such may catalyse better practice. However, the Porter and Kramer (2019) approach is also believed to ignore the social tensions that exist between socio and economic goals. It does not explicitly address the realities of business compliance, which the authors highlight as a serious challenge due to widespread cheating by suppliers. Corporations are thus forced by the operating environment to focus on easy win-win projects and not

the systematic social and environmental problems to which they are connected (Crane et al., 2014).

2.3 Digitalisation of firms in South Africa & shared value creation with rural communities

Digitalisation has potential to be the bridge upon which shared value creation between firms, and rural communities can be built (Braa, Hanseth, Heywood, Mohammed, & Shaw, 2007; Yenni, Pan, & Cui, 2017). Globally the emergence of new technologies, improvements in communication, information and connectivity technologies have enabled firms to adapt their infrastructure and embrace a new digital era (Cascio & Montealegre, 2016). However, there is a realisation that in order to grow revenue and defend market positions, companies must create new competitive frontiers using digital technologies (Yenni et al., 2017). These views were also previously expressed in a study by Fitzgerald et al. (2014), based on a survey of 1,559 executive and managers from various industries. Managers were found to believe in the transformative nature of digital technologies in business.

Digital technologies are reshaping business strategy, processes and organisational structure (Cascio & Montealegre, 2016), yielding great opportunities for business which were never there before. These new opportunities include working across boundaries of geography, time and function (Autio, 2017). Consequently, firms have new opportunities to provide services to rural communities previously inaccessible due to remote locations, limited digital literacy levels, access to information and capacities to afford ICTs (Hernandez & Roberts, 2018). Digitalisation means that firms can remodel or formulate organisational strategy to enable value creation through leveraging new and improved digital resources (Bharadwaj et al., 2013). Its potential is quoted in theory to be related to the formation of new value streams that transcend institutional and operational boundaries (Oks et al., 2016). As such technology can be the bridge that connects previously unrelated domains and perspectives (Autio, 2017). This presents opportunity for new forms of value creation which

were unthinkable before, especially with regards to co-created value interactions that facilitate closer links with communities (Oks et al., 2016).

2.3.1 *The digital transformation progress in South Africa; Are we there yet?*

The global narrative regarding digital transformation is that no organisation is immune from the competitive disruption and enabling capability that widespread adoption of digital technologies can bring about (Fitzgerald et al., 2014). In SA, challenges are over ageing infrastructure, complex incompatible IT systems and challenges due to unstable electricity supply experienced by the national power utility (GSMA, 2019). These challenges negatively impact the connectedness of consumers and business. They highlight the urgent need for investments in infrastructure that will enable connectivity and effective communication (Manda & Backhouse, 2017).

SA is still deemed to be at a foundational stage when it comes to digital transformation (GSMA, 2019). However, some industries have shown significant progress and advancements (PWC, 2016; Ślusarczyk, 2018). Manufacturing has experienced significant pressure from powerhouses like Germany and China and have been compelled to accelerate efforts in the adoption of advanced techniques to remain competitive (Manda & Backhouse, 2017). Despite this, the reality of the prevailing differences in the degrees of technology readiness are evident and the number of technology averse people within the workforce significant (Banga & Te Velde, 2018). Compounding this challenge is the availability of relevant IT skills required to support digital transformation in the country (Manda & Backhouse, 2017).

The PWC (2016) industry 4.0 report based on surveys conducted with executives across the industrial and mining industry, lists the absence of a digital culture, effective training programmes and a shortage of qualified staff as key barriers to digital transformation in SA. These factors threaten digital transformation within organisations and significantly impact progress in new product, service and process design or development and overall competitiveness (Ślusarczyk, 2018).

Three key insights emerged from the Ślusarczyk (2018) study on the progress of Industry 4.0: a clear vision and support from senior management; high investment into the digital transformation strategy and clear articulation of economic benefits from these investments (Ślusarczyk, 2018).The most significant shift however will be in enabling the power of digital technology as a shared value creation tool within organisations, across the production value chain and ultimately with rural communities (Lichtenthaler, 2017).

2.3.2 *Common constraints that exist in rural communities that frustrate shared value creation?*

The context of SA rural communities is framed not only by access but by unique inequalities reflective of the history of the country, and the many challenges exacerbated by the lack of service delivery in rural communities (Piper, 2019). For firms, rural communities are difficult to reach, while geographic and resource dispositions fuels their inaccessibility (Hernandez & Roberts, 2018). The lack of service delivery and inadequate to no formal infrastructure create barriers to accessing products and services for economic development (Gebauer, Haldimann, & Saul, 2017). Significant investment is therefore required to transform social challenges into business growth.

The challenges that are common in the rural community context include; the scalability of interventions, limited human resource capability, complex political contexts and prevailing policies of the government (Heeks, 2002). This context has in the past, made rural communities undesirable for firms as potential markets for the uptake of products and services (Prahalad, 2009). In recent years digitalisation has introduced new opportunities for business growth and driven firms towards trying to understand the transformational impact of speeding up solutions to overcome complex societal challenges (Majchrzak 2016).

The literature points to similarities in the constraints that rural communities across the globe face concerning technology diffusion (Avgerou, 2008; Heeks, 2002; Nielsen, 2017). Issues such as limited exposure to technology, materials and

human resources are among the challenges that add complexity to shared value creation interventions in rural communities (Yenni et al., 2017).

These sentiments echo earlier work and deductions by Heeks (2002) and later Avgerou (2008) relating to the gap between professional knowledge of digital technologies and their conditions of practice on the ground in developing countries. Corporations such as Alibaba in China, faced these challenges when trying to introduce rural commerce in communities in Sui Chang (Yenni et al., 2017). These corporations learnt that in order to build a sustainable market for product offerings, it is important to first establish support for grassroots e-commerce adoption (Yenni et al., 2017).

Since its inception, the e-commerce association has trained over 1500 rural entrepreneurs and the rural e-commerce agriculture platform has produced e-commerce transactions in Sui Chang that exceed 80 million USD. The China case study also shows the gaps in the shared value creation narrative of Alibaba e-commerce intervention and highlights that shared value creation is very difficult to deliver. This is particularly so outside of a multi-stakeholder context, due to the complex nature and layered characteristics of the challenges faced by rural communities. The concerted efforts that the corporation made to mitigate prevailing challenges in communities resulted in unintended positive spill-over effects (Yenni et al., 2017). However, digitalisation yielded good opportunities for communities by introducing new skills and catalysing growth for rural agricultural farmers and thereby increasing the standard of living in rural communities. The case study also exposed the competency skills gaps that existed within rural communities and yielded an undesired disruption to local community life.

According to Chetty et al. (2018), limited digital literacy is a characteristic of the digital divide experienced by low income communities. The author also reveals that this digital skills gap is amongst the biggest barriers to accessing the internet for consumers in SA. In another 2017 study conducted by Huawei consulting team, executive managers from 170 organisations were surveyed and the results showed six key barriers to the digitalisation of corporate firms highlighted in Table 3 below as follows:

Table 3: Six key barriers to digitalisation

BARRIERS	PROPONENTS
The capability of a network connection as well as basic physical access	(Hernandez & Roberts, 2018)
Business models for successful solutions must increase the value of being connected as well as reduce costs	(Hernandez & Roberts, 2018)
A lack of awareness of the benefits of the internet and a growing fear of using the internet and some of its applications	(Hernandez & Roberts, 2018)
Cloud applications and services that meet locally relevant needs	(Bharadwaj et al., 2013)
Serving those with restricted abilities and impairments	(Hernandez & Roberts, 2018)
Digital Literacy	(Chetty et al., 2018)

Source: (Bharadwaj et al., 2013; Chetty et al., 2018; Hernandez & Roberts, 2018)

A significant majority of the limited literature on digitalisation of disadvantaged groups published to date illuminates a world enabled by technology and some radical improvements to their social and economic well-being (Salemink et al., 2017). Some of the case studies in the literature reviewed go as far as illustrating the great interventions where digital divides have narrowed. At the same time, in instances where rural communities are unable to benefit from technology interventions they can be even more disadvantaged – thereby deepening the digital divide Yenni et al. (2017) and adding new complexities to inequality (Hernandez & Roberts, 2018).

The technological challenges observed in the review of digital enablement in China highlight the gaps in some of the propositions posed about the opportunities that digitalisation can unlock in creating shared value solutions for communities at scale (Yenni et al., 2017). Key to this are the issues pertaining to

unintended effects of technology in rural communities – which have also been observed in the broader developing world context (Avgerou, 2008).

The guiding principle of shared value is that everyone should be a winner in the value creation (Porter & Kramer, 2019) and the delivery process. The focus should not only be about profits or philanthropy but about sustained economic growth across organisations, people and communities.

2.4 How will the digitalisation of South African firms impact the role of Corporate Social Responsibility?

The voluntary nature of CSR, and the dominant trait in most CSR implementation strategies influenced by the American CSR discourse, puts emphasises philanthropy (Gjølberg, 2009). Relatedly this may not compel the integration and alignment of CSR strategies into business processes as witnessed in more implicit implementations of CSR in Europe (Matten & Moon, 2008). The European discourse of CSR has been more focused on business integration and significantly downplays or excludes philanthropy in its definition (Gjølberg, 2009).

Relatedly, there are definitional disagreements in literature when it comes to CSR (Clarkson, 1995; Freeman & Hasnaoui, 2011; Hopkins, 2003; Matten & Moon, 2008; Zenisek, 1979) as well wider and more varied implementations of CSR in the corporate environment (Agudelo et al., 2019). There is a definite split between the definition of CSR in the Americas, from its early origins in philanthropy (Caroll, 1999) versus Europe, where the discourse is skewed towards integrating CSR into business processes (Gjølberg, 2009). The definition of CSR as defined by the Commissioner of the European Communities, (2001), encompassed all five dimensions of CSR: voluntariness; stakeholder; social; environment and economic.

The emerging narrative in the context of CSR is centred around the development of strategies that combine social and business value to address issues perceived as part of the social responsibility of a company (Agudelo et al., 2019). The key difference however in the Western context is that the basis from which CSR is driven is within a regulatory environment that incentivises corporations for taking on social responsibility (Matten & Moon, 2008) and also create an enabling environment for firms to implement CSR strategies. Other differences in implementation of CSR include the governing institutional frameworks prevalent in different countries, that inform the economic process, manager autonomy and organisational capabilities (Matten & Moon, 2008).

Hinson and Ndhlovu (2011) cite Visser (2006) in observing that the focus for emerging countries in Africa is on business ethics and corporate citizenship versus the socially orientated focus of global literature. The differences in the context that prevail in emerging markets add additional complexity to the implementation of CSR strategy. This is primarily for Multi-National Corporations who are used to a different operating environment in their countries of origin (Hinson & Ndhlovu, 2011).

Within the SA context, the prevailing notion is that emphasis should be placed on supporting the most vulnerable, who are mainly in rural areas (Neil,2009). SA policies on transformation and economic re-dress add a unique element that draws focus on previously disadvantaged groups (Hinson & Ndhlovu, 2011). These authors further propose that SA policies on transformation have directly impacted how business interprets CSR implementation, which is implemented within the SA context of compliance, enforced by legislation (Hinson & Ndhlovu, 2011). This particular truth adds a level of complexity for firms purely focused on shared value, as balancing both social and financial goals is extremely difficult even in the context where CSV is the expressed purpose of the organisation (Crane et al., 2014).

Digitalisation of SA firms raises questions regarding the conceptualisation of corporate strategies and how business scope is impacted by digital technologies (Holotiuk & Beimborn, 2017). The key inputs that enable shared value creation, speeding up decision making and impacting the scope of CSR strategy are based on the potential opportunities that the digitalisation of firms presents. These include pervasive connectivity; information abundance; the emergence of big data and growth of cloud computing. Key organisational shifts that may need consideration include; embracing the strategic role of CSR, reviewing its volunteerism nature Agudelo et al. (2019) and investing in seamless adoption of new technologies.

The digital enablement of firms has been presented in global studies to have the potential to enable, speed up and open new opportunities for shared value creation with rural communities. A key corporate strategy that firms have used globally in their value, creating efforts with communities has been corporate social responsibility and its various iterations. CSR is perceived as a corporate strategy focused on philanthropy and on giving back or offsetting the harmful impacts that business has on society. It has in the past been a legitimate way that firms have engaged with rural communities on a predominantly voluntary basis. However, the role of CSR in the organisation is often parallel to the organisations' core business and thus has little influence on business models or determining the business agenda (Agudelo et al., 2019). It is for this reason that CSR in its pure form cannot adequately tap into the resources or capabilities of the firm to drive business opportunities in rural communities that can yield attractive returns while delivering social impact (Porter & Kramer, 2019).

2.5 Theoretical Framework

The dominant framing of this study is from the context of micro-economics best articulated in the theory of the firm, which states that a firm solely exists to make decisions that maximise profit (Demsetz, 2000). However, such decisions should not be at the detriment of society and as such, it should not only be about the maximum profits in the short-term but rather sustainable profits over time (Mahoney, 2001). This particular issue of profit maximisation at all costs, is one of the key challenges with the theory of the firm, as the sole pursuit of profit maximisation has led to the loss of goodwill between the firm and society (Rekhi, 2020).

This report also views the role and the decision-making power from a traditional viewpoint with shareholders wielding ultimate power. The tensions that exist between socio and economic goals are best articulated in the firms pursuit for value creation as contextualised in the resource-based theory by Remelt, that looks at the formulation of unique relationships central to driving a sustainable competitive advantage (Miller, 2019). While the role and mutual interdependence of value and values in the firm is best articulated through the lens of Freeman in the stakeholder theory (Jones, Wicks, & Freeman, 2017), the gaps that emerge in this theory when it comes to how value is created in firms or how firms engage in value creation, are best viewed through the seminal of work of Porter and Kramer (2019) on their CSV framework

2.6 Conclusion of the Literature Review

The fundamental purpose of the firm to use its resources to engage in activities that drive profit maximisation has not changed (Friedman, 1970). The expansion to this is the shift from short-term profits to long-term returns as described in the Porter and Kramer (2019) CSV framework. The model advocates for the firm to use its resources to engage in activities that will produce a sustainable increase in profit, grow the economy and benefit society (Porter & Kramer, 2019). This proposition advocates for a new way for companies to achieve economic success by seeking new business opportunities in social problems.

There is still no consensus across academia and business spheres on the definition and application of the CSV framework. The only consensus in the literature is that a lot of work in this area is emergent, especially when it comes to an understanding of the direct link between social progress and business success. Key challenges raised in the literature on the opposing end of the CSV framework is that Porter and Kramer (2019) in their approach, ignore the social tensions that exist between socio and economic goals and the realities of business compliance (Crane et al., 2014). This social tension and the realities of business compliance are a serious challenge that corporations face in operating environments better mitigated with CSR.

Literature reviewed for this study on digitalisation, expands on the affordances that technology advancements present for corporations including disruptions these adoptions bring to product development, new production methods and new ecosystems (Autio, 2017; Plekhanov & Netland, 2019). The same literature also states that the adoption of smart technologies is not the only key to unlocking digitalisation and that further research is required to understand how these smart technologies can be leveraged to unlock value creation inside and outside the firm (Plekhanov & Netland, 2019). Digitalisation is cited as the most on-going transformation of the interaction between technology with infrastructure, a society with institutions and people with organisations to create shared value (Hagberg et al., 2016).

3 RESEARCH METHODOLOGY

In this chapter, the principles of qualitative research approach, research design, methodology and procedures are explained. The conclusion section will cover a brief discussion on issues of transferability and dependability, ethical considerations and researcher role.

3.1 Research approach

There are different types of qualitative research approaches. Creswell and Poth (2016) highlight five types: the phenomenological approach; narrative; case study; grounded theory and ethnographic. For this study, the phenomenological approach was chosen. According to Giorgi and Giorgi (2003, p. 27) in Davidsen (2013, p. 320), the aim of a phenomenological approach is '*to capture as closely as possible the way in which the phenomenon is experienced within the context in which the experience takes place*".

This approach was chosen as it best fit the purpose of this qualitative study, which was to explore through the subjective experiences and perspectives of a group of key executives and board members the influence of digitalisation of corporate firms in catalysing CSV with rural communities. Moreover, phenomenology is regarded as an approach that best captures the experiences and perspectives of participants (Patton, 2005).

3.2 Research design

Qualitative research design for this study was the method of enquiry most suitable for answering the research question. This design is made up of different approaches and methods which are flexible, emergent and sensitive to the social context (Astalin, 2013). In addition, the design has the ability of to enable understanding of the phenomenon as it is experienced from the perspectives of those affected by the phenomenon under study (Creswell & Poth, 2016; Myers, 2019). Its exploratory nature enables modifications that may result from the evolution of some components as the research process unfolds(Creswell & Poth, 2016; Maxwell, 2012).

3.3 Data collection methods

For this study, the in-depth face to face and Skype interview methods were used to collect the data. The Skype interview is a method that uses Voice over Internet Protocol (VOIP) technology (Lo Iacono, Symonds, & Brown, 2016). In depth interview is a data collection method synonymous with qualitative research and requires intensive interaction with a small number of participants to capture their individual views on a particular phenomenon or idea (Boyce & Neale, 2006; Peters & Halcomb, 2015). The data collection was done via individual interviews collected between December 2019 and February 2020.

3.4 Population and sample

3.4.1 *Population*

The population for this study was Board members or C-suite executives who occupy active roles in large corporates in SA. C-suite executives are considered the most influential group of individuals in a corporate and are the highest senior management level running the day to day operations of the business, often referred to as top management (Tucker, Ogunfowora, & Ehr, 2016). The C-suite includes the Chief Executive Officer (CEO) and his direct reports, often start with

the letter C such as Chief Executives Officer (CEO) or Chief Marketing Officer (CMO). This description of the population is aligned with (Banerjee & Chaudhury, 2010) definition of an aggregate of subjects or members that conform to defined specifications.

3.4.2 *Sample and sampling method*

3.4.2.1 *Sample*

Creswell and Poth (2016) recommend that a sample size for a phenomenological approach can vary from three (3) to fifteen (15) participants. The sample for this study was drawn from the population for this study which was Board members or C-suite executives who occupy key positions and active leadership roles in some large corporates in SA. A list of nineteen key leaders who fitted the inclusion criteria was drawn from the LinkedIn professional network platform as well from referrals.

The eligibility criteria included any participant who occupied key roles in global, multinational or local corporations in SA who is willing to take part in the study and who has influence on corporate strategy and business models. From this list of nineteen selected key informants. Only thirteen agreed to be interviewed.

Although the final total sample for this study was thirteen, it is still within the principles of a qualitive research design and phenomenological approach. Cohen, Kahn, and Steeves (2000), in their study on hermeneutic phenomenological research, recommend in-depth interviews of between 10 and 30, while Polkinghorne (1988) in Creswell and Poth (2016, p. 76) recommend between five and twenty five individuals when studying subjective experiences on the phenomenon.

The total sample and profile thereof are described below in Table 4. This sample of 19 participants comprised of board members and C-Suite executives from various industries and sectors across the SA corporate firms who have an influence on the experiences and applications of digitalisation and CSV. It was

made up of a mixture of predominantly multinational corporations: Global firms (4); Multinational firms (13) and National firms (2). The names of firms and participants are not provided in Table 4 to protect their identity.

Table 4: Profile of sampled participants

NO	STATUS	ROLE	ORGANISATION
1	Conducted	Chief Executive Officer	Information and Communication Technology
2	Conducted	Chief Operating Officer	Information and Communication Technology
3	Conducted	Head Responsible Business	Financial and Insurance Industries
4	Conducted	Chief Executive Officer	Telecommunications and Media
5	cancelled	Chief Executive Officer	Telecommunications and Media
6	Conducted	Chief Executive Officer	Telecommunications and Media
7	Conducted	Group Chief Digital and Fintech Officer	Telecommunications and Media
8	No Availability	Chief Executive Officer	Telecommunications and Media
9	Conducted	Chief Executive Officer	Manufacturing
10	No Availability	Chief Executive Officer	Telecommunications and Media
11	No Availability	Chief Executive Marketing	Financial and Insurance Services
12	No Availability	Board Member	Industrial
13	No Availability	Managing Director Africa	Information and Communication
14	Conducted	Chief Marketing Officer	Financial Services
15	Conducted	Board Member	Public Sector
16	Conducted	Chief Marketing Officer	Information and Communication Technology
17	Conducted	Managing Director	Mining
18	Conducted	Chief Executive Officer	Mining
19	Conducted	Chief Executive Officer	Financial Services

3.4.2.2 *Sampling method*

The sampling method used to select the sample from the population was a non-probability purposive sampling method which is recommended for its relevance when conducting research studies that need to capture specific insight within a specific domain of interest (Tongco, 2018). Each participant was purposively selected based on their strategic role in the organisation and ability to inform, influence or implement strategy. Identification and selection of eligible participants was done via an online professional network platform called LinkedIn. This professional network platform allows one to view by permission, the online curriculum vitae of the user, their short biography and then enables contact through an instant messaging system. Only seven participants were selected using this method.

The remaining twelve participants were selected using a snowball sampling method. This method entailed a chain referral whereby interviewees give the

names of potential people whom they know to fit the inclusion criteria for the study (Kirchherr & Charles, 2018). Thereafter, all the recommended people were contacted and their willingness to participate in the study established and appointments were set for interviews.

3.5 The research instrument

In order to collect the interview data, a semi-structured interview guide was designed by the researcher in English. The instrument consisted of open-ended questions which covered three key topics which were explored: new products/services and markets; redefining productivity in the value chain and local cluster development. The open-ended questions and follow-up probes enable facilitating a deeper understanding of the participants opinions and perceptions (Rosenthal, 2016).

The semi- structured interview guide allowed for a predominantly fluid informal interview interaction that facilitated the discovery of unexpected and new insights (Eppich, Gormley, & Teunissen, 2019). An example of this semi-structured interview guide is attached (Appendix A).

3.6 Procedure for data collection

Data was collected via a semi-structured interview guide using in-depth individual face to face and Skype interviews at preferred settings and times of participants. The interviews were between 35 minutes up to a maximum of 68 minutes in length. All interviews were recorded with a digital recorder to ensure accurate capturing of the responses of the participant.

The interview process was informal, and the questions asked were open ended. As per the ethical requirements, informed consent to audio record all interviews was obtained and all research documents related to recordings, transcripts and other participant related information will be kept safe until completion of the study to protect the data (Arifin, 2018).

The procedure for data collection involved:

- Approaching participants directly on the LinkedIn platform. An in-mail message was shared on the LinkedIn platform explaining the purpose of the engagement and requesting permission to engage further.
- For those participants that did not have LinkedIn accounts, online searches for the contact in the CEO office were done, and contact details retrieved. Once contact was made a brief introduction of the research was communication, directed to the personal assistant or the work e-mail address of the participant. Subsequently, a permission letter and request for an interview with suggested dates and venue were then sent.
- Most of the interviews were conducted at the Head Quarters of participant, and this proved to be most convenient for most of the participants who had time restrictions as they did not have to incur additional travel time.
- The place and time of interviews was kept flexible and the preferences of participants were respected. Eleven interviews were conducted face to face and only two via Skype and WebEx.
- When beginning the interview, a short introduction was given to help build rapport with the participant. This step in the procedure is aligned to the process as explained by Creswell and Poth (2016) who state that meaningful narratives are best received if introductory material is provided before the interview to elicit specific focus and rapport.
- Filed notes were also made during the interview in those instances that a participant continued the dialogue after the Dictaphone was switched off. These are proved to be a valuable part of the data collection, analysis and interpretation as it allowed for personal reflection. Sanjari, Bahramnezhad, Fomani, Shoghi, and Cheraghi (2014), highlights the importance of keeping reflective field notes, through ‘memoing’ and consider these to be important data source in qualitative research.
- All interviews were recorded on a Dictaphone after written informed consent from the participants. Before the interview began, participants were shown the Dictaphone; it was switched on and placed in front of them enabling the microphone better access to capture the audio. All audio files

were labelled then saved on a computer. The recordings were transcribed verbatim by a professional transcriber in word document format.

- Key documents from the interview were filed on a password-protected computer stored in the home of the researcher, in electronic format to safeguard the data. The data was then saved into the below listed folders:
    - Participation Information Sheet (PIS) and Consent form
    - Audio files
    - Additional information offered during the interview
    - Interview Transcripts
    - Emails for additional information requested post interviews

Key to note is the fact that the above procedures could not have taken place without receiving clearance from the Universities Research Ethics Committee. The approval of research proposal was received on the 02 December 2019 along with the following ethics protocol number; WBS/BA2286791/853.

3.7 Data analysis and interpretation

Wong (2008), defined data analysis in qualitative research as the systematic process of sorting and categorising non-textual data, such as video and textual data, such as interview transcripts in order to increase the understanding of the phenomenon. This data analysis method is cited as the most widely used qualitative approach to analysing interviews(Judger, 2016).

According to (Clarke & Braun, 2018), thematic analysis is a method of analysing data that involves identifying patterns within the data, analysing these and reporting the themes that emerge. This data analysis method can be used within different theoretical frameworks and has the ability to examine the impact of experiences on discourses operating in society (Clarke & Braun, 2018). (Wong, 2008) cite coding and categorisation of data as the most important stages in the analysis of qualitative data. The authors also support the use of qualitative data analysis software to increase efficiency and speed of the process of grouping and categorising data.

Prior to data analysis, the data was first transcribed verbatim by an experienced transcriptionist and typed transcripts in word format were produced. To facilitate analysis, the researcher exported the typed transcripts into the qualitative data analysis software, NVIVO 12 for coding and for turning nodes into themes. Following the thematic data analysis guidelines as detail by Braun, Clarke, and Weate (2016),the different phases of the analysis process were followed. Table 5 below depicts the different phases of the analysis from initial data familiarisation, up to the final analysis and report writing phase.

Table 5: Phases of thematic analysis

PHASE	DETAIL	DESCRIPTION OF THE PROCESS	NVIVO 12
1	Getting to know your data	Transcription, Reading, initial Memos	Create project, Upload Transcripts, Reading, Memos & Research Journal
2	Generation of initial codes	Code exciting data across the entire data set,	Code initial nodes into open codes from data and categorise nodes into broad themes
3	Searching for themes	Collating codes into potential themes	Start coding using the mind-map [collating data relevant to each code] and grouping together codes that are conceptually similar
4	Reviewing themes	Check themes in relation to coded extracts and The entire data set. Generate a thematic map	Review your coding, check with a word cloud
5	Defining and naming themes	Refine the specifics of each theme, generate clear definitions and names for each theme	Re-organise your nodes | Identify themes and jot down in research Journal
6	Producing the report	Final analysis and write-up of report	

Source: Adapted from (Braun et al., 2016)

3.8 Transferability and dependability

3.8.1 *Transferability*

Due to the small sample sizes typical of qualitative research, concern is often in demonstrating the extent to which the results of the research can be applied to the wider population (Queirós, Faria, & Almeida, 2017). One of the mitigating strategies used to ensure transferability was confining the study to one context, which was large firms in SA. Secondly, the sample was made up of individuals that have commonalities with regards to their roles in business and as such sample selection was strictly confined to C-suite executives and board members. The first seven participants were selected using purposive sampling, with the balance being selected using snowball sampling. The transferability of a study is perceived to increase if the participants were selected purposefully (Bitsch, 2005).

Importantly, the purpose of the study was to explore and as such, the approach is not intended for generalisations about large populations.

3.8.2 *Credibility and Dependability*

The confidence that can be placed on the accuracy or authenticity of research findings, equates to the level of credibility of the study (Anney, 2014). The interchangeability of issues that relate to credibility and dependability are argued to be mutually demonstrable, with one instance inferring the other (Lincoln, Lynham, & Guba, 2011). To ensure that the research findings from this report are congruent with reality the provisions in Table 6 below were made.

Table 6: Provisions for credibility and dependability

DESCRIPTION OF PROVISION	Proponents
Development of knowledge of the corporate firms that have been selected for interviews was attained through reading their website content and public published corporate documentation on the subject matter. Due to the senior level of interviewees, prolonged engagement was not always possible to build trust, the only mitigating tactic to this limitation would be to give enough background and context about the research project and supply a letter of endorsement from Wits Business School to guarantee credibility and trustworthiness.	(Anney, 2014) (Shenton, 2004)
Interview recordings were listened to more than once to enable immersion into the research data.	(Anney, 2014) (Shenton, 2004)
Reflective evaluation of the research project during each milestone was completed through periodic reflection on each interview by writing thoughts on the process and reflecting on interviews in memos.	(Shenton, 2004)
Guidance was sought from supervisor throughout the research process to test emerging insights and progress.	(Anney, 2014) (Shenton, 2004)

Source: Adapted from (Anney, 2014)

3.8.3 *Confirmability*

In qualitative research the researcher is considered to be one of the research instruments Clark and Vealé (2018) and as such there is great difficulty in ensuring objectivity. Other researchers associate instruments that do not include human skill and perception to be better positioned to address objectivity (Shenton, 2004). Leaning on this understanding of confirmability requires employ of mitigating strategies such as the inclusion of an audit trail, which will need to illustrate the data trail leading to the formation of recommendations (Shenton, 2004). The audit trail for this study is evidenced in the recordings, transcripts, memos and coding data collected and stored as part of the research process.

3.9 Ethical considerations

Tension always exists between the aims of the research and the rights of participants to privacy. However, protecting participants takes priority, and thus, the application of the most appropriate ethical principles is critical.

As a start, commitment to ethical research procedure was assured through informed consent (Braun & Clarke, 2006). A permission for interview letter, accompanied by a consent form, (see **Appendix C)** were drafted and approved by the University ethics department. Essential contents of the permission for interview letter and consent form were:

- A letter confirming the approved research topic from Wits Business School (WBS)
- Aim of the study
- Notification of voluntary participation
- Anonymity and confidentially assurance (accompanied by ethics office contact details)
- What will be done with the data post data collection and analysis
- Disclosing that the report will be published online and available on the university website
- Informed Consent form;
    - Anonymous participation
    - Use of anonymous quotes in a research
    - Permission for audio recording

Most participants were more comfortable with having the discussions recorded once they had singed the informed consent form. The fact that the form and Permission for interview letter were on a template that had the University logo and had contact details of Witwatersrand University Research Ethics Committee officials who could be contacted at any time, gave the interview engagement more credibility and reduced suspicion and anxiety for participants.

Assuring honesty and confidentiality results in enhances sincerity in the responses and insights extracted (Sanjari et al., 2014).

3.10 The researcher role

The role of the researcher in qualitative research design comprises of different tasks in all stages of the study from conceptualising the problem to planning the design and methodology and conducting the data collection and analysis, interpretation and write-up of the report (Sanjari et al., 2014). In a phenomenological qualitive research approach, Sanjari et al. (2014) reiterate that the role of the researcher is to transform the data to live the experience. This process is described by the authors as one that involves; collecting data on individual experiences from the words and statements; arranging data into themes and recording this into a report that gives a comprehensive description of the phenomenon.

In the data collection, analysis and interpretation process, the researcher role is to immerse themselves into the participants world and to understand participants views and experiences from the participants perspective (Lambert, Jomeen, & McSherry, 2010).

Key to the researcher role in qualitative research is the issue of reflexivity. At the inception of this study, key concepts such as CSV were not questioned. The propositions were taken at face value and so too the context. However, as the study evolved, so too did the initial views. This shift, attributed to reflexivity, was captured in the reflexive memos that allowed the researcher to develop self-awareness (Lambert et al., 2010). As the interviews were conducted by the researcher, this reflexive action played a critical role in the collection of data (Collins & Cooper, 2014). Therefore, a resolute focus and interpretive skills were fundamental to the success of this study (Clark & Vealé, 2018).

4 PRESENTATION OF FINDINGS

4.1 Introduction

This chapter presents the finding from interviews with key informants who occupy c-suite positions in South African corporates. The following themes have emerged from the data analysis: (1) the role of technology in creating shared value (CSV); (2) constraints that exist in rural communities that frustrate CSV; (3) the digital transformation progress of South African corporates; (4) the impact of digitalisation in corporate firms on corporate social investment (CSI).

The research questioning set out to establish whether digitalisation in corporate firms in SA could speed up the creation of shared value with rural communities. The chapter begins by describing the findings from the study and presents the participants' views in relation to each specified theme. The participant responses have been further allocated into sub-categories under each theme as per consistent outcomes of the coding and categorisation process. The codebook and coding report from NVivo 12 are attached in Appendix D. The chapter concludes with a summary of the results.

4.2 Findings from the study

4.2.1 *Participants Demographics*

The study findings were based on data from a total of thirteen participants. Of the thirteen participants five were female and eight were males. Participants were primarily from large corporates in the private sector. However, there was one participant in the sample who had extensive experience on boards and c-suite positions in the public sector. Most participants were above the age of forty- five with extensive education and professional qualifications.

Code	Industry	Gender	Role	Type of Corporation
Participant 1	Technology Media and Telecommunications	Male	CEO	Multinational
Participant 2	Telecommunications	Male	CEO	Global Business
Participant 3	Telecommunications	Female	CDO	Global Business
Participant 4	Manufacturing	Male	CEO	Multinational
Participant 5	Banking	Female	CMO	Multinational
Participant 6	Mining	Female	Group MD	Global Business
Participant 7	Financial and Insurance Industries	Female	Head Responsible Business	Global Business
Participant 8	Information and Communication Technology	Male	COO	Global Business
Participant 9	Information and Communication Technology	Male	CEO	Multinational
Participant 10	Government and Public Sector	Female	Board Member	National
Participant 11	Information and Communication Technology	Male	CMO	Global Business
Participant 12	Mining	Male	CEO	Multinational
Participant 13	Financial Services	Male	Deputy CEO	Global Business

Figure 5: Participants Demographics

4.2.2 *The role of technology in CSV*

The principal task of this study, was to establish what role technology had on the creation of shared value and to determine what the consensus was as to its enabling ability, specifically in the application within rural communities. The participants viewed technology as an enabler, directed and given purpose by strategic intent. The potential of technology to afford business access to new markets that were previously out of reach, at a reduced cost, at a large scale and over shorter time frames, was expressed as central to the enabling power of technology. However, it was clear from the participants that even though the technology to create shared value exists and is ubiquitous, it is not the only thing that is required to collaborate with rural communities. Key to CSV is shifting the profit maximisation paradigm upheld in corporate firms, to one that embraces a new way of doing business and delivers sustainable profits. Based on the views from participants the following sub-categories that inform this theme will be presented as follows: (1) technology is an enabler, (2) technology affordances, (3) the mind-set shift in the application of technology for CSV profit maximisation, (4) technology exists.

Technology is an enabler:

Most participants viewed technology as an enabler when probed about its role in creating shared value. Examples were given during the interviews describing where technology enabled people to do things they were unable to do in the past, like starting a business at a lower cost. Below are two verbatim quotes relating to the role of technology as an enabler. These participants particularly highlight that technology is not the only ingredient in creating shared value:

> ***RP12:*** *"Remember that digitalisation is just an enabler. Strategy is your intent."*

> ***RP11:*** *"How do we use technology as an enabler, not the magic pill, but as one of the enablers to bring about democratisation of high quality education and all the things that we know are needed – but how do you use AI as an enabler, not the magic pill – it is not matrix red and blue pill, it is not the solution, but it is definitely one of the solutions."*

Technology Affordances:

Participants had various views around the affordances that are presented by technology. Relevant examples relating to new product development and access to new markets were highlighted based on their exposure and understanding. The view expressed was that technology had enabled an economy of increasing returns. The ability of digital technology to shorten the value chain in reaching a particular community implicitly reduces the cost to acquire and the cost to serve for big corporates. What can be done with technology is captured in four verbatim quotes included below.

> ***RP 11:*** *"It is… I mean something like arts and culture: we go to Kenya and we help in partnership with the Kenyan Arts and Culture Archives, because they need kids to learn about Kenyan history, Kenyan arts and culture. But it means kids have to go to the museum. Now that only means a year you can only touch 10000. Now with technology we can democratise that and the kid can just watch it on their phone.*

So, we partner with them, and we launch an app, and in there we are now there to preserve culture, preserve language."

RP4: *"And digital has a big role to play in all that, because it has the great ability to connect across totally scalable amounts of people. So, from whether its 1 or 10 or 10 000 or 10 000 000 - you are digitally able to scale like that in ways in which were never able to be done in analogue."*

RP3: *"And what can technology do? Technology can take ten steps and make it one."*

The mindset shift in the application of technology for profit maximisation and CSV:

There was agreement across all the participants that while technology offered many varied affordances, it was not only about technology. Central to unlocking these affordances was a mindset shift in corporates. Business needs to embrace inclusive societal progress enabled by technology in order to build wealth. Two quotations regarding this view are recorded below.

RP7: *"There is that shift, and it is really upon us as businesses to begin to realise that this is a new way of doing things but it does not necessarily mean again, that you leave people behind just because you are becoming that much more nimble and advanced."*

RP4*:" And again, I think that digital has a lot of applications that can do that. So now we can produce volumes - how do we put the quality back in that. How do we .... And then it does come back to mind-set and saying ... is it going to be... how do we truly empower communities for everybody to be better off and to build wealth."*

The ensuing quotation represents the sentiment shared amongst those interviewed regarding the mindset shift from singular focus on profit maximisation, necessary amongst shareholders and executive managers. Participants believe that many corporates in SA have been incredibly successful irrespective how good the customer experience of their products and services has been.

The current reality is that their core markets have reached saturation and they are thus compelled to focus on differentiation, customer centric strategies and seek new frontiers for sustainable profits.

> ***RP2:*** *"And I think we have been successful despite ourselves as corporate SA, especially in the telecommunications sector where we have printed money, no matter how good our customer experience and our products and services – and only now have we reached a point of saturation where we need to start looking very carefully at what is it that consumers really want, how do we differentiate ourselves, how do we create sustainable businesses?"*

The journey to shifting mindsets is perceived, to begin with, shareholders, referred to like the providers of capital by one participant. Shareholders have the authority to include sustainability as a key performance Indicator in their mandates to the managers that manage their business on their behalf, directly impacting strategy and making sustainability a business imperative.

> ***RP10:*** *"… because generally the providers of capital have always been preoccupied with getting their returns, so if the corporate is made up of managers who have come to manage the business on behalf of shareholders who are these providers of capital who just say 'I want a 20% return' and that is it. So, if I am then the manager – and I am talking being a CEO, the leadership – that is what preoccupies us. So, unless providers of capital are putting a framework that incorporates that 'when I come back, I want to see my company delivering so much, but I want to see this in the communities where you are operating.*

This can only be done if managers can show shareholders that being sustainable does not mean that you are not profitable.

> ***RP7:*** *"So it is that kind of boldness that will take, and that will make the shift. But only if you show shareholders that it does not necessarily mean take away your value if you invest in a responsible manner… And if you look at the profitability or the performance of those investments, it does not necessarily say you are not profitable."*

A different perspective was shared by **RP9** whose response echoes new school of thought that managers should embrace accountability to a broader community of shareholders. The view is that managers and not shareholders make the choices related to business models and should thus be the ones that change their mind-set from only focusing on shareholders as a key stakeholder and ignoring employees and society.

> ***RP9:*** *"It is the management, it is us, the people who are running the company who are making choices and we come with a mindset of the reason why we exist, we exist only for shareholders – when in reality, the people that are now much more I would say progressive in terms of thinking, are saying that we need to be thinking all stakeholders, not just… because shareholders are just one group of stakeholders, we need to be thinking what about the society that we are operating in, what about our employees, what about all of these things? We are managing all the stakeholders. Then if you can – and that is what shareholders want by the way – because in order for you to be sustainable, you have to be considering all of these things."*

The technology exists:

The prevailing view among participants is that the technology to enable and catalyse shared value initiatives exists and is available. The participants have expressed that everyone has digital or access to the new technologies that can enable the creation of CSV. An enduring challenge is how corporates re-orientate themselves to care about more than the status quo. The participants also mentioned some of the benefits afforded by technology in areas such as to data management, governance and knowledge management.

> ***RP3:*** *"So when we think about an internal kind of technology ... we already have that. It is just how do you orientate the organisation to care about things broader than what they think today. Most of the technology that we actually use is actually standard technology,"*

> ***RP2:*** *"Now what you very quickly learn about that ecosystem is that the technology to enable and catalyse a lot of these initiatives is available. It is ubiquitous, most live corporates have access to it, and you know when we are talking digital in particular, the benefits of knowledge management, data management, security, governance, instilling discipline, personalised relationships with very large groups of individuals – all of that is enabled through technology."*

One participant further elaborates on the benefits that this technology can enable to very large groups in a short period of time and shares an international example, where an organisation has used its technology and infrastructure to enable shared value creation through collaboration with ecosystem players and through this initiative, secured the longevity of the business. The participant is quoted below expressing how this was done at apple and how the concept of this type of collaboration is yet to gain momentum in South Africa.

> ***RP2:*** *"Organisations like an Apple to create an app store and make available software development kits and everything that is necessary for a developer sitting in Romania to be able to create a mobile application and monetise them, is critical. I think South African organisations have been so myopically focused on our own businesses, that the concept of collaboration hasn't quite gelled yet.*

The participant further elaborates that the key challenge to creating shared value is not about the availability of technology. The challenge is the will of participants in the ecosystem to want to collaborate. However, this requires a mind-set shift over fundamental issues such as direct ownership of customer and profit maximisation.

> ***RP2:*** *"So the technology exists you know? The challenge with the ecosystem is all the participants need to want to collaborate, and if you have a situation where you have a bank, a network operator, an end consumer, handset suppliers, you know – all of these different parties involved, and each of them have a mindset of maximum profitability, maximum ownership of the end consumer, you completely undermine that collaborative potential of the technology.*

4.2.3 *Constraints that exist in rural communities that frustrate CSV*

Participants believe getting communities to first understand and embrace technology was fundamental. They further expressed that the journey to shifting this paradigm in communities begins with engaging communities in order to better understand their context and needs. The dominant narrative was that to enable successful value creation in communities a strategic focus on inputs required to reach the desired outcome was necessary, more so than the focusing on the outputs of technology. The views of participants are presented under the following sub-categories: (1) the paradigm shift in communities, (2) understanding power structures in rural communities and (3) the required inputs to CSV.

The paradigm shift in communities:

A paradigm shift is necessary for rural communities to enable a conducive environment that can benefit from the catalytic potential of digitalisation. This was expressed as a critical step before any value creation can take place through digital technologies; communities need to understand and embrace technology.

> ***RP2:*** *So embracing technology, the first step in creating that kind of shared value is being able to help evolve the paradigm for those communities in understanding and embracing technology, before they actually will allow you to create value through your digital technologies.*

> ***RP1:*** *"So like creating a true digital mindset means when I shut work every day there is absolutely everything is done in a great, simple digital way, makes me more productive, makes me think digitally etc. if you live an analogue life in a rural area, it is quite hard to suddenly become a digital product genius you know? So as their lives improve, you know like why aren't local government services digital? Why do you have to go and stand in a queue for UIF or to get a grant or whatever? If you want to make a digital nation then it is got to be digital, right?"*

Understanding power structures in rural communities:

Creating shared value with rural communities is not perceived to be possible in the short term. Participants viewed this as a long-term process that needs to begin with understanding the needs of communities through engagements instead of proceeding with initiatives based on assumptions. Key to these interactions is understanding of power structures in communities. These include the role of the tribal chiefs and that of local municipalities, which are key stakeholders and influencers, whose buy-in is critical to business success.

> ***RP 9:*** *"The other I think is the issue of chiefs and traditional leaders and another thing we have not yet… because the communities listen to those people and they are at a level of either being comfortable or not being comfortable whatever you are bringing; you can come with your good*

intentions but those people can just kill your ideas. So, you need to be thinking about the power structures of the communities. That is why when you are introducing anything, you need to understand how to navigate that; you have to go to the rural chief and make him understand why, and let him call a meeting, explain – it takes days and weeks – and you go through that long process, because that buy in process will buy you many, many years or minimise or reduce failures on projects."

RP6: *So, eventually it is then being about going back and saying, "how are we going to work with the local tribal chiefs" that is what we have within that space and with local municipalities to assist them with essentially driving the economy."*

The required inputs to CSV:

The participants articulated in different ways the inputs required for rural communities that would enable shared value creation. The application of technology to support the desired end state was probed. The inputs highlighted were (1) data, (2) infrastructure (3) digital literacy, (4) education, and (5) skills.

There was consensus among participants regarding the unaffordability of data in South Africa. This is a barrier to leveraging the full potential of the many technologies that exist.

RP11: *"People don't have to worry themselves about how many gigabytes I use, and it is going to expire in 30 days. Here data is like milk, it expires in 10 days, 7 days, and that is expensive, and that is also a barrier to entry."*

RP9: *"I would say the big part, the constraint that we have in our country is the cost of data. What do I mean by that, I think you do know what I mean but the majority, about 65% of South Africans today have smart phone devices. It would be great if the entire population could have access to smart phones because that device is such a powerful thing, right?"*

The narrative regarding the availability of technology was echoed in the sentiments shared by two participants regarding the proliferation of networks and broadband access.

> ***RP1:*** *"The networks have proliferated, so in most places where there are people living you can get signal now you know. It wasn't like the early days of cellular where it was just in the major towns, it is now everywhere – and in fact in many cases it is better because there is less traffic in the rural areas! (laughs) So you get better coverage or a faster speed!"*

> ***RP 2:*** *"So if you consider the first world infrastructure we have in this country, every square mile of this country is covered with cell phone coverage, and in a lot of cases LTE coverage. We are talking high speed, broad band access to digital services that are global. You have to ask yourself, what stopped that from being in the hands of everyone?"*

The constraints expressed were therefore not related to technology but rather to foundational infrastructures such as roads and electricity. Two views were captured from participants pertaining to this:

> ***RP12:*** *"it is like ... anything that you want to create ... there has got to be the foundation that you build everything on top of. If you don't have roads ... don't start talking about bringing digital, because in the life of the people there, they just need first basic infrastructure. So, the basics need to be there to enable the next thing. Where there is no electricity, what is the point of talking about digital when I don't even have lights [laughs]. So, you have to have all these various building blocks ... the right infrastructure to enable a lot of these things."*

> ***RP7:*** *"And then I think the main issue is the infrastructure as well – how ready and how nimble is our infrastructure to create the space for technology to be effected in."*

Despite a few examples given regarding product interventions aimed at mitigating digital literacy, it is still a significant element of frustrating progress.

> ***RP10:*** *"Because one challenge is the level of literacy in this country and the rural areas, the townships you know, beyond having to utilise your phones and your social media, you know amongst the youth we still have a large component of the country that maybe might not even have access to good broadband"*
>
> ***RP9:*** *Then the third one would be more about digital literacy, because people can have all these things but if they are unable to use them…. Ja, so those would be my three important factors."*
>
> ***RP11:*** *"For example we launched for parents on improving literacy, we launched an app and it is all about improving literacy, but what we did was we built in an AI voice assistant, which talks with the child, and the child reads, and it helps the child, it corrects the child, it gives the child stars, it congratulates the child, it also helps the child pronounce better, it also tells the child 'don't pronounce it that way' – the child reads out loud because we know that reading out loud improves literacy. But now, because the parent is not there, we then introduce AI voice assistant to be the parent. But those are the basic inputs for me that don't exist at the moment."*

A key insight was that a focus on the required inputs of technology is far more impactful than only focusing on the outputs, especially in a context where there is a lot to fix.

> ***RP11:*** *"Now, on education there are many things we need fixed as inputs: high quality teachers. Currently the truth is we don't have high quality teachers on maths, science, coding, computer science. Infrastructure in school – we don't have computer labs in schools. Our kids don't start doing computer in grade 00. They don't have smart devices in school.*

Further sentiment with respect to education emerged. Participants viewed the levels of education in rural communities with concern and believe that there is still much education that needs to happen not only in rural communities but also to other respective parties along the value chain.

> ***RP 7:*** *"You know the most important thing, especially around our rural areas we are faced with, is just the level of education and pure understanding what certain concepts mean."*
>
> ***RP 6:*** *"And us then saying well, how do we do that? And then us forcing ourselves to say, we would not just deal with the problem of today and the employment for today, but we need to extend this to education."*
>
> ***RP5:*** *"Shoo, I think if anything, especially when you talk to bottom of the pyramid, is when we talk through true inclusion there is a lot of education that needs to happen. Education to end consumer, but also the respective parties along the value chain because it does require partnerships in order to deliver true value for the bottom of the pyramid."*

Participants highlighted emotional Intelligence (EQ) and problem-solving skills as critical skills required in an environment transformed by digitalisation. An example was shared regarding initial obsession of Japan and Singapore with science was cited as an example that has overtime, led to softer skills being secondary. Recently there has been a realisation that technical skills are still important but viewed as evolving while softer skills such as EQ were perceived to be enduring and will be needed forever. Another participant highlighted that key to this trend is the challenge of ensuring that rural communities are equipped to play in these new areas.

> ***RP11:*** *"Japan actually has a long tradition of craftmanship, and they do beautiful designs but now they are trying to push that up as well, while pushing the science, and then soft skills. So, we know that It is technical skills plus soft skills. The soft skills will be needed forever, the technical skills will evolve with time, but we know that the foundation of those soft skills is maths, is being able to solve a problem, whether you solve it via maths or psychology or behavioural science, we know that the brain is something we are going to study more.*

> ***RP7:*** *"You know the main skill actually – in fact we were discussing that yesterday when we were looking at how we operate across the continent and with the things that organisations are facing today what kind of skills. I was so surprised that the main skill that everybody was talking about is EQ. Emotional Intelligence.*
>
> ***RP5:*** *because you no longer looking at your traditional roles but you are looking at roles that are quite… what is the word… multi… quite fluid in terms of the skills sets that people hold in order to actually from an understanding conceptually of what you are trying to do, but also the technical capability and expertise, all the way through to almost the EQ."*

There was consensus among participants that coding is a fundamental skill to have in a digitally transformed world and should be a developed at primary school level. The belief as expressed in the quote below from a participant is that it is a key enabler to innovation.

> ***RP3:*** *"Because what you have to do is to think of coding as electricity. The day we had electricity is the day we saw our own innovation. This, this, that, all these things ... came about because we have electricity. Because we don't think about it. You just switch on the electricity ... but just think about all the innovations that were never there ... before electricity. I don't care whether it the lights or whatever."*

4.2.4 *The digital transformation progress of South African corporates*

Central to the narrative regarding the South African digital transformation journey is the reality of inequality and the inability of some corporates to contextualise global trends and apply them to the unique local context. The digital transformation journey of South African corporates was said to be approximately three to five years slower than that of global leaders, particularly the west. This journey is quoted as one that should not be rushed but, progressively and cumulatively built over time to ensure inclusive transformation. The digital transformation strategy based on participants views should be driven from the C-suite with the CEO as the catalyst for change. From a future perspective, one participant predicts that consumers will begin to increase pressure on corporates to adopt sustainability as part of the business strategy. The participants views are presented in the following sub-categories: (1) Digitalisation in South Africa, (2) Ownership of the digital transformation agenda incorporates, (3) The catalyst for change.

Digitalisation in South Africa:

The SA context is perceived by participants to be unique from the rest of the world. Its progress when it comes to digitalisation is slower than the global benchmarks of the Western world. Participants attribute the SA disposition to the legacy of apartheid where a large tranche of the population was marginalised and excluded from the broader economy. This inequality is still prevalent in the country today. An insight shared regarding the application of global learnings to SA, is the ability to contextualise what has worked internationally to the unique SA nuances and not simply adopt plug and play solutions.

> ***RP2:*** *"You know we have a lot of individuals in this country that are living in a first world environment and have real first world problems. But the vast population in the country from an education perspective, from an access to infrastructure, technology, all the rest of it, are playing a catch-up game. So we generally, if you look at SA as a market place – and we did the same thing – however we generally as a market place are anywhere between 5 and 10 years behind what we see in our European counterparts*

or elsewhere, purely through our inability to contextualise what has worked globally and applying that to the unique South African context."

Some participants from larger long-established corporates viewed the transformation journey as one that would take time to allow the mind-set shifts and the reorganization for these businesses to reach the ideal preparedness. While corporates that were in the IT space found their progress was ahead of the curve when compared to the rest of the country due to the nature of their business.

> ***RP9:*** *"Ja. I think we are behind as* [SA] *corporate; we are behind the world. Let me not say the world, I would say largely the west, in particular US and Europe. We are behind. We have always been as a country, we have always been behind those – probably five years is right, but I think us as a company, probably three years behind. Why? Because I think the benefit is the fact that we are in IT, so for us, we don't have to tell us we should be going this route, because we are the ones who are driving the digital agenda with our customers."*

> ***RP5:*** *"So I guess in terms of that transformation journey it is one that has an ideal state, but the time to get there is always I think for me what has been an interesting one, because if I look at our context for instance, we have been talking about it for probably the past four/five years, and we are truly starting to see and realise some of it now, in probably like I am saying, year four – where you are starting to gain the traction for that exponential growth, which is a fundamentally different business strategy and operational strategy."*

Ownership of the digital transformation agenda in a corporate?

There are a few corporates that perceive digital transformation to be central to the role and responsibilities of the Chief Information Officer (CIO) or Chief Technology Officer (CTO). There is still a debate as to whether this is the most appropriate custodian because digital transformation transcends the technology agenda. This was an observation from a participant who served as a board member on various boards of state-owned entities:

RP10: *"Then some of the companies where I serve on the board, what I have seen is that digitisation is given to generally the chief information officer, or chief technology officer. Whether that is the right person or not, is still debatable because it is not just about someone using technology, but it is also around looking at the whole value chain of the organisation to the extent that you need people, you need to train people, how do you hire, do you have the skills you know of the future in your organisation, to have competitive edge, your agility as an organisation."*

Two participants expressed views echoed by others, in relation to where digital transformation custodianship could most appropriately locate. Due to its impact on core business strategy, investment and budget, this agenda should be high on the agenda of C-suite executives and board-members of corporate firms. Others went as far as articulating this as a strategy that should be primarily driven by the individual that is accountable for leading future strategy, and this was expressed by one participant as being the CEO.

RP8: *"The driving of the actual mechanics around digitalisation is obviously a company strategy, right? So, it would ultimately come from either the board or the EXCO as a you know, real leadership incentive to try and make sure there is legitimacy in optimisation. The users then become the people that actually utilise it to implement the strategy, and ultimately it permeates from the top to the bottom, so once it is in force, then I think it becomes seamless, but the real decision around how to make sure you become better as a business, you know ultimately is something that requires leadership, requires investment, requires budget, and then ultimately requires execution which becomes responsibility of everybody."*

RP4: *"So, it might sound a bit silly saying it is not just the sort of the Chief Information Officer, it has to be the person thinking about the strategy and leading the organisation. So, I would go to CEO, it is not necessarily the COO who is responsible for the operational delivery and stuff. But it has*

to be somebody who is thinking about - "how does our business deliver value into the future?"

The catalyst for change:

The sentiment of the CEO as the catalyst for change and critical driver for digital transformation in corporates is captured in the quoted below.

> ***RP3:*** *"Look here - what is a catalyst for change? Right. The catalyst for change ...the reason why the guys kept the thing ... is because I as the head of the company was passionate and driving it. They must see it in me. If they don't see it in me, it is not going to happen. I don't care which kind of systems you put in."*

An opposing view cites the consumer as the catalyst for change. This particularly pertained to the increasing demands on corporates to embrace sustainable business practices.

> ***RP2:*** *"And the catalyst for that is not the board meeting, it is not the profitability of it, it is not the long-term sustainability of it. The catalyst is going to be the consumer. The consumers have changed, and they need to become more demanding around the sustainability of corporate SA, the involvement of corporate SA."*

4.2.5 *The impact of digitalisation in corporate firms on Corporate Social Investment*

This final section attends to the findings on the impact of digitalisation on CSI. Specifically, and its evolution from a compliance intervention to one that is aimed at impacting society and the economy through building sustainable businesses that are purpose-led. The sub-categories under which the participants views are presented are; (1) changing role of CSI, (2) social impact investing and (3) purpose-led businesses.

Changing role of CSI:

The changing strategies related to corporate social investment are resulting in a shift away from donations and licence to operate compliance, to a stronger sustainability agenda that impacts society in a positive way. The view from participants is that CSI should be more economically driven, focused on products and services that are designed and developed in a way that impacts society in a positive way. As such this role will evolve over time to be a leadership responsibility across the value chain instead of being owned by one person in the organisation: and a key measurement for a successful business. This narrative is reflected in these two comments:

> ***RP9:*** *"Our products and services are designed in such a way that we go and impact society in a positive way. For example, the safety and security. We had a company - it is one of our focus areas is safety and security– in the past they were just tracking cars making sure that the vehicles were protected. Now we came up with technologies that protect the smart boards that go to schools. So, what I mean is that for us, CSI is so embedded in terms of what we do; it is not something that is out of there."*

> ***RP5:*** *"So I think my view is that the shift is really going to come in it not being owned by a certain individual in an organisation but being a leadership responsibility across the operational value chain. Because essentially I think there is a role that you impact and play that social responsibility in how you deliver a product to market–and it should in turn, form part of your deliverable and measurement as a successful businessmen!"*

Social Impact Investing:

The shift from CSI to Social Impact Investment (SII) emerges as an emerging strategic shift. This has largely been driven by the corporates quest to build and grow sustainable business, through products and services backed by the ability to measure the shared value impact.

RP12: *So, we have moved away from this concept of CSI, because we are saying when you are looking at CSI - you almost want to tick the box. OK? And say I am doing something. But the question is - what is the measurement of the impact of what you are doing? And how sustainable is that impact of that initiative? And if it does not meet that ... then it does not meet the category of Social Impact Investing. So, we no longer talk CSI ... that is not in our vocabulary ... we talk about Social Impact Investing. It means mobilising others ... other funds ... working with others to enable this to happen.*

RP7: *"So my role is beyond CSI. In fact the CSI part of what I do sits elsewhere, not actually in my department, because we understand that it is still about business first, but it is in the 'how' the business needs to respond and deliver also on social impact, without solely focusing on one aspect of 'what is it that you do, how are you making a difference, and how are you paying your school fees (as an example) for the fact that you are here as an organisation.' So for us as an organisation there is just a clear line between CSI and being a responsible business, and that talks to the whole shared value context, which says it is in the how you do business that is creating social value."*

RP5: *"Because I think I talked earlier about measurement and we should be measured on some of it, because if I am not delivering appropriately to the solutions and products I developed, the services that I developed, then am I truly being purposeful in what I am doing as a business owner?"*

Purpose-led business:

Some to the participants interviewed touched on the role of purpose as a driver of good business strategy and its impact on the compelling value propositions through to sustainability that corporations can embody. Participants views in this regard are recorded in the quotes below.

RP11: *"The thing is when I worked at company x we had moved the idea that CSI is a function that sits in the office of the CEO. We said actually you shouldn't be calling it CSI because it is just a purpose led way of marketing a brand. So, it must be embedded in the brand. Which is very different than the olden days when you have a CSI department, but now, it has to be embedded in the brand. Like with company Y, when I was there, we had things we wanted to make sure that what we do is embedded in the brand. Because remember corporations are not NGOs, they are there to create shareholder value, but it is self-enlightened interest that it is a win/win. But at the end, when all is said and done it is not just for, it is not charity; the CSI you are talking about in the olden days was charity."*

RP9: *"We would like to make sure that our products and services talk to our purpose statement, meaning for example we have got a focus of financial inclusion as a key focus area; so as we come up with products and services we are thinking 'how do we make sure that we include as many people as possible that were previously not part of the system?' And we come up with technologies that talk to that."*

RP2: *"You know that is um…. I think one of the things I need to start with is the reason that we have always been so attractive to me is because we are a purpose-led business and our purpose at a group level is doing business for good. So that social participation and that social objective within a business has always been a very big personal driver for me."*

4.3 Summary of the results/findings

The categories that emerged from the participants' responses were organised into common threads across the interviewees and categorised in relation to the research questions, as outlined in Chapter One. Additional patterning analysis served to emerge core themes. Figure 6 is an illustration of the outcome of this conceptual organising. The four themes were: (1) technology is an enabler, (2) technology affordances, (3) the mind-set shift in the application of technology for CSV profit maximisation, (4) technology exists.



Figure 6: Major themes and categories

The Role of technology in CSV:

The role of technology in CSV is that of an enabler. It is not the only ingredient necessary for creating shared value but confirmed as one of the solutions.

Technology has afforded an economy of increasing returns. Digital technology can shorten the value chain in reaching a particular community. It has consistently reduced the cost to acquire and the cost to serve for big corporates.

Central to unlocking technology affordances is challenging the profit maximisation paradigm in corporate firms. Business can embrace inclusive societal progress enabled by technology in order to build wealth.

- Market saturation has intensified competition and compelled corporations to focus on differentiation and customer-centric strategies in search of new frontiers to deliver sustainable profits.
- Shareholders have the authority to include sustainability as a key performance indicator in their mandates to management that operates businesses on their behalf. This would directly impact strategy and make sustainability a business imperative.
- Firms need to shift the mind-set of managers, particularly that of the CEO to broaden the scope of priority shareholders beyond stakeholders, Inclusion of employees and society into the key stakeholder matrix is an essential step forward.
- Access is no longer a prime concern. Corporates have ubiquitous access to digital technologies that can enable the creation of shared value. The concern now is how corporates re-orientate themselves to care about more than just financial performance.
- Participants in the ecosystem need to want to collaborate and the mindset of maximum profits and maximum ownership of the end customer needs to change

Constraints that exist in rural communities that frustrate CSV:

Getting communities first to understand and embrace technology is fundamental to the creation of shared value.

The journey to influencing the consumer paradigm begins with engagement with communities to understand their needs, context and existing power structures such as tribal chiefs and the local municipality.

A focus on key inputs such as, high-quality teachers, basic infrastructure, digital skills was among the listed fundamentals towards CSV with rural communities. Technical skills are evolving while soft skills such as emotional intelligence and problem-solving skills surfaced prominence and were highlighted as key skills for the future. The challenge with this trend lies in ensuring that rural communities are equipped to play in these transforming spaces.

The digital transformation progress of corporate firms:

The inability of corporate firms to contextualise global trends and apply them to the unique SA context is a key barrier to progress.

The South African digital transformation journey is perceived to be between three to five years behind global benchmarks. However, the consensus is that this journey should be built cumulatively over time to ensure inclusive transformation.

Digital transformation is a business imperative that should be high on the agenda of C-suite executives and board members of corporate firms due to its impact on core business strategy, investments and budgets. The CEO is the catalyst for change and should lead the digital transformation agenda. The consumer is also a vital catalyst for change that will push corporates to embrace sustainable business.

The impact of digitalisation in corporate firms on Corporate Social Investment:

Strategies related to CSI are beginning to shift away from donations and compliance to a stronger sustainability agenda that is embedded in the business and focused on social impact. CSI must continue to evolve to be a leadership responsibility across the operational value chain instead of being owned by one person. Firms need to shift to purpose rather than profit led to business growth.

5 DISCUSSION OF THE FINDINGS

5.1 Introduction

This chapter is a discussion of the key findings emanating from the views of participants in this study. The chapter details the role of technology in CSV; digital transformation progress of corporate firms; and the changing role of CSI. The chapter concludes with a summary of key insights derived from the discussion.

5.2 Technology the enabler and strategy the intent

Despite 239 million in SSA people being internet-enabled through their mobile devices, more than three quarters of the population remains offline and are digitally excluded (GMSA,2019), with the majority being in rural communities. The initial proposition of this study was that technology or the appropriate application of technology was the only inhibiting factor to the creation of shared value with rural communities. Central to this narrative were the affordances that technology unlocked as a result of its ubiquitous nature. The findings highlighted the complexity of shared value creation in a South African context and validated the role of technology as an enabler that needed to be applied within the context of clearly articulated strategic intent. This sentiment echoes the work done by Plekhanov and Netland (2019) who believe that this enabling potential of technology could only be leveraged for CSV if the firm is equipped with technological capabilities internally and externally.

It is clear from the research findings that technology alone cannot advance the intent of corporate firms. Further, the transformative process of digitalisation can only begin at the intersection where technology and firm strategy meet. Digitalisation is perceived to deliver the most significant on-going transformation of the interactions between technology and infrastructure; a society with institutions; and people with organisations (Hagberg et al., 2016). The same can be observed with the interaction between technology and strategy.

An opportunity exists for firms to leverage the catalytic potential of digitalisation in the development of new products and services for and with rural communities. Such an approach is set to ensure sustainable profits and positively transform the socio-economic landscape in rural communities. This study presents a perspective on how technology has enabled an economy of increasing returns. Digital technology has been able to shorten the value chain in reaching communities reducing the costs for big corporates to acquire and serve customers. Some examples of these were shared by participants particularly in the area where technology-enabled collaboration with other institutions or stakeholders in the development of products and services. The literature review also elaborates on how the affordances enabled by technology when pulled into operational strategies can unlock new functions in the operating environment (Autio, 2017).

Figure 7 displays the possibilities and new functions that digitalisation can unlock.

UNLOCKING DIGITAL VALUE	TECHNOLOGICAL AFFORDANCES
Access	Generativity (Majchrzak & Markus, 2012)
Time	Disintermediation (Andal-Ancion, Cartwright, & Yip, 2003)
Speed	Dissociation (Ibert, Hess, Kleibert, Müller, & Power, 2019; Jittrapirom et al., 2017)
Scale	Ubiquity (Ibert, Hess, Kleibert, Müller, & Power, 2019; Jittrapirom et al., 2017)
	Remediation (Andal-Ancion et al., 2003)

Figure 7: Major themes and categories (**Adapted from (Autio, 2017)**

A combination of two definitions of digitalisation were found to best captures the intersection between technology enablement and strategic intent. The first was expressed by Bharadwaj et al. (2013) and posits that digitalisation is the leveraging of digital resources by corporate firms to create value paving the way for the formulation and execution of this in the organisation strategy. The second defines digitalisation as the focus on the transformational impact of digital technologies on business models and value propositions to capture new revenue opportunities (Gartner, 2019).

The findings in this study motivated the outcome of the fusion of these two definitions best captures the intersection of technology and strategy for value creation. Consequently, this study adjusts its initial perspective to embrace the

view that digitalisation is the transformational impact of digital technologies on value creation for corporate firms and the formulation and execution of this in the organisation strategy (Bharadwaj et al., 2013; Gartner, 2019).

A global study by Ślusarczyk (2018) lists; a clear vision, support from senior management, high investment and clear articulation of economic benefits as key to fast-tracking the progress of digitalisation. This is aligned with the findings presented in Chapter Four of this study that articulate digital transformation as a business imperative that should be high on the agenda of C-suite executives and board members due to its impact on core business strategy, investment and budget.

This insight is aligned with recent studies that have been done in the field of business management, with the most prominent work being published by Westerman et al. (2014), on leading digital transformation. The authors stress leadership capabilities as one of two critical capabilities that leading organisations in digital transformation possess. Further, key to driving successful transformation, silos in organisations need to be broken in order to align the entire organisation to one digital vision. This should be high on the CEO agenda due to its influence on re-engineering organisational processes and customer experience and ultimately how these two will impact or re-define business models. The findings of this study are aligned to the body of work by Westerman et al. (2014) and present the view that in corporate firms embarking on strategies where digitalisation is the transforming agent for value creation, the CEO must catalyse change. Digitalisation is the intersection where technology and firm strategy meet. It is an ongoing transformation that impacts business processes, budgets, business models and customer experience and thus should be at the top of the CEO agenda. It should be driven by a clear vision and support from senior management. It can be deduced from the research findings that technology alone cannot advance CSV, but that corporations can leverage the catalytic potential of digitalisation in the development of new products and services for and with rural communities. This will in turn, positively transform the socio-economic landscape in rural communities.

5.3 The digital transformation progress of corporate firms

The digital transformation journey of corporates in SA has been expressed as being one that needs to be cumulatively built over time. This to ensure inclusive transformation and societal progress. SA corporates have been incredibly successful irrespective of how they delivered on products, services and the customer experience in the past. However, markets are becoming more saturated and corporations are compelled to focus on new strategies for competitive differentiation in order to resonate with customers and sustain profits. Added to pressure from customers is the proliferation of competition as a result of the adoption of new technologies that are disrupting traditional business (Hagberg et al., 2016). The customer landscape has been dramatically transformed by digital technology. Consequently, customers are fast becoming the catalyst for change in society and business. This has placed a spotlight on the unsustainable business practices of corporates challenging the dominant profit maximisation narrative of capitalism (Fleming, 2013; Hinson & Ndhlovu, 2011) . While on the other end of the spectrum, corporates are beginning to leverage digitalisation in collaborative development within ecosystems and are taking advantage of its ability to influence production and relationship arrangements in the value chain (Plekhanov & Netland, 2017).

Literature highlights a growing global trend of co-production with suppliers (Hagberg et al., 2016). These collaborative ecosystems are still a difficult concept to activate in the South African environment where corporates are still myopic in focus. Business must first embrace the sharing of value being profits and customers. However, the dominant narrative is still maximum ownership of the end consumer and maximum profits for the corporation.

The collaborative potential of technology remains out of reach for corporations not because of inaccessibility to the technology but rather due to the inability to shift mind-sets and embrace inclusive societal progress.

A good reference for the potential afforded by digitalisation in enabling collaboration in the production process is illustrated in the example shared in the

research findings of Apple®. The brand was able to create shared value with ecosystem players in its value chain by enabling access to its platform and making available software development kits for the development of mobile applications and enabling suppliers to monetise them.

The proposition by Plekhanov and Netland (2019) as covered in the literature review suggests that the enabling potential of digital technology can only be leveraged for value creation if required organisational capabilities inside and outside the firm are groomed. From a South African corporate perspective, the will for participants to want to collaborate and a critical shift in leadership mindset is key to unlocking this enabling potential.

5.3.1 *Global trends and a unique local context*

When compared to the rest of the globe, SA is perceived to be three to five years behind global benchmarks. With some corporates ahead of the curve and some who are in the infancy stage of their digital transformation strategies. This sentiment resonates with the literature on the prevailing differences in the degrees of technology readiness as articulated by Banga and Te Velde (2018). The sentiment from key influencers in corporations is that this pace of transformation has nothing to do with access to technology as all corporates have standard digital technology or access to the new technologies that now exist across the globe. The slower pace of digital transformation is attributed to the inability of firms to contextualise global trends and apply them to unique context in SA. Which has individuals living in a first world environment with first-world problems in the same country where the vast majority are playing a catch-up game in access to basic infrastructure, education and technology?

Over and above this stark reality in the SA market context, literature attributes lag behind global benchmarks observed in South African corporates, to the absence of digital culture, effective training programmes and the shortage of qualified staff within firms (Banga & Te Velde, 2018; PWC, 2016).

The contextualisation of global trends to the unique context of SA will require mind-set shifts and the re-organisation of business to ensure the appropriate digital transformation strategies are applied while the digital capabilities required inside and outside the firm will need to be addressed (Plekhanov & Netland, 2019).

When looking at internal and external capabilities to enable digitalisation, there is often a focus on the outputs of technology such as access to global knowledge, actionable intelligence, automation, improvements in communication and connectivity (Bharadwaj et al., 2013). Not enough focus is given to the inputs required to enable corporations and rural communities alike to leverage the full potential of digitalisation. This narrative once again brings us back to the unique South African context, where rural communities are part of the vast majority that still need accelerated efforts in enabling access to foundational infrastructure such roads and electricity, affordable data, basic education, digital literacy and skills. Central to these challenges is the absence of relevant IT skills that are needed to support digital transformation in the country (Manda & Backhouse, 2017). According to literature, the picture is not any different in the rest of the continent, where despite access to the internet, digital skills gap are regarded as the biggest barrier for consumers to engage optimally with technology (Bharadwaj et al., 2013; Hernandez & Roberts, 2018). This is aligned to the findings of this study which lists digital skills amongst the most critical inputs to digital transformation.

A new insight from this study not covered in the literature review is the emergence of emotional intelligence (EQ) as a critical skill of the future, more so in environments driven by collaboration and enabled by digitalisation. The dominant view from the research study is that technical skills such as coding are deemed important and will continue to evolve over time. Softer skills such as problem-solving skills and EQ are enduring and should receive the same level of

importance as technical skills. The challenge will be in ensuring that SA in its digital development at the country level includes this balance in its strategies and that corporate firms in SA consider this when framing roles in organisations.

5.4 CSI and profit maximisation

Upon reflecting on the literature review, key parallels were drawn between CSR and CSV. The unique proposition that Porter and Kramer (2019) offer corporate firms is the potential to connect societal and economic progress by addressing social issues with a business model. At the heart of CSV are the joint company and community value creation and the focus on profit maximisation. Another point of differentiation that CSV outlines are the realignment of the entire company budget (Porter & Kramer, 2019). The key differences between CSR, CSI and CSV as covered in the literature review are outlined in Fig 8 below. A new inclusion to this comparison is the addition of CSI to the discussion. The socio development initiatives that are implemented by corporate firms in SA are framed on CSI rather than CSR and are driven by a response to legislation and industry charter that were formulated as part of redress of historical development imbalances in SA (Hinson & Ndhlovu, 2011).

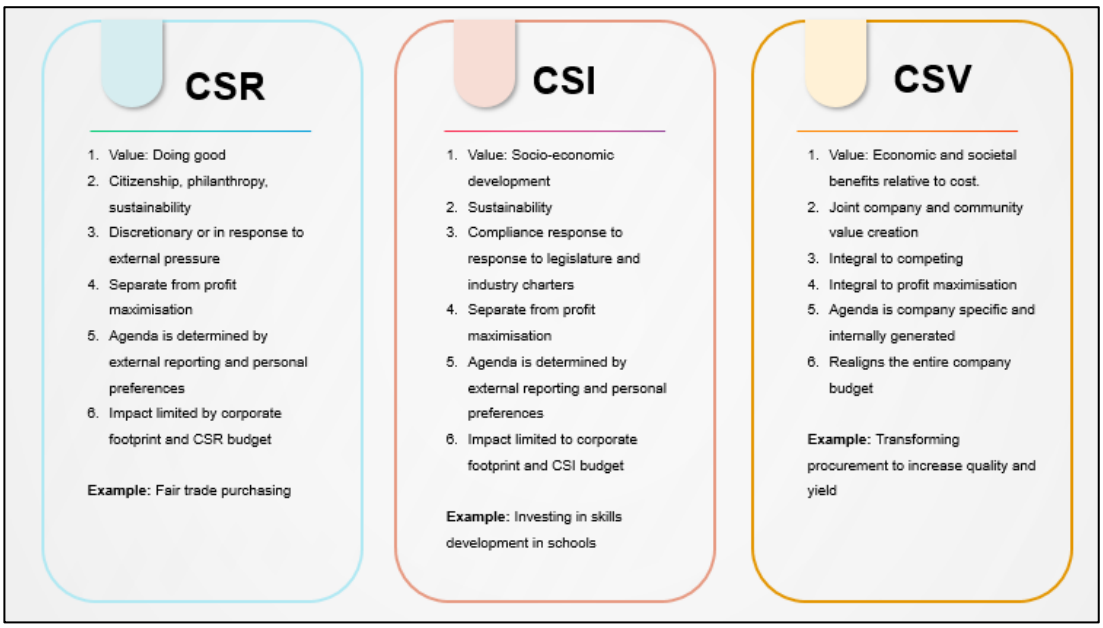


Figure 8: Differences between CSR, CSI and CSV adapted from (Hinson & Ndhlovu, 2011; Porter & Kramer, 2019)

The key shifts observed in local CSI strategy relate to the same need for new frontiers for sustainable profits, differentiation from competition and measurable impact that is dominating the global narrative. The ones that emerged as the most significant included the consensus that CSI should be more economically driven, focused on the development of products and services that are measured appropriately to impact business and society positively. This draws the CSI agenda closer to profit and value creation and may be indicative of the beginning of a transformative value chain approach to social responsibility. This is evidenced by the views of participants who believe that CSI should be owned by leadership across the operational value chain. It should not be treated as a responsibility of one role hampering its integration into how products and services are developed and delivered to the market. Examples of this are already evident in the market, mostly from corporates in the technology space who are using their digital capabilities to develop appropriate digital products that impact society positively and are embedded in the business purpose. Which the heart is still anchored on self-interest but articulated in this context as; "…self-enlightened interest that is win/win, not devised exclusively for charity, social development or profit maximisation." Yet, looking to balance social impact and business value.

Based on the results from the research report, the corporations that seem amenable embracing the required new outlook are those that believe in the philosophy that managers and not shareholders make the decisions relating to business models. This is also accompanied by a view that corporations should begin to also focus on employees and society as key stakeholders and not only focus on shareholders. The dominant status quo, however, is still, that the providers of capital: shareholders and decision-makers remain preoccupied with maximising return on investment on investment. The knock-on effect is that managers that run a business on behalf of shareholders must focus on profit maximisation, as the prioritised measure of success. It was clear from the findings of this study that key to creating shared value with rural communities was the

need to embrace inclusive societal progress and a new way of doing business that challenges existing paradigms.

South African corporates continue to have a sustainable development focus to shared value creation that is beginning to split in two directions. One is drawing closer to CSV under the banner of responsible business just stopping short of the realignment of all company budgets and profit maximisation. While the other direction is akin to impact investing, separated from profit maximisation and closer to sustainable development and yet still embedded in business compliance. A key difference that contradicts the views of Crane et al. (2014) is the observation that SA firms are beginning to focus on the social or environmental problem to which they are most connected. This is referred to as the purpose-led way of doing business and dominates the narrative central to compelling value propositions driving business strategy and infusing sustainability and social participation within corporates.

5.4.1 *CSV and rural communities*

Contrary to the narrative by authors such as Prahalad (2009), regarding rural communities as the next frontier for business growth, corporations in SA are not rushing to transform their business models and realign organisation budgets to co-create sustainable businesses with rural communities. The constraints that prevail in rural communities often frustrate CSV efforts and slow down its progress. This is aligned with the views in the literature by Hernandez and Roberts (2018) regarding barriers to economic development. Fundamental to successful CSV initiatives is the need for corporates to play a role in helping rural communities evolve their paradigm in understanding and embracing technology. This was presented as a key criterion in the findings before any shared value creation can be achieved through digitalisation. This is a critical insight that may shed more light on the reasons as to why the various technology deployment

efforts in rural communities have not yielded the intended results (Khane, Siebörger, Thinyane, & Dalvit, 2012; Kunigami & Navas-Sabater, 2010). Corporate firms require significant investment over long periods to transform the socio-economic contexts of rural communities to one that will deliver growth. The literature review covered great examples where this was done before by Alibaba® in China (Yenni et al., 2017). Alibaba understood that building a sustainable market for their product offering required helping rural communities in Sui Chang to evolve their paradigm. This was done through the establishment of support for grassroots e-commerce adoption.

5.5 Conclusion

The dominant narrative is that digitalisation is the intersection where technology and firm strategy meet. It is an ongoing transformation that impacts business models and processes, budgets and customer experience and thus should be at the top of the CEO agenda. It should be driven by a clear vision and support from senior management. It can be deduced from the research findings that technology alone cannot advance CSV, but that corporations can leverage the catalytic potential of digitalisation in the development of new products and services for and with rural communities.

The digital transformation journey of corporates in South Africa has been expressed as being one that needs to be cumulatively built over time. This is to ensure inclusive transformation and societal progress. SA corporates have been incredibly successful regardless of their effectiveness at products and services quality as well as customer experience. The customer landscape has been dramatically transformed by digital technology, and as such, the customer is fast becoming the catalyst for change in society and business. This has started to put a spotlight on the unsustainable business practices of corporates and challenge the dominant profit maximisation narrative of capitalism (Fleming, 2013; Hinson & Ndhlovu, 2011).

The proposition by Plekhanov and Netland (2019) as covered in the literature review suggests that the enabling potential of digital technology can only be leveraged for value creation if required organisational capabilities inside and outside the firm are attained. From a SA corporate perspective, the will for participants to want to collaborate and a critical shift in the mindset of maximising profitability and maximum customer ownership is considered key to unlocking this enabling potential.

When compared to the rest of the globe, the SA journey is perceived to be three to five years behind global benchmarks. The sentiment from key influencers in corporations is that this pace of transformation has nothing to do with access to technology by corporate firms. Corporates were unanimous in confirming that they have access to standard digital technology and even new technologies that exist across the globe. The slower pace of digital transformation is attributed to the inability of corporates to contextualise global trends and apply them to the unique SA context.

The dominant view from the research study is that technical skills such as coding are important and will continue to evolve while softer skills such as problem-solving skills and EQ are enduring and should receive the same level of importance as technical skills. The challenge with this is ensuring that SA in its digital development at country level includes this balance in its strategies and that corporate firms in SA consider this when developing roles in organisations.

South African corporates continue to have a sustainable development focus on shared value creation that is beginning to split in two directions. One drawing close to CSV under the banner of responsible business, while the other is aligned with impact investing, separated from profit maximisation, closer to sustainable development yet still embedded in business compliance. A key difference that contradicts the views of Crane et al. (2014), is the observation that SA firms are beginning to focus on the social or environmental problem that they are most

connected to. This is referred to as the purpose-led way of doing business and dominated the narrative central to compelling value propositions that drive business strategy and infuse the sustainability and social participation within corporates (Gartenberg & Serafeim, 2019).

Fundamental to successful CSV initiatives is the need for corporates to play a role in helping rural communities evolve their paradigm in understanding and embracing technology. This was presented as a key criterion in the findings before any shared value creation can be achieved through digitalisation.

6 CONCLUSIONS & RECOMMENDATIONS

6.1 Introduction

This chapter integrates the findings from the study as they relate to the digitalisation of corporate firms, its influence on the CSR role and catalytic impact on CSV with rural communities. The main findings and conclusion to each research question are discussed.

The study aimed to answer the following questions:

- How can the digitalisation of corporate firms speed up the creation of shared value with rural communities?
    - What role can technology play in creating shared value?
    - What are the common constraints that exist in rural communities that frustrate shared value creation?
    - What are the common constraints faced by firms in South African firms in creating shared value with rural communities?
- How will the digitalisation of South African firms impact the role of corporate social responsibility?

Key recommendations are presented as they relate to business, government and the research community, based on the outcomes from the study. The chapter concludes with suggestions for future research.

6.2 How the digitalisation of corporate firms can speed up the creation of shared value with rural communities

Digitalisation can only begin at the intersection where technology and firm strategy meet. Understanding the catalytic impact of digitalisation on the creation of shared value with rural communities is not limited to the deployment of technology. It requires an understanding of the role of technology in CSV as well as the constraints that prevail in corporate firms and rural communities that prohibit progress.

6.2.1 *The role that technology plays in creating shared value*

The findings highlighted the complexity of shared value creation as they pertain to the SA context. The role of technology as an enabler that needs to be applied within the context of a clearly articulated strategy was re-enforced. Meanwhile, literature states that the enabling potential of the technology can only be leveraged for CSV, if the technological capabilities inside and outside the firm are attained (Plekhanov & Netland, 2019).

The research study revealed that technology alone could advance CSV. But that Corporations need to leverage the catalytic potential of digitalisation in the development of new products and services for and with rural communities, positively transforming their socio-economic landscape. Key to the transformational impact of digitalisation is the optimal and strategic application of the affordances that technology offers (Autio, 2017). These can unlock new functions in the operating environment. The ability of digital technology to shorten value chains and decrease costs to reach and acquire previously inaccessible markets, such as rural communities is set to unlock new revenue streams.

6.2.2 *Constraints faced by corporate firms in creating Shared Value Creation*

The SA digital transformation journey is perceived to be three to five years behind global benchmarks. One of the key challenges that emerged from the research study that may have an impact on this progress is the inability of some corporates to contextualise global trends to the local context. This will require mindset shifts and the re-organisation of business to ensure appropriate digital transformation strategies are applied.

The collaborative potential of technology thus remains out of reach for corporations not because of its inaccessibility but rather due to the inability to shift mindsets and embrace inclusive societal progress. Key to unlocking the enabling potential for digitalisation is a transformation of the dominant view prioritising profitability and ownership of the consumer. These measures stand in the way of collaborative strategies required to create CSV.

When looking at capabilities to enable digitalisation, there is often a focus on the outputs of technology such as access to global knowledge, actionable intelligence, automation, improvements in communication and connectivity (Bharadwaj et al., 2013). Not enough focus is given to the inputs required to enable corporations and rural communities alike to leverage the full potential of digitalisation. This is true for the SA context, where rural communities need accelerated efforts in enabling access to foundational infrastructures such as roads and electricity, affordable data, basic education, digital literacy and skills.

Central to the discussion regarding key inputs required to enable corporate firms to leverage the affordances presented by digitalisation has been the focus on digital skills such as coding (Tuomi, Multisilta, Saarikoski, & Suominen, 2018). Relatedly, the dominant view from this study is that technical skills such as coding are important and will continue to evolve. Meanwhile, softer skills such as problem-solving skills and EQ are quickly becoming the key skills of the future and should receive the same level of importance as technical skills.

The challenge with this will be awakening corporate firms to include this balance between technical skills and soft skills in their digital development, skills acquisition and talent management strategies.

6.2.3 *The constraints that exist in rural communities that frustrate Shared Value Creation*

Fundamental to successful CSV initiatives is the need for corporates to play an active role in helping rural communities evolve their paradigms to understand and embrace technology. This was presented as a key criterion in the findings before any shared value creation can be achieved through digitalisation. It has become increasingly important for firms to take time to understand the contexts that form the day to day realities for communities such as the dominant power-structures and underlying values. The example of communities in Sui Chang outlined in Chapter Two, illustrated how community paradigms could be evolved creating conducive conditions for establishment and support for grassroots e-commerce adoption (Yenni et al., 2017).

6.3 How the digitalisation of corporate firms impacts the role of Corporate Social Responsibility

In the SA context, the question regarding the impact of digitalisation in corporate firms on the role of CSR is answered through the lens of CSI. This is the banner under which socio-economic development initiatives implemented by corporate firms in SA are framed. These are often driven by a response to legislation and

industry charter, formulated from challenges emerging from the historical development of South Africa (Mersham & Skinner, 2016).

The key shifts that emerged as the most significant included the consensus that CSI should be more economically driven, focused on the development of products and services that are designed in a way that impacts society positively and measured appropriately to assess business impact. This is set to draw the CIS agenda closer to profit and value creation and instigate a transformation approach to the social responsibility aspects of the value chain. SA firms are beginning to focus on the social or environmental problems to which they are most connected to and using this to infuse the sustainability and social participation focus on business strategies and value propositions. This yields purpose-led business growth(Gartenberg & Serafeim, 2019).

Shareholders have always been preoccupied with maximising return on investment. Correspondingly, managers running the business on their behalf are compelled to focus on profit maximisation as the primary measure of success. It was clear from the findings that key to creating shared value with rural communities was the need to embrace inclusive societal progress: a new way of doing business that challenges the existing profit maximisation paradigm (Gartenberg & Serafeim, 2019).

At the heart of CSV is the joint attention to value creation by business and communities. A key enabler of CSV is the realignment of the entire company budget priorities (Porter & Kramer, 2019). This is not yet evident in the new strategies or emerging narratives of CSI and, not something that SA companies are ready to do. Whilst digitalisation through its on-going transformational impact on technology and strategy has the potential to catalyse access to new markets, in this case rural communities, this is yet to be realise. First, business leadership must be aligned and in turn align strategies and processes.

6.4 Recommendations

Some of the recommendations can be extended to both corporations and government. However, due to the scope of the study further research would be required with members of the government as a sample to be able to confidently extend the findings. The recommendations related to the macro-environment and the world of work could be extended to the government.

Corporate firms

The digital transformation agenda of the organisation should be a top priority for all executives across the operational value chain and led by the CEO. Shareholders need to include social impact indicators as a measure of key performance to drive executives to also focus on these instead of exclusively focusing on profit maximisation.

Before any CSV can happen in rural communities, corporate firms need to invest significantly in initiatives that will assist rural communities in evolving their paradigm in understanding and embracing technology. This recommendation also holds true for the digitalisation strategies of government.

If the objective is leveraging technology in creating shared value, technology deployment should never be done outside of a clearly articulated strategic intent.

When designing talent acquisition and management strategies, corporates need to consider a balance between technical skills such as coding and soft skills such as EQ and problem solving required to re-define the future world of work.

Government

The South African strategy for digitalisation should not only focus on the outputs of technology such as actionable intelligence and automation. As a priority it must also attend to inputs required such as digital skills development, access to basic infrastructure and education in communities. When investing in skills, governments should aim for a balance between technical competencies as coding and soft ones such as EQ and problem solving which are set to re-define economic and social landscape of the future.

6.5 Limitations of the study

Limitations of this study include the availability of key individuals in the research sample. The research interview period overlapped with the SA festive season calendar and as such, it was difficult to recruit because many corporate executives had taken their annual leave, which impacted their availability. For this study, key executives and board members were the main sample of choice. Time is often a premium for these individuals and getting time out of busy schedules proved very challenging.

Another limitation is that the use of a small number of interviews limits the generalisability of the study (Queirós et al., 2017). This study is exploratory in nature and as such is not designed to be generalised across large populations

6.6 Suggestions for further research

- Further research is required on the integration of business results and social impact. Work still needs to be done on the development of clear business performance indicators for measuring shared value, CSI or Social Impact. There are some studies that have already begun in this area, but a gap still exists for business performance indicators for social impact and directly linking social progress and business results.

- Further research needs to be done particularly in SA corporates to explore the measurement of social impact initiatives and the impact of digitalisation on these.
- The role of a massive transformative purpose on digital strategy in both traditional corporates and digital natives needs to be explored further. There is growing literature in the field of management and marketing on purpose-led business growth but the emergence of this in digital business strategy as central to transformation is an emergent trend that needs to be studied further.
- Research from the perspective of communities will add valuable input into the constraints or opportunities that exist in evolving the paradigm of rural communities when it comes to embracing technologies.
- Key to shared value creation between rural communities and corporate firms is an enabling macro-environment. Further research needs to be done on strategic imperatives for the South African Government in creating an enabling environment for digital transformation.

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APPENDIX A: Instrument

DICUSSION GUIDE DOCUMENT

TOPIC: The Digitalisation of Corporate firms in South Africa as a Catalyst to Shared Value Creation with Rural Communities:

Ice Breaker:
Can you tell me a little bit about yourself and your role in the organisation?

Introductory Question:

Can you describe the status of digitalisation in your organisation, by starting with what or how you as an organisation define it and where you are from a progress perspective in reaching completion state?

Who is driving the digital transformation in your organisation?

Probe for their level within their organisation and role of the person driving the digital transformation.

How has the digitalisation of your firm impacted the Corporate Social Responsibility/Corporate Social Investment function in the organisation?

Section 1: New Products, Services and Markets

If shared value is defined as “Exploring business opportunities by using the firm resources and capabilities to solve social problems” can you describe some of the shared value initiatives that your organisation has undergone?

A) What type of new products and services are you aware of that address social needs has your organisation developed? *Probe if not mentioned*; Can you expand on those that relate directly to rural communities?
    i. What enablers in the operating environment could fast track shared value creation with rural communities?

B) In your industry context, how can technology create access to rural communities in order to address unmet needs in underserviced communities? Probe if not mentioned; Can you elaborate on the delivery and distribution of products and services to /in rural communities?
    i. What specialist skills/capabilities would be required to catalyse/speedup shared value creation with rural communities?

Section 2: Redefining Productivity in the Value Chain

A) Can you share some of the Shared Value initiatives that the organisation has explored where there has been inclusive business with rural communities?
    i. How would you describe the role of technology in those examples?

B) What are the key value chain concerns that your organisation needs to tackle when considering new ways of operating to enable inclusive business with rural communities? *Probe if not mentioned; New stakeholder relationships/partnerships*

Section 3: Local Cluster Development | Enabling ecosystems

A) Can you share some examples of collaborative innovation with rural communities, where growth opportunities were achieved?
    i. Can you expand on the challenges encountered when implementing these initiatives/projects?
    ii. For future programmes how can the link between companies' success and the success of communities be strengthened, in order to create economic growth?

Closing Question:

Understanding that Shareholder Value comes down to bottom line and return on investments; what would be the key drivers of mindset shift amongst shareholders of South African Corporate Firms when it comes to the creation of share value with rural communities for economic growth?

APPENDIX B: Participation Information Sheet

REQUEST FOR PARTICIPATION INFO SHEET

STUDENT NO: 2286791 **DATE OF MEETING:**

MASTER OF MANAGEMENT IN DIGITAL BUSINESS

Approval of Meeting ☐

TOPIC: DIGITALISATION OF CORPORATE FIRMS IN SOUTH AFRICA: A Catalyst for Shared Value Creation with Rural Communities

Dear

My name is Khosi Jonas and I am a Masters Student in Digital Business at the University of the Witwatersrand in Johannesburg.

As part of my studies, I need to undertake and complete a research project that will explore: **Digitalisation of Corporate Firms in South Africa: A Catalyst to Creating Shared Value with Rural Communities.**

The aim of the study is to explore how the diffusion of new technologies in corporate firms could speed up shared value creation with rural communities.

I kindly request a one on one interview with you, that will take approximately 45 minutes and can be conducted at a place/venue most convenient to you. With your permission I would also like to record the interview using a digital device. The interview will be confidential and anonymous, and I will only be using firm industry as a representation of participation in my final research report.

This study will be written up as a research report and will be available online through the University library website. I will send you a copy of the report upon completion if you wish to receive it.

If you have any concerns about the ethical procedures of this study, you can contact the University Ethics Committee on these details; +27(0) 11 717 1408 | Shaun.Schoeman@wits.ac.za

Please confirm which dates from the ones shared with you, will work best for your diary.

Yours Sincerely,

……

Researcher Name: Ms Nomakhosazana (Khosi) Jonas |+27 83 314 0436 | khosij@wrc.org.za
Supervisor Name: Ms Ayanda Magida |+27 11 717 3953| ayanda.magida@wits.ac.za

APPENDIX C: Informed Consent Form

CONSENT FORM

STUDENT NO: 2286791

NAME OF RESEARCHER: Ms Khosi Jonas

TOPIC: DIGITALISATION OF CORPORATE FIRMS IN SOUTH AFRICA: A Catalyst for Shared Value Creation with Rural Communities

I, ……., agree to participate in this research project. The research has been explained to me and I understand what my participation will involve. Please circle the relevant options below.

I agree that my participation will remain anonymous	YES	NO
I agree that the researcher may use anonymous quotes	YES	NO
I agree that the interview may be audio recorded	YES	NO

…… (signature)

…… (name of participant)

…… (date)

…… Thank You……

APPENDIX D: Code Book

Name	Files	References
Challenging the profit maximisation paradigm	9	21
Changing consumer paradigm	5	11
Collaboration	12	32
Digital Strategy	12	30
The CEO as a catalyst for change	4	7
People	4	7
Purpose-led business	5	7
Who should drive digital transformation in a corporate	4	7
Digitisation in South Africa	10	30
Digitalisation is a journey	4	4
Mindset shift in the application of technology	7	8

Name	Files	References
Paradigm shift in communities	7	11
Shared Value	9	27
Social Impact Investing	4	5
Technology Affordances	3	9
Access through mobile phones	6	16
Efficiency	4	7
Scale	6	8
Speed	7	10
Technology as an enabler	4	5
Technology is there	4	7
The changing role of CSI	12	36
Enterprise Development	5	5

Name	Files	References
The required Inputs	2	2
Data	4	8
Digital Literacy	4	5
Education	6	10
Infrastructure	6	10
Skills	6	37
Understanding Power structures in rural communities	3	3

WITS UNIVERSITY

Nomakhosazana Jonas <2286791@students.wits.ac.za>

ETD Form

Ayanda Magida <ayanda.magida@wits.ac.za> 22 October 2020 at 20:44
To: Nomakhosazana Jonas <2286791@students.wits.ac.za>

Hi Khosi,

Thank you for your effort in putting this all together. I am happy with the changes effected. Consider combining the two reports into one.

Kindly find attached the signed ETD form.

Regards,

Ayanda Magida

Researcher | Wits Business School

E: ayanda.magida@wits.ac.za
T: +27 11 717 3953

W : www.wits.ac.za

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Johannesburg

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Payment and submission are for submissions, which have research weighting of 50% or more – so reports where the weighting in relation to the rest of the course work is less than 50% do not have to submit the document.

PLEASE WRITE CLEARLY IN BLOCK LETTERS (If completing form by hand)

1. Name (in full): NOMAKHOSAZANA JONAS
2. Person Number: 2286791
3. Present mailing address: 115 Le Mistral ; Whitehills Close ; Lonehill ; Johannesburg

   Postal code: 2191 Fax:

   E-mail: khosi.jonas@gmail.com Cell: 073 870 9008

   Home tel: 073 870 9008 Work tel: 012 761 9300

4. If you are likely to move in the next 6-12 months please provide the mailing address and effective date of a change in address:

   Effective date:

   Contact telephone numbers:

5. I hereby submit my M_____ dissertation or Masters research/project report ~~or PhD thesis~~.
   (Delete whichever is NOT applicable)

   5.1 If this is research for a Masters by Dissertation or PhD thesis, please provide your ORCID number:

   (Open Research and Contributor ID (ORCID) – is an alphanumeric code to uniquely identify academic authors and contributors, it is highly recommended that you register and provide this ID. To register or read more see http://orcid.org)

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7. Declaration:
   - **7.1** I have checked all copies of my dissertation or research/project report or thesis and no pages are missing or poorly reproduced;
   - **7.2** All revisions have been completed in accordance with the recommendations of the examiners and such revisions have been duly approved;
   - **7.3** The electronic copy is identical to the printed copy approved by the Faculty;
   - **7.4** The dissertation or research/project report or thesis complies with the rules relating to abstract and style, copies and formal declaration, duly signed by me, as shown in the General Rules of the University;
   - **7.5** Where any document of which I am not the owner is included in my work, I have obtained and attach hereto the written consent of the holder of the intellectual property rights in such a document allowing distribution as specified in 7.5.1 below;
     - **7.5.1** In the event of copyright permission not being obtainable for visual images or other works, I will not include the full works(s) in my online thesis/dissertation/research report on the ETD system, but undertake to point only to the source (by URL or other means) for such work(s);
   - **7.6** I confirm that I have not used any confidential information in my work without the required permission;
   - **7.7** I have properly acknowledged all sources; and
   - **7.8** I have noted the rules relating to intellectual property and acknowledgement of the award of the programme as shown in the General Rules of the University and the University's Intellectual Property Policy. Insofar as I hold intellectual property rights in my dissertation or research/project report or thesis, and to that extent only, I agree that the University and its agents may archive and make accessible to the public, upon such conditions as the University may determine, my dissertation or research/project report or thesis in its entirety in all forms of media, now or hereafter known.

8. Title of submitted ~~dissertation~~/research report/thesis:

Digitalisation of corporate firms in South Africa: A catalyst in shared Value Creation with rural communities

(Please note: if due to unforeseen circumstances, the above title has changed from your previously approved title, no further action can be taken by the Faculty Office until the amendment has been approved by the Faculty).

8.1 Keywords:

Digitalisation; Creating shared Value; Digital Transformation; Corporate Social Responsibility; Rural communities; South Africa

9. Acknowledgement:

I acknowledge that my dissertation or research/project report or thesis may be placed in the archive of electronic theses and dissertations. I acknowledge that it may be made electronically available in its entirety on the ETD system from four months after the date of submission unless permission for further embargo has been approved by Senate and communicated in writing by myself to the University Research Office, Library and Central Records Office.

The following files are on this CD (*please specify format*):

Electronic copy of final Research in PDF format submitted via e-mail.

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Abstract and key bibliographic data (i.e. from submission form)

I acknowledge that I am not entitled to the return of the copies of the dissertation or research/project report or thesis or other work I have submitted for the programme.

10. Did your research involve animal experimentation or the use of human subjects, human tissue or other material, or patient records?

☐ Yes
☒ No

If yes, please certify that clearance was obtained from the relevant, approved, University ethics committee:

Clearance number(s): _____

11. I understand that I will not graduate unless my University fees have been paid in full.

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14. Candidate:

14.1 The candidate must attach an original "Certificate to Accompany Higher Programmes Research Report" from his/her supervisor(s).

14.2 Is this dissertation or thesis supported byfunding from *(please tick):*

☐ DST – NRF (e.g. CoE's; SARCHi Chairs; Innovation; African Origins Platform; Knowledge, Interchange and Collaboration; etc.) [*Please underline the programme that applies]*

☐ DST – CSIR (e.g. NEPTTP e-Research; etc.)

☐ Other (*Please list the full name of thefunder*): The Water Research Commission

Signature of candidate: _____ Date: 23 October 2020

15. Supervisor(s):

I confirm that I provided academic oversight as supervisor during the completion of the degree

Name of supervisor: Ayanda Magida

Discipline: Management

School: Graduate school of business administration

Signature of Supervisor: _____ Date: 22/10/20

I confirm that I provided academic oversight as supervisor during the completion of the degree

Name of second Supervisor (*if more thanone*): _____

Discipline: _____

School: _____

Signature of Supervisor: _____ Date: _____

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- ☐ Ethics Committee clearance number indicated – ifapplicable (refer to section 10)
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PAPER SECTION	**INTERNAL EXAMINER FEEDBACK**	**CANDIDATE RESPONSE**	**CORRECTION PAGE NUMBER**
1. Structure of research	No change	Thank you for the feedback. No changes made	
2. Scope and Objectives of Research	**Internal examiner comment:** 1. The questions are quite ambitious, and it is not clear how as to how they will be conclusively answered. **Adjudicator Feedback:** 1. In my opinion the research questions are well framed and sufficiently specific.	1. **Thank you.** A Semi structured interview guide for exploratory qualitative design was used. This enabled exploration using open-ended questions and probes in the in-depth interview data collection process, providing rich data.	Research design covered on data collection methods covered on: Pages 45 section 3.2 and section 3.3.

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PAPER SECTION	**INTERNAL EXAMINER FEEDBACK**	**CANDIDATE RESPONSE**	**CORRECTION PAGE NUMBER**
	2. It is strange to me, as I continued to interpret the research/problem scope differently to what I was reading. I believe this is due to the starting premise of competition, which perhaps led to a different branch of the topic. • Due to saturation in existing customer segments, firms (in specific industries) would need to explore untapped customer segments, such as those	2. **Thank you for the feedback.** • We cannot ignore that the purpose of business is profit maximisation. The attempt of the research report is not to idealise CSV. The departure point for CSV is positioned as a different way to achieve economic success through seeking business opportunities that target the social problems of rural communities and thereby linking business success to social progress. With this context in mind the focus on CSV is driven by the need for	Page 14, Page 15, Page 16

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	from rural communities. To increase their revenue/profitability, the firm must overcome the practical barriers to entry in these markets, the most notable being the supposed lack of digitalisation in these communities. That in my opinion is the business perspective of the problem. • On the other hand, given that firms need to	business to seek new revenue streams. • Digitalisation of corporate firms framed as the application of digital technologies and infrastructure in business, the economy and society (Autio, 2017) and the transformational impact of digital transformation on business models and value propositions to capture new revenue opportunities (Gartner, 2019) present new opportunities to mitigating the barriers that persist in rural communities, which may have a	

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	digitise, it is understandable that attempts to do so must be in the spirit of CSV (as opposed to CSR), with specific reference/focus on the rural communities "stakeholder", as is the title of this research. This is where I feel there is a point of departure.	catalytic impact on creating shared value with rural communities.	

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PAPER SECTION	**INTERNAL EXAMINER FEEDBACK**	**CANDIDATE RESPONSE**	**CORRECTION PAGE NUMBER**
	3. The introduction needs to be clearer in the direction of the research. • If we assume the reason for digitalisation is competition driven, then we have a different problem to solve than assuming it is due to CSV. As an example, a mining company would never sell their output to customers in any community (they would sell to those next in the	3. **Thank you.** This framing is expanded on and clarified in the **context of study section 1.2**. • The assumption is that the reason for seeking new revenue markets is competition driven. CSV is positioned as a potential strategy that firms can incorporate in their competitive arsenal to mitigate challenges in new markets (specifically rural communities in this research study). An additional assumption is made relating to barriers to entry in rural communities which may delay the fulfilment of the profit maximisation goal. Digitalisation of corporate firms	Refinement to section **1.2** Context of study: Pages 14-16.

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	supply chain). In contrast, a financial services company would love to acquire more customers regardless of their urbanisation. Both industries should be implementing CSV initiatives, yet only one requires access to the rural community**. I presume the focus of this research is on CSV initiatives and not in increasing firm revenue/profitability?**	thus presents possibilities to mitigating barriers to entry into rural community markets and an opportunity to overcome the delayed profits challenge.	

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PAPER SECTION	**INTERNAL EXAMINER FEEDBACK**	**CANDIDATE RESPONSE**	**CORRECTION PAGE NUMBER**
	That is where I get confused.		
	4. Second, If I focus on the research questions, it presumes the reader has a clear understanding of shared value and corporate social responsibility. This is only discussed in the literature review, yet it is included for the first time as part of the research questions	4. **Thank you**. The literature review informed the instrument design, while questions relating to shared value and corporate social responsibility were included as sub-questions and probes.	See Appendix A: Instrument Page 109 -110.

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PAPER SECTION	**INTERNAL EXAMINER FEEDBACK**	**CANDIDATE RESPONSE**	**CORRECTION PAGE NUMBER**
3. Literature Review	1. I think the theoretical framework needs to be more substantive, clearly moving the reader between the starting point of competition to shared value creation.	1. This is great input, thank you. Due to time limitation and scope of master's study this could not be explored but can be explored in future.	No changes made
4. Methodology employed	1. The study attempts to answer the research questions by gathering qualitative data from respondents. The survey questions and responses are discussed in depth. However, there needs to be caution in generalising the results – the	1. **Thank you** for the feedback. The data was collected using a semi-structured in-depth interview guide with open-ended questions and follow-up probes as detailed in section 3.5 on page 48 of the research report. The procedure for data collection was in-depth individual face to face and Skype interviews, as described in section 3.6 on page 48. A	No changes made

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PAPER SECTION	**INTERNAL EXAMINER FEEDBACK**	**CANDIDATE RESPONSE**	**CORRECTION PAGE NUMBER**
	sample size is not adequate to justify generalisation.	**survey questionnaire** was not used in this study. • According to Creswell and Poth (2016), the recommended sample size for this approach can vary from three to fifteen participants. This is detailed in section 3.4.2 • The limitations regarding the application of qualitative research to a wider population are noted in section 3.8.1 on page 52. Bitsch (2005) states that the transferability of qualitative studies can be increased if the participants are selected purposefully.	

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PAPER SECTION	**INTERNAL EXAMINER FEEDBACK**	**CANDIDATE RESPONSE**	**CORRECTION PAGE NUMBER**
		For this study a purposive and snowball sampling method was used.	
	2. This might also mean that the title should reflect that this is based on qualitative evidence.	**2. Thank you.** The abstract outlines the research design and methods indicating that the study is qualitative study: **Page 14**. • The title can unfortunately not be changed as it has already been accepted by the Universities' Research Ethics Committee.	No changes made
5. Results and discussion	1. Results are summarised and discussed. It is however difficult	1. **Thank you and noted**. The sampling method used for this study is purposive and snowball. The aim was to select key informants	No changes made

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	to speak of trends based on the sampling.	deemed to have insightful information to contribute to the study. The sample size of this study is within the principles of exploratory qualitative research design (Creswell & Poth, 2016). • The limitations regarding the application of qualitative research to a wider population are noted in section 3.8.1 on page 52. Bitsch (2005) states that the transferability of qualitative studies can be increased if the participants are selected purposefully. For this research, a total of 13 participants were interviewed.	

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PAPER SECTION	**INTERNAL EXAMINER FEEDBACK**	**CANDIDATE RESPONSE**	**CORRECTION PAGE NUMBER**
		• Limitations in terms of that the study cannot be generalized is stated in section 3.8.1 on page 52	
6. Format and presentation	1. One of the delimitations is that the study does not focus on the technology habits of rural communities. I would think that should be something attempted in the study given its focus? This is a major limitation which hampers the results.	1. **Thank you.** The subject of the study is Corporate Firms, and the exploration was limited to the experiences and reflections of owners and drivers of these strategies [CEO's, Board Members, CIO's] • Rural communities are viewed as potential markets/new revenue markets and engagement with rural communities was a delimitation due to time constraints of the master's programme. However, the study did	No changes made

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		indicate in the recommendations that this would be a necessary next step for further research.	
	2. There are some minor formatting issues. As an example, delimitation (iv) had the phrase "decision making" twice.	2. Corrections made to on page 20, **section 1.6 Delimitations of the study, (IV)**.	page 20, section 1.6 Delimitations of the study, (IV).
	3. The candidate presents multiple definitions of digitalisation, however there is no mention of which of these different definitions is used in the study.	3. **Thank you in section 1.2** context of study on page 16, as well as page 25	Section 1.2 Context of study on Page 16, Page 25

CORRECTIONS REGISTER IN RESPONSE TO INTERNAL EXAMINER'S REPORT – 18 OCTOBER 2020 Thank you for your insightful comments. Corrections have been implemented and indicated in below table for ease of reference.			
PAPER SECTION	**INTERNAL EXAMINER FEEDBACK**	**CANDIDATE RESPONSE**	**CORRECTION PAGE NUMBER**
	4. There should be a short introduction outlining the structure of the research study.	4. **Thank you.** I have noted feedback on page 1, section 1 regarding the structure of my report in the internal examiner report. Which states that my research report is structured appropriately. The research report is structured according to the departments' guidelines for masters' research reports.	No changes done
7. Overall evaluation	1. An interesting topic that is explored, however there are some shortcomings on the execution.	1. **Thank you.** I was unsure of how to respond to this query as the type of shortcomings are not mentioned.	No changes done

CORRECTIONS REGISTER IN RESPONSE TO EXTERNAL EXAMINER'S REPORT – 19 OCTOBER 2020 Thank you very much for your thought provoking comments			
PAPER SECTION	**EXTERNAL EXAMINER FEEDBACK**	**CANDIDATE RESPONSE**	**CORRECTION PAGE NUMBER**
Chapter 1 Introduction	1. The chapter is introduced unconventionally, **there is no introduction, nor a problem statement** leading to the purposes. It starts with a single sentence stating the purpose of the study.	1. **Thank you** for this input**, chapter 1** is structured in alignment with university guidelines. • The context of study is in section 1.2 on pages 14, 15 and 16 introduce the chapter. While section 1.3 on page 18 outline the research problem.	No change to structure of Chapter 1
	2. The whole introduction falls flat as there is **no statement of the problem**. With no problem the purpose statement is in the air?	2. **Thank you for this input.** This query has been addressed in section 1.2 Context of study. • The context of study is in section 1.2 on pages 14, 15 and 16	Corrections made in Section **1.2 Context of study** on page 15.

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		introduce the chapter. While section 1.3 on page 18 outline the research problem.	**See,** paragraph 2 and 3 as well as page 16, paragraph 1 and 2
	3. The chapter then moves to presenting data on Sub-Saharan Africa and SADC, while trying to describe the South Africa context.	3. **Thank you.** The query has been noted. • This framing of the introduction was a narrative aimed at setting the scene and outlining the regional context. The data cited for SSA has been removed from page 16 in section 1.2 Context of study.	Corrections made in section **1.2 Context of study** on page 16, paragraph 4 as well as page 17 paragraph 1
1.1 Purpose of the study	1. The terms business, firms, corporate, organisation, multinational **cooperation** and	1. **Corporations** and **Cooperation** are differing terms and these terms were not	No changes made

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	corporate firm are used interchangeably.	used interchangeably. **Corporation** is the term used in the research report. A corporation is a legal entity whose liability is separate from that its owners. Ownership in corporations is attained by contributing capital (Bezgina, Evchenko, & Ivanova, 2019). • Different from a **corporation**, a **cooperation** is usually voluntary in nature formed by groups of people with a common economic, social or cultural goal, who come together voluntarily (Bezgina et al., 2019)	

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		• The research report does not extend into the Multinational **Cooperation** but rather mentions the Multinational **Corporation** (MNC) in the categorisation of participant demographics. • The term business in this report is used as a collective noun referring to profit seeking enterprise or concern – this **includes** a person, partnership, a **corporation** engaged in commerce, manufacturing or service delivery. The same explanation applies for the use of the term organisation.	

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		• The terms that are used interchangeably throughout in this study are corporate firm and corporate.	
	2. **'s** is used throughout the document.	3. **Thank you,** corrections have been made throughout document.	Changes made throughout document
	3. In-text referencing is incorrect	3. **Thank you,** I have checked all the references in accordance with the APA 6th edition format in-text and in bibliography.	No changes made

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	4. References are often old-2014, 2012,2009	4. **Thank you.** The citations covered were selected based on relevance of literature on the studied phenomena. 5. Based on the external examiner's use of the **1979** reference citing the work of Gibson, I agree that it is sometimes necessary to use the original source of a concept or theory if relevant and also where there is scant literature on the studied phenomenon. For example: 6. Prahalad 2009 was used due to the extensive work done in popularising the Bottom of the Pyramid concept. Reinforcing the positioning of the BOP	No changes made

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		demographic as a profitable consumer base (Prahalad, 2009). 7. The South African National Development Plan (NDP), is the long-term vision and plan for the country, adopted by Cabinet and published 2012. It was included due to its relevance in framing the South African macro-context and the national development ambitions of the country.	
	5. The use of **&** in text rather than **and**	5. **Thank you.** Referencing is in line with APA 6th Edition in-text referencing style	No changes made
1.4. Research Questions	External Examiner concerns regarding research questions were summarised	**5. Thank you** for the feedback**.** I agree with the adjudicator that the questions were	No changes made

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	in the adjudicators report as detailed below: **Adjudicator Feedback:** 1. The external examiner has two main substantive concerns. Firstly, that the research questions are imprecisely stated and more importantly that the student departs from these throughout the body of the research.	sufficiently specific and addressed consistently. **Adjudicator Feedback:** In my opinion the research questions are well framed and sufficiently specific. More importantly the student stays true to these questions and the literature review, research design, discussion and conclusion all address these consistently.	
	2. Please note that the fact that there is limited or no research	1. **Thank you**. The report highlighted the importance of the study to corporate firm	No changes made

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3. General Feedback - Chapter 1	on something does not justify the study. The fact however that rural communities could be a market is.	business strategy and its potential for use to inform areas for further research. • Rural communities as potential market for corporate firms was listed in the assumption section of the research paper.	
	1. Definitions used in the dissertation must be presented, not two or three?	3. **Thank you.** I have clarified which definitions were used in the study in section **1.2 Context of study**, on page 16, paragraph 3 as well as on page 25 in the last sentence of paragraph 1	Corrections made to **1.2 Context of study**, on page 16, paragraph 3 as well as on page 25 in the last sentence of paragraph 1

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	3. Assumption v and vi cannot be assumed they must be shown	**Thank you** for this input. • Noting from (Theofanidis & Fountouki, 2018), It is important for researchers to state research limitations, delimitations and assumptions in order to improve the quality of their findings and the interpretation of the evidence presented.	No changes made
4. Chapter 2	2. The verb affords and noun affordances are used very loosely in the dissertation. "Affordances of the environment refers to that which it offers the animals living in the environment. It is the noun derived from the verb	3. **Thank you**. "For Gibson, the concept of affordances emphasised **the possibilities offered for action** to humans and animals by the objects in their world (Hutchby,2001: 447)". • This concept was later extended by Ian Hutch to new technologies and the	No changes made

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	'to afford' and it is meant to refer to a concept that both includes the environment and the perceptions of the animal living in that environment, and it is measured relative to the animal. These affordances are relative and specific to specific animals in specific environments (Gibson, 1979:127)"	possibilities that emerge during the interaction between humans and the technological artefact (Hutchby, 2001). • "The affordances of an artefact are not the things which impose themselves upon humans' actions with, around, or via the artefact. But they do set the limits to what is **possible** to do with, around or via the artefact (Hutchby, 2001). The use of the term affordances was used within the boundaries set out by Hutchby.	

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	2. There is a whole theory surrounding affordances, and if the student is to use it, they must do so correctly within the boundaries of the theory to which it speaks- I see no mention of this? The fact that the student does not understand is evidenced in table 2 – here the term capability is used interchangeably with affordances.	4. **Thank you** for raising the issue around the theory surrounding affordances. 5. The use of the term affordances was used within the boundaries set out by (Hutchby, 2001). The omission on the part of the student was to not use the term **technological affordances.** This has been corrected on page 28 table 2 description, table 2 headings and in the first sentence of paragraph 1 on page 28 of the research report. • The use of the word **capability** was to label the list of possibilities or new functions that digitalisation could enable.	Changes made on page 28 table 2 description, table 2 column 1 heading, and in the first sentence of paragraph 1 on page 28

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		These should have been labelled as **technological affordances**. Corrections have been affected to table 2 column 1 heading on page 28.	
	3. Figures cannot be copied from other text – The student must draw their own – even if the source is acknowledged, published could regard this as a copyright infringement.	3. **Thank you for this feedback.** I have replaced the copied figures and redrawn new ones. Please see figure 3 on page 30 and figure 4 on Page 33	Corrections made to figure 3 on page 30 and figure 4 on page 33
	4. On page 34 the student writes: "SA is still deemed to be at foundational stage when it	4. **Thank you.** I presented this finding in my research report because it is consistent in the findings of the GSMA (2019) study.	No change made

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	comes to digital transformation". Later this is presented as a finding.		
5. Chapter 3	2. The population requires a bit more explanation. What is a C-suite executive?	1. **Thank you.** I have provided an explanation of what the C-suite executive is and given appropriate references and included them in the reference list. Extended explanation of population on page 45, section 3.4.1 and page 46, paragraph 1	Correction on page 45, section 3.4.1 and page 46, paragraph 1
6. Chapter 4	2. Take the below quote for example relating to CSI– was the student not supposed to	1. **Thank you**. Over and above the question scope, there was an interesting finding on CSI that I could not ignore because it was	No change made

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	understand how the digitalisation of corporate firms processes enabled CSR not CSI?	an unexpected finding that was important for the study.	
6. Area covered by research	1. The student attempted to investigate the effect of digitalisation on the ability of firms to create shared value. Infuriately it seems that they miss-understood both shared value and digitalisation.	1. **Thank you.** There is still much work to be done in the areas of Digital Transformation and the creation of shared value by South African Business. It is understandable that this work is still evolving, and further research is needed. **Adjudicator Feedback:** The research addresses an important and very topical challenge in the South African business	No change made

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		context. Both the key fields addressed here, namely digital transformation (DT) and creation of shared value (CSV) are dynamic and still evolving hence diversity of opinion and precise interpretations is inevitable	

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