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# In pursuit of a triple bottom line: an exploratory study of corporate social responsibility programs conducted and /or sponsored by South African Breweries

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# Research report

**for**

**Avril K Mafemba: 462814**

**Title: In pursuit of a triple bottom line: An exploratory study of Corporate Social Responsibility programs conducted and/or sponsored by South African Breweries**

**MA Social Development**

**School of Social Work**

**Faculty of Humanities**

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**A research report submitted to the Department of Social Work, School of Human and Community Development, Faculty of Humanities, University of the Witwatersrand, in partial fulfilment of the requirements for the degree of Master of Arts in Social Development.**

**2014/5**

## DECLARATION

I declare that this is my own unaided work. It has not been previously submitted for any degree or examination at any other university.

_____

Avril Mafemba
May 2015

## DEDICATION

To my loving husband, Langton, for his love, support, patience, encouragement and helping me raise our precious baby boy, Jaden during my studies, my ever-loving parents for all their sacrifices, always having faith in me and supporting me throughout my studies and ensuring that I achieve my personal goals whilst at times forfeiting theirs and my supervisor for his unwavering confidence and support.

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All the staff of the Wits School of Human and Community Development, who have made studying this Masters possible and one of the most rewarding and fulfilling experiences of my life.

The participants; the key informants, project facilitators and the beneficiaries of various projects, under SAB, for committing their time and efforts to make this research report a reality.

I salute you all, you are indeed the most amazing folks ever!

## ABSTRACT

Corporate Social Responsibility (CSR) has been viewed as the means through which the private sector can help government alleviate poverty and inequality in developing countries such as South Africa. However, despite social policies being developed acknowledging the critical role of the private sector and how it should engage with the broader society through CSR, there is very little research that explores how CSR is implemented at grass roots level by companies thus making CSR effectiveness difficult to ascertain. Against this backdrop, the main aim of this study was to explore CSR programs at South African Breweries (SAB). This study adopted a qualitative research approach with the use of a case study design focusing on SAB. Data was collected with the use of three semi-structured interview schedules which comprised of open ended questions that enabled the researcher to probe into deeper issues from participants. Thematic content analysis was used to analyse data and from the findings generated it was evident that there are various factors that contribute towards the choice of CSR programs implemented at every point in time. These factors include feasibility, sustainability, and responsiveness to emergencies, government priorities and business strategy. Amongst some of the strengths of CSR programs by SAB were, partnering with credible organisations when carrying out CSR activities, and using experts to design programs. Challenges such as duplication of efforts and scarcity of resources were noted as major impediments in the running of CSR programs. It is hoped that the research will contribute to knowledge as well as add insights that may be used at a practical level to improve the implementation of CSR programs in South Arica.



**Keywords: social development, corporate social responsibility, private sector, SAB Miller**

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## LIST OF ABBREVIATIONS

| | |
|---|---|
| BBBEE | Broad Base Black Economic Empowerment |
| B-BBEEAC | Broad-Based Black Economic Empowerment Advisory Council |
| BEE | Black Economic Empowerment |
| BSP | Broad Societal Perspective |
| CSR | Corporate Social Responsibility |
| CSRR | Corporate Social Responsibility Reporting |
| DTI | Department of Trade and Industry |
| GEAR | Growth and Employment and Redistribution Policy |
| ISO | International Organization for Standardisation |
| JSE | Johannesburg Stock Exchange |
| LSE | London Stock Exchange |
| MDG's | Millennium Development Goals |
| NDP | National Development Plan |
| NIE | New Institutional Economics |
| SAB | South African Breweries |
| SABCOHA | South African Business Coalition on Health and Aids |
| SANAS | South African National Accreditation System |
| TBL | Triple Bottom Line |

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# CHAPTER ONE

# INTRODUCTION

## 1.1. INTRODUCTION

Corporate Social Responsibility (CSR) is an important practice within the field of Social Development especially in developing countries such as South Africa. CSR has the potential to accelerate the progression of social development as it presents itself as a pathway in which society can access and benefit from the corporate sector's resources which in-turn, can be used to help improve people's living standards. Despite CSR being an important area of inquiry, it remains under researched especially in Africa. It is against this background that this research aimed to explore CSR programs by South African Breweries (SAB).

## 1.2. BACKGROUND TO THE STUDY

Actors such as the civil society and the private sector have come to play a critical role in promoting development in South Africa alongside the government to address issues of inequality, poverty and to promote social development. There is a realization that the development challenges facing the nation need multiple role players apart from government. To this end, the role played by civil society and the private sector has become indispensable. The private sector is seen as being instrumental in generating resources that can be channelled towards social improvement and government has been arguing for the private enterprises to play a central role in development through various pieces of legislation such as the Growth and Employment and Redistribution Policy (GEAR) of 1996, the White Paper for Social welfare 1997 and most recently the National Development Plan (NDP) of 2012. This has resulted in the private sector responding with CSR initiatives and this study investigates the efficacy of CSR in addressing social ills particularly after the inception of the Broad Base Black Economic Empowerment Act of 2003 (Esser & Dekker, 2008;Arya & Bassi, 2011). This study focused on primarily on CSR programs by SAB. CSR has been defined by Davids, Theron and Maphunye (2005) as the voluntary actions beyond the legal obligations taken by companies towards ensuring the progressive improvement of the broader society that do not necessarily equate to the company gaining economically. The usefulness and relevance of this concept was explored further during the research.

## 1.3. STATEMENT OF THE PROBLEM

Despite the central role that is played by private sector companies in promoting development through CSR, very little research has been done to follow up and assess how companies are carrying out CSR programs; as well as evaluating the impact of CSR programs against the targets set out in policies that guide the implementation of CSR in South Africa. Following monitoring and evaluation of CSR should be done so as to ensure that companies are not taking advantage of CSR and pursuing other agendas such as improving their public image and marketing themselves amongst others as Piedade and Thomas (2006, 61) suggest but rather, playing a role in aiding society and ensuring that various stakeholders benefit from such programs. Against this backdrop, the study explored CSR programs by SAB. Such studies while happening on a small scale allow for the gleaning of important insights that are vital to our understanding of CSR in South Africa and in particular the understanding of the philosophy that underlies corporate approach to CSR. Such an understanding is foundational and critical in any efforts to improve on both the policies and actual practice of CSR in the country.

## 1.4. SIGNIFICANCE OF THE STUDY

This study contributes to our understanding of how CSR is carried out in South Africa. It sheds more light on key aspects such as identifying the factors that account for the choices of programs and how this enables or disables the capacity of the corporate world in its bid to promote social growth and development. According to Dartey-Baah and Amponsah-Tawiah (2011), the impact of CSR in Africa is limited as the continent is yet to develop a framework that works in its context such as focusing less on legal responsibilities and more on philanthropic duties by channelling more time and resources in helping to improve people's lives as poverty is a pressing issue within the continent. To this end, studies such as this one are helpful in contributing to the building of knowledge that may help inform the development of a framework(s) that can be used to better harness the potential of CSR in promoting social development in South Africa and hopefully the rest of Africa over time. The findings from this study may also help other organizations by reflecting on the lessons learnt from SAB so as to make CSR more effective on a wider scale and also hopefully inform policy making.

## 1.5. AIM OF THE STUDY

The main aim of the study was to explore CSR programs at SAB.

### 1.5.1. OBJECTIVES

- To explore stakeholders' perceptions on the factors that account for the establishment of CSR programs at SAB;
- To explore stakeholders' perceived strengths of CSR programs by SAB;
- To investigate challenges faced by stakeholders in the implementation of CSR programs at SAB;
- To elicit stakeholders' perceptions on how CSR programs at SAB can be improved.

## 1.6. RESEARCH QUESTIONS

- What are the ethos or principles that underlie SAB's approach to CSR initiatives?
- What are the beneficiaries' perceptions of the socio- economic impact of SAB's programs and initiatives?

## 1.7. THEORETICAL FRAMEWORK

The broad societal perspective (BSP) is the theoretical framework that informed this study. The BSP draws attention as to how CSR is in the present day not limited to the company engaging with the people that they are in contact with directly 'only'. CSR has grown to refer to companies addressing broader societal goals such as HIV/AIDS that may have very little or nothing to do with the direct running of some companies (Piedade & Thomas, 2006). Epstein (2007), states that businesses should be cognisant of the possible inferences that their actions might attract from society in which they operate in. Similarly, Palazzo and Scherer (2007) point out that CSR activity must direct their focus on a broader audience in a context sensitive manner.

The BSP which is largely informed by the new institutional economics (NIE) was deemed to be the most appropriate theoretical framework to inform this study. The BSP takes a step back from mainstream economics which places emphasis on the markets alone by merging the neo-classical (markets) and Keynesian school of thought (legitimacy and stakeholder perspective)

and bringing out a more holistic approach to the understanding and study of CSR (Piedade & Thomas, 2006; Ndhlovu, 2009). For example, establishing and enabling environment in which poverty is eradicated within a society is perceived as being good for business as people can therefore more exercise their purchasing power. Ultimately, improving a large number of people's welfare becomes good for business (Piedade & Thomas, 2006; Ndhlovu, 2009).

The BSP draws its strength on invoking issues of ethical and moral conduct. CSR is now focusing a lot more on long term goals: ensuring sustainability of the environment and maintaining legitimacy in society in which organisations operate within. The BSP is a clear indication of how the basics such as paying tax and following stipulated laws of carrying out business activities are alone not good enough for both the organisation and society. In essence, the BSP puts a human face to the corporate world by sighting sustainable growth, development and co-operation between all stakeholders; aspects which most of the earlier theories such as neo-classical, legal perspective and philanthropical approaches to CSR failed to acknowledge.

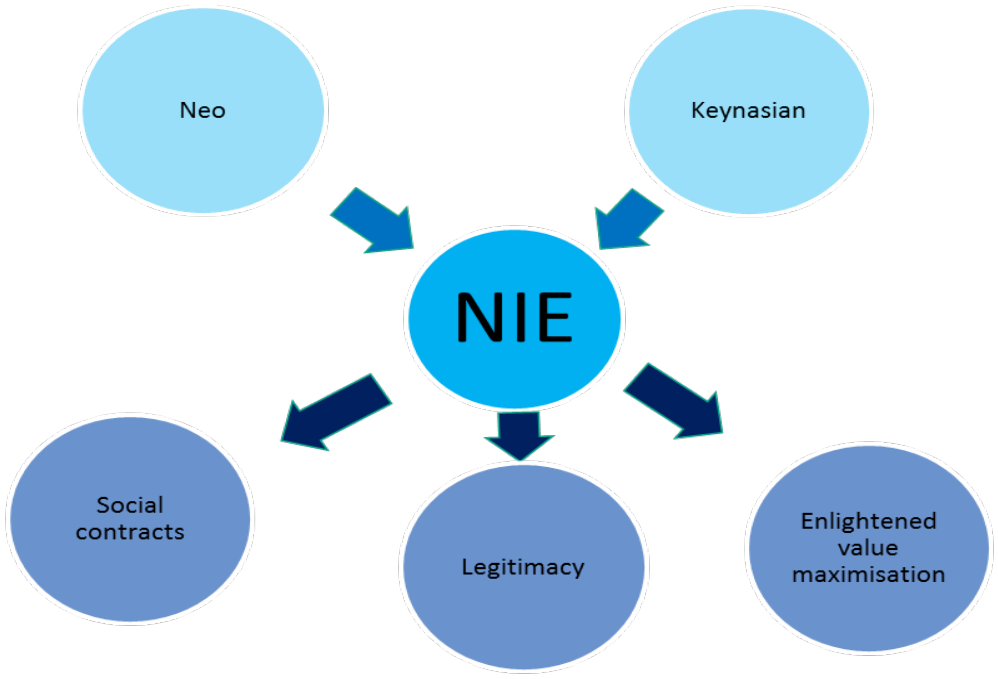


**Figure 1: Table conceptualising the BSP**

The BSP theory was used to inform data analysis in this study as it clearly shows how CSR has evolved till present day with businesses moving away from focusing only on shareholders' interests and becoming more accommodative of public stakeholders needs. BSP goals include ensuring a lengthy life span of the business by guaranteeing that the environment and society that business will operate in is stable (Piedade & Thomas, 2006). CSR now covers a more

diverse range of activities seemingly detached from the business but rather benefiting the community with activities such as corporations joining in the fight of combating HIV/AIDS, protecting the environment by reducing pollution and promoting sustainable development.

## 1.8. BRIEF OVERVIEW OF METHODOLOGY

A qualitative research approach was used for this study with the aim of acquiring a comprehensive understanding of CSR activities by SAB. Purposive sampling was used to select nine participants that where or still are affiliated with CSR programs by SAB. Two key informants were also included in the study and these were selected on the basis of their knowledge and experience on CSR practices. In the study, the researcher used three interview schedules to gather data with all schedules comprising of open ended questions. The first schedule was used for the interviews with the program facilitators of various CSR programs; the second schedule was used for interviews with the beneficiaries whilst the last schedule was used for the interviews with the key informants. Thematic content analysis was used in analysing data and the findings were then linked to the research's aims and objectives leading to the conclusion of the study.

## 1.9. STRUCTURE OF THE REPORT

This research report is comprised of five chapters. Chapter one introduces the study; it highlights the background, aims and its objectives. The chapter also gives a succinct summary of the theoretical framework and methodology. Chapter two presents the literature which conceptualises CSR globally and locally. Chapter three gives a detailed overview of the research methodology used in the study. Chapter four discusses findings emerging from the study and chapter five summarises the major findings, proposes recommendations of the study and areas that may require further exploration.

# CHAPTER TWO

# CONCEPTUALISING CORPORATE SOCIAL RESPONSIBILITY (CSR)

## 2.1. INTRODUCTION

This chapter presents the literature review section of the study. It discusses CSR, traces the history and current trends of CSR on a global landscape as well as providing an overview of the different theoretical perspectives on CSR. The chapter also explores CSR in the South African context focusing on the factors that influence CSR activities, the benefits of engaging in CSR as well as the challenges that are faced when conducting CSR.

## 2.2. WHAT IS CSR?

According to Carrol (1999), CSR is a concept that is not new in the field of academia or in social policy. CSR has been known to exist since as early as the 1930's when it was used as a guideline for managers and how they were to deal with public stakeholders (Berle, 1931). However, according to Carroll (1999) and Arya and Bassi (2011), more literature which is mainly from developed countries like America began to infiltrate into the public sphere thus rehashing and reigniting debates and issues surrounding CSR in the 20$^{th}$ century. As noted by Carroll (1999), Whitehouse (2003) and Piedade and Thomas (2006), CSR is a concept that refers to the aspect in which business corporations do more than carry out economic activities to increase shareholders wealth through maximizing profit gains by channelling some corporate resources towards improving the society (people's way of living) and towards protecting the environment through different initiatives. However, according to Grayson (2005), literature shows that CSR lacks concrete, solid and consistent definitions as almost everyone has a definition of their own. Votaw (1973) also put across an interesting observation that sums up the situation around the definition of CSR,

> "…it means something, but not always the same thing to everybody." (p. 11).

Purcell (1974) as an example, defined CSR as how a manager integrates business activities and addresses social challenges and how he or she manages to prioritize and maintain a balance between business and social interests. On the other hand, Piedade and Thomas (2006) state that CSR is an act carried out by a company that benefits both the business and society paving way for sustainable socio-economic development.

Despite the definition of CSR being vague, approached from multiple angles and largely 'liquid', a constant aspect recurring in most definitions is that CSR draws a critical link between the **business and society.** Another important feature resurfacing within the various definitions is the notion of how the corporate world should be held accountable for the impact of their activities on people and the environment, an aspect that had not previously been considered (Whitehouse, 2003). Ambiguity of definitions, however, means that it is difficult and challenging to ascertain a framework of action in which CSR should be implemented despite CSR being seen as a business obligation (Carroll, 1999, p. 285; Montiel, 2008).

## 2.3. HISTORY OF CSR

According Carroll (1999) and Whitehouse (2003), CSR can be seen as the way in which civil society, social policy makers and government responded to controlling and regulating business activities. Large corporations and their neo-liberal principles were impacting negatively on the poor and the vulnerable and promoting inequality with shareholders getting richer and marginal public stakeholders getting poorer. This led to the inception of CSR to intercept and control this social anomaly (Carroll, 1999 & Jenkins, 2005). Carroll (1999) states that the corporate world was gaining so much power and yet private decisions made by companies had public repercussions socially and environmentally and yet little was done to curb this power. For example, neo-liberalism, a system that opened up the markets discouraging government intervention and making key state assets become privately owned and profit seeking companies enriched a few but pushed the cost of crucial services such as electricity, communications and healthcare beyond the means of many people (Habib & Padayachee, 2000; Thorsen & Lie, 2006;). In as much as public stakeholders, that is the consumers and the markets, were supposed to regulate pricing and business activities, they lacked the necessary leverage to counter the elite. Such manifestations prompted the need for other avenues to be explored in which businesses could be controlled and regulated hence the inception of CSR (Carroll, 1999).

Bowen (1953) is of the opinion that CSR was a philosophy that advocated for corporations to do more towards ensuring the betterment and improvement of society and this is also referred to as CSR1. This approach to CSR changed to CSR2 which drew more attention to management and how they had to be more responsive to societal needs in areas in which companies operated

in. CSR2 then evolved into CSR3 in the late 1980's to early 1990's whereby the philosophical approach more appealing to ethics and morals began to form and inform corporate action in society (Piedade & Thomas, 2006). Talk on CSR was rehashed by various players in the 19th century resulting also in Carroll Archie's famous four dimensional definition which stated that CSR are activities that entail a company making profits but still working within the realms of the laws and regulations stipulated by the government and other relevant authorities coupled with an ethical and moral side by the same corporation that requires diverting 'some' corporate resources to society with no anticipation of direct economic gain from engaging in such social philanthropical activities (Carroll, 1979; 1999).

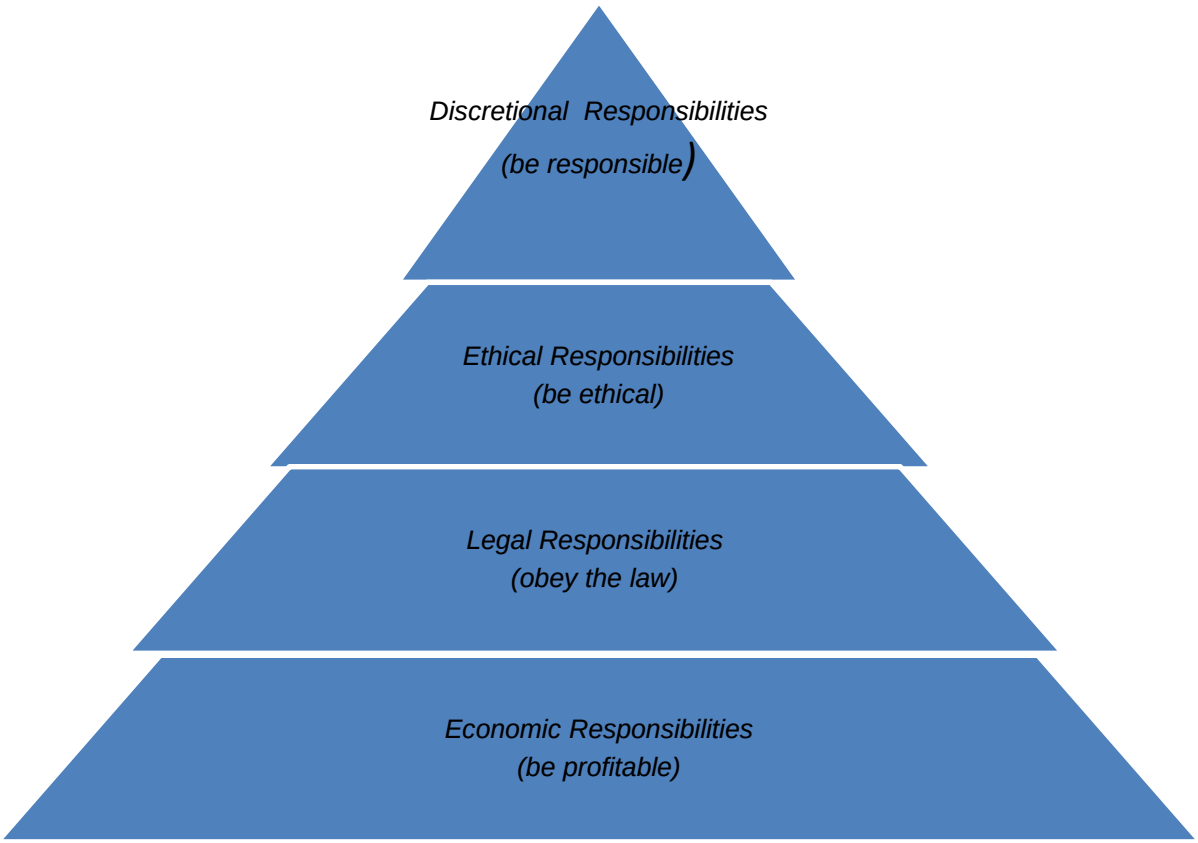


**Figure 2: Carroll Archie's (1979) CSR Pyramid**

*Economic component:* According to Friedman (1970), this component is the foundation that the business should master so as to be able to continue operations in society and carry out any other obligation that follows thereafter. In essence, the business has to make profit and continue

running operations as efficiently and competitively as possible for it to meet all other commitments (McWilliams, Siegel & Wright, 2006).

*Legal component:* According to Dawkins and Ngunjiri (2008), the business should operate within the realm of the law, i.e., follow government regulations as it is important for companies to be law abiding citizens that carry out fair and safe business activities in order to be able to coexist well within a particular society with the avoidance of reprimandation and costly legal lawsuits.

However, as noted by Dawkins and Ngunjiri (2008), as the law only gives the least and most attainable benchmarks, it is possible that such measures mentioned above may not be enough to cater and ensure that stakeholders are protected thus paving way for the two remaining corporate duties below.

*Ethical responsibilities:* Business should not only make profit and follow the law but, they should also operate in line with societies' moral values (Whitehouse, 2003; Dawkins & Ngunjiri, 2008). This will ensure that the company is viewed as an ethical and upright firm with integrity and thus gain the people's trust and confidence (Piedade & Thomas, 2006).

*Discretionary/ philanthropic responsibilities:* According to Helg (2007), it is important for the business to give resources towards improving the quality of people's lives and meet the expectations of society. Volunteering and participating in charity events and aiding the needy towards personal growth and development are ideals that businesses should strive for and participate in a lot more (Helg, 2007).

According to Carroll (1999), all four duties must be carried out simultaneously by corporations for both business and society to benefit from the each other. CSR can also be seen as the means and ways in which attempts towards redistribution of wealth among people occur and this has been prevalent since time immemorial (Carroll, 1999). That said, it has to be reiterated here that the highlight of CSR was when it was noted that the power of corporations had been growing out of control especially with neo-liberal principles encouraging minimally regulated business activities that perpetuated and aggravated inequality, poverty and various other negative social irregularities (Carroll, 1979; Habib & Padayachee, 2000).

According to Whitehouse (2003) and Montiel (2008), corporations are now aware of the impacts of neo-liberalism on society and moves to improve the image and perceptions of corporations in Europe have been underway since the 1980's. Companies are working in alliance with governments and civil society towards addressing social issues and challenges: the core areas of focus being that of poverty, diseases and inequality. Expectations and demands of CSR have been raised and significant progress is being made. Montiel (2008) also writes about how CSR is now the order of business in Europe. Montiel (2008, p. 245), observes on how a study conducted in 2005 by the KPMG showed evidence that 52% of the 250 firms in the International Survey of Corporate Social Responsibility Reporting carried out various CSR projects and reported about them in their annual reports. Such findings are interesting as they show that corporations are practising caution in the manner in which they conduct their business and minimising negative social or environmental impacts on the people thus paving way for sustainable development (Garriga & Mele, 2004). Sustainable development here refers to ensuring the continued existence of the society, infrastructure and environment for future generations allowing them to enjoy the use of resources and products of corporations for years on end (Richardson, 2007; Hamann, 2008). This can also be linked to the popular term referred to as the triple bottom line (TBL) approach to CSR.

On the subject of reporting, in the study of CSR, reporting is called Corporate Social Responsibility Reporting (CSRR). Hooghiemstra (2000) points out that corporations ought to take CSRR seriously as it enables them to convey their activities to the public in the hope of preserving legitimacy. Dhaliwal, Zhen Li, Tsang and Yang (2010) also note that voluntary disclosure of CSR activities precedes to the possible deduction on corporate tax and also attracts investors who are keen on engaging in business with corporations that display traits of being socially responsible and cognisant of the need to protect the environment ensuring sustainable development a notion that Montiel (2008) also highlights. Over time, CSR has grown to become more than a dissemination medium for the corporations to pass out information to the public but a platform in which corporations can engage and build relations, change perceptions of society on business activities and this shows how the BSP theory also appeals to CSRR (Reynold & Yuthas, 2008).

Reynold and Yuthas (2008) draw further attention towards the recent establishment of various CSRR frameworks such as the Eco-Management and Audit Scheme (EMAS), the Environmental Management System (EMS) and the Global Reporting Initiative Sustainability

Reporting Guidelines (GRI) just but to mention a few. However, the challenges that still remain are that CSR is a broad field that cannot be broken down into one CSRR template without risking the loss of valuable information. Another challenge underscored by Reynold and Yuthas (2008) is that there are no mechanisms in place to hold corporations accountable for the abuse of CSRR if and when entities publish doctored findings. Piedade and Thomas (2006) also stress on the dangers of CSRR being used as a window- dressing mechanism that can be used to divert public attention from corporations undesirable activities resulting in some corporations enjoying the benefits of carrying out CSR when in actual fact they do not partake in any discretional duty that benefits society and or environment as due diligence mechanisms to verify CSRR are missing. However, as CSRR is still an emerging phenomenon, there is room and hope for improvement (Reynold and Yuthas (2008).

In recognition of the UN Global Compact initiative for businesses that seek to uphold human and labour rights, protect the environment and promote good competition, the TBL approach speaks to shifting the way businesses measure profits towards a more holistic approach (Whitehouse, 2003). According to Slaper (2011), the traditional way of measuring profit evolved around the economic component: how much returns do the shareholders get on their investment. However, the flaws of focusing on one component of development: the economic component 'only' paved way for the establishment of the TBL approach by John Elkington in 1994 (Elkington, 1997). The TBL approach is an accounting framework that made an attempt to give a more comprehensive approach to ascertaining the businesses profits taking into account how sustainable the business activities and these profits were (Slaper, 2011). With that in mind, the TBL approach incorporates all three P's- the **p**rofits, the **p**eople and the **p**lanet as all these factors contribute immensely to the trend analysis of how sustainable the business and its profit making capacity can last.

The TBL approach applies to the corporate world especially in light of climate change. If corporations are to continue to exist and make profit, they need to protect the environment to ensure that it remains habitable for them and also for the consumers and most importantly, protect critical natural resources such as water as they are essential for every living organism's core existence (Whitehouse, 2003; Montiel, 2008). In addition to protecting the people, the corporate sector needs to safeguard the people's rights and also fortify the people's confidence in their activities (how they run operations and the products produced). If their corporate activities are to be successful, they need the people's trust and support hence the TBL approach

to business and CSR (Piedade & Thomas, 2006). In a nutshell, the TBL approach depicts an attempt by the corporate world to focus on meeting the people's needs, protecting the planet, making profit and ultimately promoting sustainable growth and development (Slaper, 2011). This approach is more holistic and sustainable as it looks into the future and most importantly tries to strike a balance between the needs of the corporate world, society (people) and the environment (planet).

An understanding of the link between CSR and social power is important (Carroll, 1999; Whitehouse, 2003). Jenkins (2005) and Ndhlovu (2009), for example, suggest that when a company carries out CSR and portrays a good image in society, it works in favour of the entity as it paves way towards gaining the people's trust. The end result is that the company is perceived as a legit and caring long-term partner that society can rely on. However, it goes without saying that the opposite is also true. If a company fails to deliver and engage in CSR, it may very well lose its social power to a company that carries out this social, philanthropical and ethical duty (Piedade & Thomas, 2006). Businesses must then shoulder their responsibilities like good citizens so as to continue to co-exist well within society. According to Whitehouse (2003), CSR ought to be voluntary, but in developed countries where it is more pronounced Dartey-Baah and Amponsah- Tawiah, (2011) note that state involvement and regulation is evident and necessary. However, despite legislation directing CSR, regulation in relation to implementation and assessment is not as effective with scholars such as Tuzzolino and Armandi as early as 1981 advocating for a clear cut CSR framework of execution that would in turn hopefully make implementation, monitoring and evaluation easier.

## 2.4. CSR ON A GLOBAL SCALE

According to Whitehouse (2003), international norms, standards, media and civil society have made commendable progress towards pushing the agenda for CSR. The United Nations (UN), under the stewardship of Ban Ki Moon, held the first ever UN Global Compact established in 2009 that called upon all corporations to act in a socially, ethically and environmentally friendly manner; pushing for the ideals of sustainable growth and development (The Global Compact, 2014). The International Organisation of Standardisation (ISO) in 2010 also put across the ISO 26000 standards and guidelines of operations that businesses are to adhere to for them to continue to co-exist and work well within society (Dartey-Baah & Amponsah-

Tawiah, 2011; ISO, 2014). According to Dartey-Baah and Amponsah-Tawiah (2011), various other global initiatives can be added to the list of international initiatives pushing for CSR with the likes of ISO mentioned above as a key example. Epstein (2007) notes that media has also contributed in raising awareness and showing how powerful negative publicity in CSR related issues such as failure to act in a responsible and ethical manner can affect business activities. Spar (1998) observes that companies such as Nike have been exposed for violating people's human rights as stated in the Universal Declaration of Human Rights (UDHR), International Labour Organisation (ILO) and many more. Nike was exposed for the use child and forced labour and the negative spotlight directed on the corporation prompted it to take decisive action such as taking further steps in ensuring that their contractors adhered to international labour standards and did not use child labour. Despite Nike having been exposed, it did not lose much of its clientele base due to issues of quality products (Spar, 1998). However, Dawkins and Ngunjiri (2008) and Spar (1998, p. 9) note that more and more people are willing to do business with socially responsible companies and shunning corporations that are socially and environmentally irresponsible.

Such levels of high social awareness should hopefully act as a deterrence mechanism in which companies may reflect upon and encourage them towards pursuing CSR activities, doing more good and avoiding damaging negative media publicity which is costly for the business' image and subsequently lead to the loss of clients and potential investors (Dawkins & Ngunjiri, 2008). According to Buhmann (2006), it is also evident that when international organisations set standards or norms, it helps make more impact in the field of CSR as the regulations act as external pressure forcing companies to alter their behaviour and do better resulting in CSR growing from strength to strength.

## 2.5. CSR IN EUROPE

Dartey-Baah and Amponsah- Tawiah (2011) note that CSR in developed countries such as those in Europe use initiatives in a development oriented approach. This means that CSR is used to further improve the environment in which businesses operate as there are relatively fewer dire societal challenges. The governments are more effective in comparison to those in developing states and have the capacity and resources to deal with most social challenges without the aid of corporate companies. CSR in the West is also largely compulsory and

'implicit' suggesting that clearly stated directives are given as to what CSR seeks to achieve (Dartey-Baah & Amponsah- Tawiah, 2011, p. 128).

## 2.6. CSR IN AFRICA

Dartey-Baah and Amponsah- Tawiah (2011) state that CSR in Africa is less formalised with little or no benchmarks or directives given to companies and the feedback (CSRR) leaves a lot to be desired if carried out and compiled to at all as there is no clear structure of how such reports are to complied, who should compile them, how they should be made available to whom and when. In addition to that, when carried out, CSR in Africa is usually problem specific or sector led with an aspect, issue or challenge targeted extensively with HIV/AIDS, education and health being the most pursued sectors in CSR. Instead of a developmental approach adopted by the west, CSR in Africa is drawn towards addressing critical social services as the majority of the governments in the continent are incapacitated to deal with their citizens overwhelming social needs (Piedade &Thomas, 2006'; Dartey-Baah & Amponsah- Tawiah, 2011). The importance of the environment is therefore overshadowed by the immediate and more pressing issues such as poverty and politics. CSR is usually embarked on by companies so as to portray a good image of themselves and penetrate the market. There are no set boundaries or limits on the corporations on what they can or cannot do. When CSR is carried out in Africa, it is in sync with the culture of togetherness, politically influenced or addressing the shortcomings of the government and therefore inherently socio-economically inspired (Dartey-Baah & Amponsah- Tawiah, 2011).

## 2.7. DIFFERENT THEORETICAL PESPERCTIVES OF CSR

### 2.7.1. FOUR MAIN THEORIES OF CSR AND KEY EXAMPLES

Now that a clear understanding of CSR has been achieved, it is important to note that there are different ways of viewing CSR. According to Henderson (2005), the business sector plays a key role in society with regards to development and there are various perspectives of perceiving this developmental role. According to Piedade and Thomas (2006) and Garriga and Mele (2004), there is a vast array of theories underpinning CSR that are both broad and complex as they tend to overlap. Garriga and Mele (2004) also note that CSR initiatives can be broken down into four main groups of theories which are instrumental, political, integrative and ethical

theories. The section below unpacks the four main groups of theories and give examples to support each theoretical group.

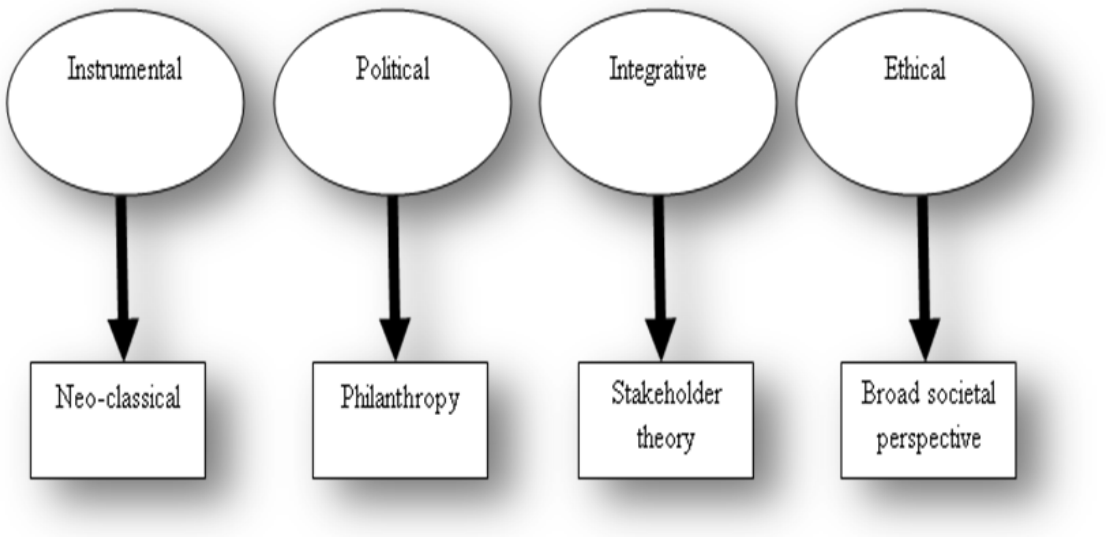


**Figure 3: Four main groups of CSR theories**

*Instrumental theories:* view CSR as a tool which corporations can use to achieve their economic objectives and achieve wealth. According to Garriga and Mele (2004), the instrumental theory is also known as the Friedman view in that the role of CSR is downplayed extensively as profits remain the core focus of business activities. Neo-classical theory falls under this broad group of theories as it states that the businesses' main role is to make money so as to benefit 'shareholders' (Piedade & Thomas, 2006). Advocates of the neoclassical perspective such as Friedman (1970) argue that social responsibilities are not the businesses' obligation but that of the state and other actors who are willing to carry out such responsibilities within civil society. The Neo-classical theory has also been referred to as the *minimalist corporate responsibility theory* that stipulates that the business does nothing short of the bare minimum with regards to responding to social needs (Ndhlovu, 2009).

According to Piedade and Thomas (2006), the neo-classical theory presents itself as an ideal example of an instrumental theory as the approach views CSR as an expensive and costly exercise that deviates from the core of the business existence and should thus be done at the least possible level. Friedman (1970) and Husted & Salazar (2006) are of the view that the

businesses' main agenda is to operate as efficiently as possible and make profits, a process that eventually equates to shareholders benefiting as their wealth is increased. The only social duty that the business should play is to create employment opportunities for people, pay wages to individuals that participate in the labour market and finally, pay taxes to the government thus leaving the responsibility of responding to social needs and services to the government (Moir, 2001; Broomhill, 2007). Neo-classical theorists concur with what Smith (1776) referred to as the 'invisible hand of the market' maintaining that the market alone is enough to promote growth and social development as demand and supply paves way for innovation, employment and enrichment of those that engage with the market. Levitt (1958) sums up the instrumental theory with his observation that

"welfare and society are not the corporates business. Its business is making profits and not sweet music." (p. 47).

*Political theories:* According to Garriga and Mele (2004), CSR is seen as a way in which a company can take centre stage and reveal its prowess in society. Political theory draws a connection between the business and society and this group of theories is cognisant of the fact that 'perfect competition' in the market is not possible in a volatile social arena as various individual and communal attributes are at play such as culture, values and others. By acknowledging this, CSR is seen as a way in which the firm can influence people. Piedade and Thomas (2006) and Garriga and Mele (2004) agree that firms have the power in society and that they should use it through CSR to sway and influence people in their favour. However, if companies do not engage in CSR, they stand to lose their power and also their legitimacy to those that carry out CSR. According to Piedade and Thomas (2006), the philanthropical perspective that states that the wealthier and more established people vis-à-vis the shareholders, for example, should voluntarily help the people in society by maintaining and developing properties for the public blends well as a subsidiary perspective.

Piedade and Thomas (2006) note that the philanthropic perspective indicates that CSR is voluntary and yet good for the generation of soft power and legitimacy within the people. This approach views CSR as a moral or religious act taken up by corporations to voluntarily assist the less fortunate in society (Piedade & Thomas, 2006). Frederick (1994) also refers to this perspective as the wealthy being seen as the caretakers of infrastructure, developing it and maintaining it for public good. CSR is seen as the by-product of the rich empowered by neo-

classical principles assisting the poor as an afterthought with very little or no obligation (McWilliams et al., 2006; Piedade & Thomas, 2006).

Fig (2005) observes that CSR is perceived negatively and as an unnecessary cost to the business and such perceptions are heavily embedded in the theories explained above. The theories are not cognisant of the fact that the business does not operate in a vacuum but within society and therefore needs to take interest in society's wellbeing. In addition to that Carroll, & Shabana (2010) underscore that such theories lack depth and understanding of the business underlying validation for carrying out CSR. However, the theories explored below illustrate a more realistic understanding of CSR and reveal signs of advanced understanding on how CSR can work to the advantage of both the corporations and society.

*Integrative theories:* are based on the premise that businesses depend on people for them to be fully functional (Freeman, 1984). For the business to continually exist there should be a society in which it can co-exist. That said, businesses must fuse social demands with their operational objectives so as to obtain legitimacy by acknowledging society's values and norms thus, ensuring the societies' continued existence and that of the business; an indication towards CSR promoting sustainability (Garriga & Mele, 2004). The stakeholder perspective developed by Freeman (1984) falls in line with the requirements and expectations of the integrative theories unlike the neo-classical group of theories. According to Piedade and Thomas (2006), the stakeholder perspective acknowledges the fact that the corporate world's responsibility is not as narrow as suggested by neo-classical but should include key stakeholders interests, that is, people whom the organisation depends on. This perspective acknowledges that the business is obligated and should be held accountable to other stakeholders other than just the shareholders.

Clarkson (1995) points out that there are two types of stakeholders and these are the primary stakeholders and the public or secondary stakeholders. Primary stakeholders are the people who directly affect business activities such as playing a role in the decision making process and examples include shareholders, investors, employees, customers and suppliers. Secondary or public stakeholders are people that still affect business activities but not necessarily vocal with regards to the company's decision making process although they influence decisions made and examples include government, markets and the community as the business operates within these actors' realm of laws. According to Freeman (1984), the stakeholder perspective takes cognisance of the fact that business is accountable to a broader set of stakeholders. Piedade and

Thomas (2006), however, postulate that when carrying out CSR business must 'target' stakeholders that may affect business activity directly if their needs and expectations are not catered for.

The legal perspective of CSR also falls under the integrative group of theories. According to Piedade and Thomas (2006), the growing prevalence of legislation guiding and regulating business activities, CSR is perceived as the means in which companies may respond to the stipulations and requirements set by the government and legitimate actors. This viewpoint was challenged by critics who indicate that viewing CSR as a response to legal obligation is not enough as the law is very often open to different interpretations.

However, Jonker (2006) and Banerjee (2008) argue that CSR approaches that selectively target the powerful stakeholders that have the legal means to draw business to a halt present a severe and complex new danger to CSR. Targeting the needs of the influential stakeholders will result in entrenching and maintaining unfair and unbalanced socio-economic power in society (Banerjee, 2008). According to Carroll (1979; 1999), CSR is supposed to be an instrument that sees to the redistribution of power in societies and not perpetuate power inequalities. Piedade and Thomas (2006), also argue that if CSR follows or only abides to the law, it falls short on responding to actual social needs that require more pro-activeness, flexibility and initiative above stipulations set by law. Thus, scholars such as Hemingway and Maclagan (2004) propose that a culture of CSR must be established and not a selective system that insists on corporations 'targeting' CSR beneficiaries. Carroll, & Shabana (2010) in like manner, underscore the need for the business and society to be enlightened on how CSR actually benefits both parties and should be carried in a fair and context sensitive manner with due attention given to those that need help the most keeping in mind that power balances can shift over time.

*Ethical theories:* According to Garriga and Mele (2004), CSR is seen as a moral requirement that binds business and society. This group of theories believes that by doing the right thing, sustainable growth and development will occur. For example, CSR is carried out with long term plans in mind thus clearly showing how traditional (economic) and legal expectations alone are not enough to stimulate enough room for this growth and development. According to Zadek (2004), the above mentioned stakeholder perspective falls short in comparison to the BSP as the BSP postulates that CSR should not only benefit close stakeholders but rather, seek to improve the social welfare of as many people as possible. The BSP has a long term view

point that looks further into the future citing that the business cannot predict which stakeholder will directly affect business activities in future and it is therefore best to ensure that all stakeholders' interests are attended to via CSR. BSP speaks to sustainable development and also ensuring that all social bases and even the environment are protected and conserved for future generations; a clear indication of how CSR is moving beyond previous traditional thoughts and legal obligations (Piedade & Thomas, 2006). In line with the working definition of CSR for this paper, it is clear that the BSP applies more suitably in line with today's ideals of CSR activities as they focus more on the needs of the broader society.

### 2.7.2. Expansion of the BSP

There are three subsidiary theories under BSP and these are social contracts, legitimacy and enlightened value maximization theory (Piedade & Thomas, 2006).

*Social contracts:* arguments for this theory are that societal needs, challenges and demands are not static but fluid and that businesses must be flexible enough and be able to meet social expectations accordingly. CSR should thus be tailored to meet social demands and expectations at different times (Carroll, 1999; Piedade & Thomas, 2006). There are two levels of social contracts and these are macro and micro levels. Piedade and Thomas (2006), state that macro level contracts cover the area in which organizations will be involved in and at the micro level, CSR initiatives that will be used are spelt out in line with the needs that corporations seek to address.

*Legitimacy theory:* According to Moir (2001), CSR is seen as the means in which a company conveys its agenda to various stakeholders. CSR is seen as a tool which a company can use to shape how it is perceived; vying for a more popular and friendly appeal that is in line with stakeholders' norms and values (Baron, 2001). Communication is very important in making CSR work for the organization as maintaining and or repairing corporate legitimacy and image is of outermost importance. Thus, under legitimacy, CSR is seen as a platform in which corporations educate people, inform them of how they will benefit from the company's activities thus distracting people from other corporate negatives whilst perceptions are remodelled and changed in favour of the respective corporate entity.

*Enlightened value maximization theory:* According to Piedade and Thomas (2006), CSR is seen as a strategically well thought out plan that a corporation under takes. CSR is taken with long term plans in consideration as companies push to gain social power and influence and forge good relations for continued future partnership (Jensen, 2001).Managers carry out CSR with future strategic interest in mind thus ensuring a win win situation for both the company and society (Piedade & Thomas, 2006).

## 2.8. CSR IN SOUTH AFRICA: HISTORY, CURRENT TRENDS AND ISSUES

Esser and Dekker (2008) note that CSR in South Africa is a complex phenomenon that seeks to address the past inequalities of the apartheid regime that resulted in racial and gender inequality, poverty and skewed development of skills among the population. In the apartheid era, the government was solely responsible for the provision of social services (Habib & Padayachee, 2000; Flores-Araoz, 2011). However, according to Flores-Araoz (2011), post 1994, this stance of depending on the government for all social needs began to slowly change as regulations in the business arena began to infiltrate with examples such as the King I report of 1994 drawing attention towards the corporate world to work closely with societies' interests and improve the quality of life of the masses. The King report on corporate governance has been reviewed twice since 1994 with the recently amended report, King III report supporting the argument that business should carry out their activities in society in an ethically, socially and environmentally friendly manner (Flores-Araoz, 2011). The South African government had laws such as the South African companies' Act 61 of 1973 that discussed the operation of CSR as well (Esser & Dekker, 2008). However, Flores-Araoz (2011) notes that the weakness of earlier pro-CSR initiatives in South Africa is that they were not legally binding or mandatory. Post 1994, the African National Congress (ANC) also maintained vigour on establishing the means in which they could promote social development through Acts such as the Employment Equity Act of 1998 and the Promotion of Equality and Prevention of Unfair Discrimination 2000 to deal with issues of inequality but the impact was marginal (Visser, 2005). According to Esser and Dekker (2008, p. 161), in 2005, 10% of the white minority owned over two thirds of the companies listed on the Johannesburg Stock Exchange (JSE) and yet over 60% of the black majority was still deemed poor a decade after the collapse of the apartheid regime. This then resulted in the government developing new policies such as the Broad Base Black Economic Empowerment (BBBEE) Act of 2003 in line with the principles

in the constitution permitting regulatory measures to be taken when necessary to ensure universal equity and freedoms to exercise various human rights (Esser & Dekker, 2008;Arya & Bassi, 2011).

In line with the National Development Plan (NDP) call for social cohesion in dealing with socio-economic apartheid legacies that the government was failing to address alone, the BBBEE Act called upon the corporate world to lend a hand through CSR (NDP, 2012) and (Esser & Dekker, 2008). According to Arya and Bassi (2011), the BBBEE's main agenda was to address issues of inequality and socio-economic challenges. The Act paved way for this as it required that ownership and management be diluted to include a larger percentage of blacks in running and owning the means of production as these individuals had been disenfranchised during apartheid and it was time to 'level the playing field'. The financial sector was also called upon by the government to be racially sensitive when carrying out financial services and to be cognisant of the context of the South African history. The BBBEE has 5 to 10 year targets in which targeted goals were to be reviewed over a period of time (Arya & Bassi, 2011).

According to Arya and Bassi (2011), BBBEE also has seven (7) social indicators which are management, employment equity, skills development, ownership, preferential procurement, enterprise development and social investment as discussed below: .

*Management:* insisted on the presence of black men and women in the board of directors enabling people of colour to play a role in how business activities were run thereby controlling the economy with a proposal of 35% blacks in management being the set standard (Arya & Bassi, 2011).

*Employment equity:* seeks to redress the practice of unfair discrimination in which different races had differing access to partake in economic activities during apartheid. According to Esser and Dekker (2008), employment equity also promoted affirmative action thus encouraging the possibility of the professional growth and development of black women.

*Enterprise:* Teague (2005) highlights that enterprise speaks to the ideals of various skills development with the financial sector stipulating that it will also assist new flourishing business ventures and that the corporates should spend 1.5% of total basic payroll on training black employees.

*Ownership:* The BBBEE wanted to see to it that inequality was confronted at the very root cause with blacks owning the means of production. An example would be the mining sector with the law pegging for a minimum of 26% transfer of mining ownership to blacks by 2012 (Esser & Dekker, 2008).

*Preferential procurement:* simply refers to corporations buying and supporting black enterprises so that inequality levels progressively decline with wealth distribution mechanisms playing a key role. According to Esser and Dekker (2008), preferential procurements targets were that by the year 2008, 50% of the corporations would be buying from new players in the market.

***Social investments:*** speaks more directly to the research topic- focusing on how corporations should invest 1% of their profits before tax towards the development of surrounding communities in which they operate in. Social welfare areas such as education and health were to be the main focus of CSR.

To ensure that clarity, consistency and easier monitoring and evaluation of the BBBEE initiative, a standardised score card was drawn up by the Department of Trade and Industry (DTI) and they are referred to as the fifteen (15) codes of good standards (Esser & Dekker, 2008). These codes give an outline as to how the seven social indicators are to be broken down and allocated points for (Arya & Bassi, 2011). The first eight (8) codes: 000-700 speak specifically to large enterprises which are defined as corporations with an annual income accrual of more than R35 million. The seven (7) remaining codes: 1000-1700 cover the BBBEE expectations of smaller businesses with an annual income of R5-R35 million.

In addition, a national Broad-Based Black Economic Empowerment Advisory Council (B-BBEEAC) was established so as to ensure that monitoring and evaluation was carried out as objectively as possible. This council is comprised of the president, the minister of the DTI, three cabinet ministers and 15 purposively selected members that aid in the cause of the council. The council works in alliance with independent Black Economic Empowerment (BEE) verification agencies accredited by the South African National Accreditation System (SANAS) (Arya & Bassi, 2011).

| B-BBEE ELEMENT | WEIGHT |
|---|---|
| **Ownership** | **20.00%** |
| **Management** | **10.00%** |
| **Employment Equity** | **15.00%** |
| **Skills Development** | **15.00%** |
| **Preferential Procurement** | **20.00%** |
| **Enterprise Development** | **15.00%** |
| **Socio Economic Development** | **5.00%** |

**Table 1 BBBEE Score card**

Despite the codes being a good initiative, they have delayed progress in light of the monitoring and evaluation of CSR as the process to establish them was long due to the fact that various stakeholders had to be consulted with final results only produced in 2007 by the DTI (Buhmann, 2006). There is, however, little research on the impact of such legislative monitoring and evaluation measures taken by national governments in Africa and how useful and efficient they are in pushing the agenda for social growth and development (Buhmann, 2006).

Broadly, research has shown that CSR in South African companies is more pronounced and consistent due to legislation and structures such as those mentioned above being established for monitoring and evaluation of CSR activities (Esser & Dekker, 2008; Flores-Araoz, 2011; Arya & Bassi, 2011). Various other underlying economic advantages of complying also contribute to the reasons why CSR operations are carried out better in South Africa (Epstein, 2007). Esser and Dekker (2008) note that legislation was also cleverly designed to not only focus on public corporations but also private ones with high profits and that wanted to work with the government as the government only works with corporations that operate in line with BBBEE regulations and how this manoeuvre has positively impacted on CSR in South Africa.

## 2.9. SAB

SAB was chosen as the case for study for this study because it is arguably one of the most powerful and influential players in the field of CSR not only in South Africa, but in Southern Africa as a whole (Skinner & Mersham, 2008). The company has an entire department dedicated towards pursuing issues of corporate social affairs. It is important to note that SAB has a big department responsible for CSR and that below this department, there is a sub-section known as the Corporate Social Investment (CSI) unit. SAB's main line of business is focused on the production of alcoholic beverages and other refreshment drinks (Sustainable Development Summary Report, 2014). However, SAB is aware of the social realities and unintended negative impacts and consequences that arise due to alcohol abuse and the corporation tries to intervene and counter these issues of alcohol abuse through several programs targeted at various audiences depending on the context of the social anomaly being confronted. In light of this, SAB has established a vast array of programs such as the New Fleet initiative in response to the high road accident fatalities largely attributed to people that drink and drive (Sustainable Development Summary Report, 2014). The new fleet initiative equips drivers to drive alert and defensively with the hope that it will contribute towards a drop in road accidents on South Africa's roads whilst simultaneously aiding SAB in saving on insurance and maintenance costs as their vehicles are in safer hands. SAB also has programs such as Future Leaders and +18 Campaign which target underage drinkers, educating them about the dangers of early exposure to alcohol on their physical and mental development and encouraging them to wait until they are old and mature enough to decide on drinking and drinking responsibly when they do.

SAB has entrepreneurial programs such as Kick Start that has been running since May 1995 (SAB, 2014). The program targets youth entrepreneurs from the ages of 18-35 and tries to develop participating individuals in the program to establish sustainable businesses. To date, SAB has successfully assisted 3500 businesses to establish themselves fully thus creating employment in communities and subsequently making significant strides in reducing high levels of unemployment in South Africa. Kick Start speaks directly to social development as people's lives get to improve for the better and the program also aids in the reduction of youth that are unemployed in South Africa.

SAB also has programs that seek to protect and ensure that the environment is safeguarded. SAB achieves this by looking beyond its immediate corporate products and needs towards the

needs of the environment with specific focus on water, recycling material and reducing carbon emissions so as to protect the planet (Sustainable Development Summary Report, 2014). SAB engages in environmentally conscious exercises such as cutting down alien willow trees to save water (Henderson, 2014 & SAB, 2014). Such alien trees take up too much water and cutting them down allow underground rainfall water to flow freely into the river and subsequently reach people (SAB, 2014).

SAB recycles its waste into manure, establishes innovative ways in which they can produce the same amount of beer using less water amongst various other initiatives. The extent of CSR programs by SAB is so wide and all-encompassing with evident attempts made to ensure that despite the innate need to make profits, SAB does not do so at the cost of the people and the planet. Such effort shows how the ideals of TBL, a concept that is important to this study is a principle upheld by the SAB and also how the corporation adopts the BSP approach by trying to reach and assist as many people as possible taking into consideration changing 'social contracts' evidenced by various CSR programs.

## 2.10. FACTORS INFLUENCING CSR

There are several external factors that contribute towards corporations' decisions of opting to carry out CSR and these include intense media scrutiny upon corporations, pressure and increased expectations from civil society (due to the media enlightening them) of how corporations should be held accountable by society, business obligations and norms when corporations subscribe to a higher body such as ISO, UN or public stock exchange houses and also local legislation and policies just but to name a few (Piedade & Thomas, 2006; Esser & Dekker, 2008; Dawkins & Ngunjiri, 2008; Ndhlovu, 2009; Dartey-Baah & Amponsah-Tawiah, 2011). These factors are not the only ones that can fully explain why corporations carry out CSR but they are the most significant drivers of CSR to date and hence are worth mentioning and discussing (Visser, 2005).

### 2.10.1. Media and civil society

Globalisation is a phenomenon that cannot be overlooked in business and subsequently in the study of CSR as activities and norms in one continent can affect and redirect the way similar operations are conducted in other continents (Visser, 2005). For example, a company in Nigeria that is listed under the London Stock Exchange (LSE) is bound by the laws of the LSE on social

development and digressing from such laws when operating in a country that lacks stronger monitoring structures can prove to be very costly with due credit to be given to the media and civil society. With the rise of new media platforms such as Twitter, Facebook, Instagram and more, media or news dissemination has been greatly decentralised and the masses now have several platforms in which they can use to expose corporations that work against upholding their obligations, violate human rights and/or pollute the environment (Juris, 2005). The case of Nike in Asia (Spar,1998) speak for themselves as it shows that there is power in the media and in civil society to expose inhumane business practices that can cost companies in the long run. Such negative publicity is costly to a corporation as it losses valuable customers and their loyalty resulting in negative financial growth that can however be avoided by carrying out CSR.

### 2.10.2. Corporate pressure and international standards

According to Ndhlovu (2009), globalisation and the media in conjunction with business norms and expectations such as those prescribed by the stock exchanges e.g. the (Social Responsibility Index) SRI by the Johannesburg Stock Exchange JSE, it has almost become mandatory for corporations to carry out CSR especially if they seek to expand into other countries and tap into their markets (Ndhlovu, 2009). Carrying out CSR and reporting it is fast becoming necessary as well so as to attract new investors and customers alike in order for the business to be able to grow and remain sustainable and profitable (Dawkins & Ngunjiri, 2008).

### 2.10.3. Legislation and policies

In as much as global external pressures influence CSR, so too do local legislative measures and policies drive corporations to carry out CSR. An example that speaks to this research will be the developmental policies that have driven the direction in which CSR has worked its way in South Africa post 1994. Policies such as the NDP, the BBBEE, South Africa's Millennium Development Goals (MDG's) and various other national goals and aspirations determine the pace of CSR and what corporations are to focus on. The NDP called upon the private sector to assist in attaining development (NDP, 2012). The pace of development had been previously propelled by the BBBEE Act of 2007 and to date; companies operating in South Africa are liable to diverting 1% of all their profits before tax towards social development (Esser & Dekker, 2008). Programs that companies invest in are aligned with government goals and a

typical example being how SAB in conjunction with the South African Business Coalition on Health and Aids (SABCOHA) work alongside the National Department of Health (NDH) with the initiative known as Project Promote whereby condoms are distributed through SAB's transport systems that access less accessible areas and deliver condoms in the taverns so that people can access them freely and use them to protect themselves from HIV/AIDS (SAB, 2014).

There are several external factors that influence corporations to carry out CSR but some corporations are also self-driven by their own goals of promoting development which is in line with their own business interests and objectives (Sustainable Development Summary Report, 2014). Such internal factors allow companies to help society and also extend their ideologies in society thus resulting in the cultivation and the wielding of more social power within the society which works for the good of the company (Zadek, 2004).

## 2.11. BENEFITS OF CSR

According to Vives (2004), CSR, by its very nature, is development facilitated by the private sector which supplements the efforts of governments and multilateral development institutions. That said, the advantages of engaging in CSR are immense and both society (including the governments and other development institutions) and the corporate sector reap positive results from engaging in CSR. As noted by Vives (2004), the government and society as a whole benefit from CSR in the sense that the financial pressures upon government and looming increase of tax on the masses is reduced when the private sector steps in and lends a helping hand. In house sourcing of revenue or income from the private sector which can become mandatory through government taking pro-active legislative measure to ensure a steady flow of income into society also helps in promoting the sovereignty of developing nations as they get an opportunity to dictate the direction and pace in which development will head towards with less external pressure due to issues of tied or conditional aid (Jenkins, 2005). Pressure on government is also released as corporations tackle socio-economic challenges such as promoting education through giving bursaries, opening up more employment opportunities through learnerships and internships and many other activities (Arya & Bassi, 2011). Subsequently, CSR activities such as these equate to the progression and development of the general society.

With the rise of globalisation and the pace at which things are changing especially in this age of technology, transnational crime and even dreadful diseases, the negative effects on society are beyond measure (Ruggie, 2002). Society, however, benefits from how quickly the private sector adapts and reacts to serious social challenges such as HIV/AIDS. The private sector is flexible enough and has the skilled personnel to contain unexpected challenges and establish contingency plans when need arises (Ruggie, 2002). This is mainly because not only do corporations have the resources, they also have flexible and less rigid and bureaucratic structures such as those evident in government that allow for fluid progression (Ruggie, 2002). CSR presents itself as a platform upon which the private sector can intervene and fill in government gaps when the need arises much to the benefit of the government and society.

Essentially, a nation can benefit from CSR if it gives direction to corporations and direct them towards the pressure areas that need attention especially in light of national goals such as the Millennium Development Goals (MDG's). In as much as society benefits from CSR, so too does the corporate sector.

CSR is good for the business in many ways and the fear of bad publicity also pushes corporations to opt to do more good so as to develop a good public image and maintain legitimacy amongst society (Piedade & Thomas, 2006). In essence, carrying out CSR not only results in a good public image but also increase the chances of clients being drawn towards a 'good' company and becoming loyal clients which is good for the business financially (Roberts, Keeble & Brown, 2002). Attracting more clients may also lead to attraction of more investors and even open up more opportunities of expansion into other areas as people are keen on working with the corporations that do good: CSR (Roberts, Keeble & Brown, 2002; Piedade & Thomas, 2006). A good reputation is also in the best interests of corporations as it also attracts great, efficient and innovative employees that are keen to work for the company, stay longer and invest their knowledge, skill and expertise into the company (Roberts, Keeble & Brown, 2002). CSR and CSRR is also good for corporations as it also provides a platform for companies to compete and gain higher recognition for their actions in light of accountability towards society leading to more and better business opportunities such as the BBBEE code system in South Africa which awards corporations that co-operate with more business opportunities (Arya & Bassi, 2011).

The benefits of CSR are evident not only in society and in the corporate sector but also by the planet (Ruggie, 2002). CSR norms protect the planet as corporations are prompted to conduct

their business activities taking into account all other stakeholders and with issues of sustainability in mind. CSR has brought about a lot of positive change but however, there are still some challenges that need to be addressed and these are covered in the section below.

## 2.12. CHALLENGES OF CSR

CSR has made commendable progress but more can still be done if some key challenges can be addressed. First and foremost, a solid definition has to be established for CSR so as to make implementation, monitoring and evaluation possible (Piedade & Thomas, 2006). If a concrete definition of CSR is missing, it makes it difficult to define stakeholders and beneficiaries of CSR as there will be a lack of understanding as to what CSR is exactly, what is to be done, how should it be done and most importantly to whom (Muthuri, Moon & Idemunia, 2012). Such challenges are also amplified when aspects of CSR effectiveness are brought into question. CSR activities are ideally dictated by the societies' needs and social challenges are always changing (Piedade & Thomas, 2006). CSR is supposed to be well structured and still flexible enough to respond towards societies' needs but as it is, CSR is failing to address negative social challenges to date and this goes back to the lack of a clear definition of CSR, reactive boundaries (definition of stakeholders) and the necessary implementation structures necessary in order for CSR to work for the good of society (Muthuri, Moon & Idemunia, 2012).

According to Jenkins (2005), instead of addressing such challenges, new concepts such as corporate citizenship are introduced further aggravating an already dire situation. Whitehouse (2003) introduces corporate citizenship which refers to viewing corporate entities as citizens and expecting corporations to conduct their business activities rationally and responsibly keeping the interests of society in mind always. As it is, human beings, the original citizens alone cannot be trusted to act rationally or to be responsible and accountable considering the ever increasing rates of crime the world over. Instead of introducing new and complex terms, CSR must first be established fully and be well defined so as to begin addressing other ensuing challenges that are contributing towards CSR being less effective.

For as long as a clear definition is lacking, CSR will be abused and used as a public relations building platform with corporations manipulating reports; focusing on inferior good deeds, diverting peoples attentions from core issues, window dressing and other ills. Tactics such as

these have been very prominent even in developing countries (Ndhlovu, 2009). Window dressing is made possible because of weak monitoring and evaluation structures and that is another key challenge that needs to be addressed hastily if the future of CSR to become brighter. In South Africa, there is yet to be an accredited BEE agency, one that will carry out audits and asses corporates' CSRR accuracy and credibility (Arya & Bassi, 2011). For as much as companies are left to carry out their own CSRR, very little progress will be achieved under the guise of CSR.

## 2.13. CONCLUSION

CSR is a concept that largely refers to the use of corporate funds towards fulfilling social needs without the expectation of gaining financially from partaking in such developmental actions. As the literature review has shown, CSR is inherently important in the attainment of social development in South Africa. The corporate sector is needed and more focus must be directed towards CSR: on what it should entail, how it should be implemented and how programs that are implemented contribute directly towards seeing social development become a reality. CSR can go a long way in helping the government attain social development goals and a lot of ground work is yet to be done by the government in order to harness the potential inherent in CSR.

# CHAPTER THREE

# METHODOLOGY

## 3.1. INTRODUCTION

This chapter presents the research design and the methodology that was used in this study. The following key areas are covered in this chapter: the research approach, research design, population, sampling, research tools, pre-testing, data collection, data analysis, ethical considerations and limitations of the study.

## 3.2. RESEARCH APPROACH

This research used a qualitative research approach. According to Babbie and Mouton (2001) qualitative research seeks to describe and understand human behaviour. Qualitative research seeks to understand human behaviour from the perspective of the people who are being studied and not from external actors trying to explain human relations. Qualitative research allowed for a more detailed and deeper understanding to be reached by the researcher during the study (Babbie & Mouton, 2001). This research is aimed at getting a broader and deeper understanding of how CSR is initiated and carried out by SAB.

## 3.3. RESEARCH DESIGN

According to Babbie (2007), a research design is a plan that is used when conducting research. It is seen as the foundation guiding the direction of the entire research process ensuring that the process remains grounded and coherent to what the research ultimately wants to achieve: its primary aim and objectives. This research used the exploratory case study design so as to gain a holistic understanding of what factors are taken into account that lead to the CSR initiatives established and how useful they are. Simons (1996) notes that a case study is a process in which a singular event or actor is described, critically analysed and explained to bring out deeper, complex principles that cannot be picked up in a general analysis. The case study design shed more light to the researcher with regards to the factors that contribute to the success and challenges of CSR by SAB. Siggelkow (2007) observes that some of the advantages of using a case study are that it is persuasive and presents facts and evidence that can be used to validate theoretical constructs.

## 3.4. POPULATION

The study population refers to the total set of people from which the researcher drew a sample as it is not feasible to study all participations within the population (Babbie & Mouton, 2001). In this research, the population comprised of officials from SAB's department of corporate affairs as they deal with CSR projects directly, officials from the NGO's working with SAB and the beneficiaries (those who have benefitted from SAB's CSR initiatives).

## 3.5. SAMPLING PROCEDURES

Purposive sampling was used to select participants for this research. According to Rubin and Babbi (2011), purposive sampling is also known as judgemental sampling as the choice of participants is largely based on researchers' discretion as to whom to interview. Researcher's opinion and preferences are highly evident with this kind of sampling. Strydom (2011) is of the opinion that when using purposive sampling, participants are chosen on the grounds of how the researcher perceives their input during the study to speak to the issues that the researcher is trying to understand. The criterion for the selection of key informants was based on evidence of skill, expertise and experience hence; individuals that had written on CSR or consulted on CSR issues were selected. Two key informants were selected for the purposes of this study. Selection of three SAB main participants was based on the experience they had in running CSR programs. Consideration was based on how long they had worked for SAB to have been involved in the design and implementation of at least one or more fully established CSR project. Beneficiaries were selected on the basis of availability and accessibility with the condition on having benefitted from an SAB affiliated CSR program. The study sample was not limited to any age group or racial divisions as such variances would not affect the research findings and objectives. A total of seven beneficiaries were selected in this category.

## 3.6. RESEARCH TOOLS

According to Babbie and Mouton (2001), a research instrument is the mechanism or system which the researcher makes use of when gathering data and information. This study used semi-structured interview schedules. These interview schedules had open ended questions which gave the researcher room to ask follow up questions and seek explanations from the interviewees. Three different interview schedules were used for the different categories of

participants that participated in the study with the first schedule of questions used on SAB officials whilst the second schedule was used on the beneficiaries with the last schedule used to interview the key informants of the study.

## 3.7. PRE-TESTING

Rubin and Babbi (2011) note that pretesting refers to the preliminary usage of the semi-structured interview schedule so as to ascertain that the language used is befitting and comfortable with the audience and also to check that the questions being asked contribute towards the issues that the researcher is trying to address. This allows the researcher room for changes and alterations to be made before the main interviews are carried out with the targeted sample population. This exercise, also known as the pilot test, saves all participants time and money as errors are picked up earlier and avoided during the course of research. In this research, one beneficiary was used during the pre-test and this interview was not used in the main study. However, only one interview schedule was pretested; that of the beneficiaries due to limited accessibility of main participants and key informants.

## 3.8. DATA COLLECTION

According to De Vos, Strydom, Fouche and Delport (2011) data collection refers to a process that a researcher embarks on as they research and investigate in a bid to find answers to the research questions they seek to address. Accumulation of information in this research was attained through in-depth one-on-one interviews from the selected sample group. The structure of the questions allowed room for new issues and ideas to be brought up and the interviewer maintaining control and direction of the conversation as the schedule gave direction. Interviews allowed interaction between interviewer and interviewees thus drastically reducing the chances of ambiguity and inaccuracies as clarification sought during further conversations. Kumar (2005) says that qualitative data collection is a complex and yet a necessary process that helps the researcher become more familiar with findings thus resulting in a clearer and deeper understanding of participants' responses and perceptions in light of the human relations at hand, that is, CSR. The interviews were scheduled to go for about half an hour but the researcher was flexible and gave extensions when necessary. With permission granted from the participant, the researcher also recorded interviews to avoid data loss due to memory loss. Recording of information on a smartphone audio recorder ensured that the researcher could focus on the interviewee and engage more instead of focusing on taking all the notes down.

## 3.9. DATA ANALYSIS

According to Braun and Clarke (2006), data analysis refers to the process in which a researcher goes through all data gathered; examining and picking up key patterns (themes) that speak to the research question. In essence, data analysis is the process in which data is organised into a coherent structure that portrays clear meaning of all findings. Data analysis is a process that has steps outlined that a researcher should follow so as to avoid being overwhelmed by the data. The researcher used thematic content analysis which, as noted by Babbie and Mouton (2001), refers to a qualitative analytic system that enables the researcher to draw out related patterns within data, examine them closely and report them in a clear and logical manner. Thematic content analysis enabled the researcher to organise findings and also to pick up key aspects that shed more light towards understanding the research. Dey (2003) points out that there are four main steps that a researcher must go through when carrying out thematic content analysis and these will be covered below.

- ✓ ***Reading and annotation of data***

De Wet and Erasmus (2005) state that the first step that a researcher embarks on during data analysis is the careful reading of transcribed data. During this process, the researcher gets a chance to verify findings, correct omissions and mistakes and familiarise themselves with the data. Similarly, Dey (2003) observes that the researcher can make notes and summaries as they go through raw data making note of key findings that are re-emerging throughout the study. The researcher read through the manuscripts several times, made notes and brief summaries on issues of key importance.

- ✓ ***Categorise data***

According to Dey (2003), data can be overwhelming and it is therefore important to sort and organise it so as to avoid the information flood. As the researcher had become familiar with the data, organising it was made possible by linking interview questions and respective answers to particular objectives stated at the beginning of the study. For example, the question that on how programs were chosen was linked to the perceptions on the factors that account for the establishment of CSR programs at SAB. This made the management of data easier and enabled the researcher to ensure that the findings spoke to the objectives.

- ✓ ***Link data***

De Wet and Erasmus (2005) report that once data has been sorted, there is need for the researcher to establish clusters (groups of commonly emerging findings). Such data management procedures allowed the researcher to pick out the main themes emerging from the findings and linking them back to the main objectives of the study.

- ✓ ***Connecting categories and corroborating evidence***

Dey (2003) notes that after data has been sorted and categorised into clusters, it must be clearly interpreted so that the findings of the study are clear, logical and easy to understand. The researcher connected themes to the evidence emerging from the study and compiled an analysis chapter that reported on all the findings emerging from the exploratory study of SAB CSR programs.

## 3.10. ETHICAL CONSIDERATIONS

According to Babbie (2007), ethics refers to a prescriptive way of conduct and behaviour expected to be followed by the researcher when dealing with participants during the course of the research. Ethics are standards collectively approved on and upheld by professionals in various disciplines that act as a guide signposting respective researchers so that they can constantly reflect on themselves and check if they are carrying out their research professionally and correctly (Corey, Corey & Callanan, 1993). The following ethical considerations were adhered to:

### *Informed consent/ voluntary participation*

Patton (2002) and Corey et al. (1993) refer to consent as the practice in which the researcher explains explicitly to the participants, respondents or interviewees of all the details of the research. This will include the main aim and objectives, the duration of how long interviews and the research as a whole will take and also advantages and disadvantages of being involved in the research process if any so as to ensure that the participant is able to make an informed decision as to whether they want to be involved in the study or not. Participation in research should not be coerced at any point and willingness to participate should be evidenced by a signature on the consent form. It has to be noted that signing a consent form does not ensure the participant's continued contribution towards completion of research as a participant can still withdraw from the research process at any given time with no consequences for doing so

(Neuman, 2003; Creswell, 2003). In this research, the researcher asked for permission to record interviews during the data gathering process.

### *Voluntary Participation and the Right to Withdraw from the Study*

All people have the right to privacy and it is up to an individual to open up and expose closely guarded or intimate issues to a researcher (Yegidis & Weinbach, 1996). Researchers should do their utmost best to safeguard information made available to them and this is what is also referred to as maintaining confidentiality. The researcher should not expose findings linked to the participants as this goes against the code of conduct, the right to privacy, self-determination and confidentiality. The researcher should also ensure that anonymity is attained and that findings are kept safe and cannot be traced back to interviewees. In this research, the interviewer used code names to refer to participants so as to ensure anonymity.

### *Avoidance of harm or non-maleficence*

Participants in research should not be brought to any harm be it physical or emotional in nature. However, in the study of social sciences, in as much as there are minimal chances of physical harm, the same cannot be said for emotional harm as it is difficult to foresee and usually is unexpected. In cases of emotional harm being evident, researcher must take measures to ensure that there are services available to de-brief participants (Strydom, 2011). Avoidance of harm is linked to beneficence which according to Grinnell and Unrau (2008) refers to how the researcher must see to it that participants gain as much as they can from the research and exposure to physical and emotional harm is limited to the lowest possible levels thus ensuring no harm on participants. In this research the researcher was cautious and did not harm any participant in any way.

### *Actions and competence of researcher*

According to Strydom (2011), the researcher should be trained and prepared enough to carry out fieldwork as this will have a direct bearing on the findings of the research. Researcher had a structured plan of action that they followed through, pretested interview schedules and collected and reported findings as objectively as possible without manipulating data to push own interests.

### *Approval by institutional ethics committee*

Ethics committees go through all proposals; checking and ensuring that proposed research plans contribute positively towards public society and checking if research interests do not contravene public interests or bring harm to the vulnerable. According to Alston and Bowles, 2003; Ginsberg, 2001) it is essential that a research proposal passes through this board and is approved before research is commenced as not doing so may have repercussions. Such committees due to their experience can also help researcher modify research if alterations are needed or refuse the entire study. This research project was cleared by the Wits ethics board before it was commenced.

### *Feed back to the research community*

Research findings mean very little if not made available to the public and Babbie and Mouton (2001) state that final research findings must be made accessible upon request. This research will be made available to all the participants that were involved in the study.

## 3.11. LIMITATIONS OF THE STUDY

### *Credibility*

Bryman (2012) notes that credibility is the extent at which the findings are rich and can be trusted. The researcher was objective and unbiased as humanly possible by reporting on the findings as clearly as possible. Member checking is another common strategy that can be used to ensure credibility of research findings, however due to difficulties in accessing participants given their busy schedules; it was not possible to engage further with them for a second time. Also, due to the fact that the study used a case study and a small sample chosen purposively, the findings must be used carefully as they are inherently context specific.

## 3.11. CONCLUSION

This chapter described the research design and the methodology that was adopted for this study. Ethical considerations that were taken in account and the limitations of the study were also highlighted. Chapter four which follows will provide a presentation and discussion the findings that emerged from the study.

# CHAPTER FOUR
# PRESENTATION AND ANALYSIS OF FINDINGS

## 4.1. INTRODUCTION

This chapter presents the findings emerging from the study. Findings are analysed and discussed in thematic format. These themes were identified during the data analysis process in which thematic content analysis was used. This discussion is guided by the objectives that informed the study. Thus, the discussion of findings focuses on four core areas, namely, the perceptions of the factors that account for the establishment of CSR programs by SAB, perceived strengths of CSR programs, perceived challenges noted when carrying out CSR activities and lastly, perceptions on how CSR by SAB can be improved.

***Stakeholders' perceptions on the factors that account for the establishment of CSR programs at SAB.***

The questions pertaining to this objective explored the issues that are taken into consideration before a program is implemented and the following themes were noted; feasibility, sustainability, responsiveness to emergencies in society, government priorities and business strategy.

## 4.2. FACTORS THAT ACCOUNT FOR THE CHOICE OF CSR PROGRAMS AT SAB

### 4.2.1. Feasibility and sustainability

Before a program is endorsed for implementation by SAB, officials within the CSR department, make a series of checks so as to ensure that the program is feasible and sustainable. With regards to feasibility they check if the available resources can address the problem at hand adequately before a project takes off. Due diligence checks on proposed objectives and their relevancy to addressing social challenges are also closely examined and verified as relevancy is of paramount importance and is taken to be a key factor in determining project success (PMBOK, 2013). SAB also looks into issues of sustainability which Silvius and Batenburg (2009) highlight as the ability of a project to thrive on its own and without constant supervision, as a determining factor of CSR programs before programs are established.

When asked about the factors that are taken into consideration when choosing a CSR program, one participant said:

*"……when you running a CSI project the issue of sustainability is very important because you cannot as a company be giving and giving and giving. So a lot of times organizations cannot sustain themselves so you have to keep giving so I think that's what also sets other programs from others it's kind of like the litmus test: The question of "How are you going to sustain yourselves" comes into play. If I am going to invest x amount of rands into this project can I go away and focus on other tasks knowing that when I come back after two years you guys will still be around?. So it's more about sustainability of the program.……"*

Another participant also added that:

"…s*o it's not simply about investing in a social project just for the sake of doing it but we have to know that the programs we are doing actually have results at the end of the day*."

The two participants quoted above express the view that SAB carries out a 'litmus test approach' when deciding which CSR program to invest in. Projects with evident potential to grow and develop to become self-sustaining and not solely relying on SAB to run its activities are given priority. This gives the company more leeway to expand and focus on other CSR programs in other areas or societies. Ultimately, a greater number of people end up tapping in and benefitting from SAB CSR programs. The views presented above also show that feasibility is considered not only from the point of view of how sustainable the program is, but rather, how it can achieve a particular objective so as to further highlight its relevance in comparison to other programs. According to PMBOK (2013), feasibility assessments are very valuable and helpful in the sense that they allow more room for thought ensuring that a project is thought through to the end carefully before being implemented allowing for prior assessment by other stakeholders before being implemented, thus drastically reducing the rate of CSR project failures at SAB. However, in as much as such assessments are helpful ,they should not be used as an excuse to aid companies in avoiding taking up costly programs that address dire challenges such as health or programs that need experts to be drawn in due to being too costly.

The litmus test approach of selecting CSR programs can be linked to the BSP theory in the sense that CSR programs are designed with the hope of reaching as many people in society as possible (Zadek, 2004). SAB does so by ensuring that enough ground work is done so as to reduce the waste of valuable resources therefore enabling them to assist more people and contribute towards a continual process of improving social welfare.

### 4.2.2. Responsiveness to emergencies

Programs established by SAB are aligned to the society's needs and expectations. In many cases, there are emergencies that come up in several communities necessitating calls for intervention from multiple stakeholders in the country. To this end, SAB programs exhibit high levels of responsiveness to emergencies that happen in the country; this is an intrinsic characteristic embedded in the ideals of CSR practices. Responding to social needs was noted as a contributing factor to the establishment of CSR programs by SAB.

One participant mentioned that:

*"We found that student hunger at university is something very serious and being downplayed. A lot of times people don't want to admit to it, I mean there is a lot of things' going on like financial challenges, peer pressure and it's difficult to ask food from your friends, maybe once but it can't be every day. So we pack non-perishable meals and distribute them to Wits and UJ Auckland Park and it's been working very well."*

Another participant echoed the same sentiments and gave a detailed account on how CSR programs by SAB respond to emergencies in society and said that:

*"….with FAS, there was a report released 3-4 years back I am not sure you may need to check this, on the status of FAS on a global level and SA had the highest incident of FAS in the world and it was narrowed down to a particular area in SA which is in the Northern Cape in De Aar and when this issue was identified, incidentally, SAB was involved in the initial introduction of the FAS program many years ago and then the program started running itself. When this report came out and it was identified that we have very significant problems with regards to FAS, and SAB got involved again. So we increased investment in the program and the program specifically targets two things awareness on FAS for both men and women and insight on the spectrum disorder; so what FAS is, how it's going to affect your child, things like it's an irreversible damage and what the long term effects are for that child in life and the other portion is the actual behavioural and attitudinal change- what we call the real impact."*

Based on the views expressed above, one can see how some CSR programs at SAB are organised in response to contextual social needs and anomalies. Given that the private sector is seen as an important stakeholder in contributing to addressing of social ills, responding to emergencies in society becomes one of the key ways in which SAB responds and contributes to development in society. However, in as much as some programs are directed towards meeting society's pressing needs, there is need for corporations like SAB to run more programs

in a pro-active manner instead of being reactive although it has to be acknowledged that some problems are difficult to anticipate before they happen. According to Steyn (2013), South Africa has the highest road accidents with roads deemed most unsafe with most accidents attributed to people who drive under the influence of alcohol. With this in mind, SAB as one of the biggest beverage companies nationally and regionally, should be at the forefront of making more visible attempts of educating people on the dangers of alcohol abuse and responsible behaviour on various platforms. Thus, while responding to emergencies is of paramount importance, there is need for CSR practitioners to craft programs that are more preventative rather than curative.

Piedade and Thomas (2006), highlight a subsidiary theory of the BSP which is referred to as 'social contracts'. Social contracts stipulate that in as much as CSR should help as much people as possible, assistance should be directed by societies varying needs and ever changing contexts. The SAB CSR programs mentioned above present qualities of being flexible and being able to acclimatise towards pressing challenges faced by different societies. For example, not all societies have alcohol abuse challenges and in the same vein, not all societies face hunger as a challenge. With that in mind, SAB programs display this contextual understanding by establishing several tailor made programs for these diverse social settings clearly illuminating the ideals of the BSP theory.

### 4.2.3. Government priorities

SAB CSR programs are also largely informed by government priorities. Government priorities refer to the goals, targets or objectives set by government for the nation. Such priority areas are at times influenced by agreements made internationally such as the MDGs. With the corporate sector having been called upon explicitly by the government to respond to social issues that assist in the countries aspirations of attaining social development goals in the NDP, corporations' choice of programs is highly influenced and directed towards priority areas noted by the government.

One participant mentioned that:

*"……so when we choose these programs, as a company, we do have a business strategy but also we work in alignment with governments' priorities, things like the NDP and also the needs of our society, that's how we choose our programs."*

Similarly, another participant pointed out that:

*"….according to the governments' health agenda and according to the National Department of Health (NDH) we also feel that we should play a key role in supporting government efforts and goals to fight HIV/AIDS hence our program, Project Promote……..."*

Another participant echoed similar sentiments saying that:

*"The NDH have got a target, that they need to have halved HIV infections by a certain time and one of the strategies that they are using to do this is by distributing condoms to areas that are not easily accessible but it's a bit of a challenge for the department to distribute the condoms so we partner with them through SABCOHA (South African Business Coalition on HIV/AIDS) again to distribute these condoms. So what happens is that the condoms get delivered to the SAB Depot and when our tavern customers place an order once a month, they also get a box of condoms, one box has 200 condoms. So they will put it in a place where people can access it at their taverns and you can imagine it is not easy to reach places like your "none traditional" outlets like taverns so we do assist the department in distributing these condoms."*

According to the Fox, Ward and Howard (2002), the government should facilitate CSR activities and make it easier for corporations to focus on particular areas of interest that hopefully feed into their line of work. In light of this, the South African government must be greatly commended in the manner that they meticulously plan and introduce socio-economic policies such as the most recent NDP (National Development Plan) which is a build-up from previous policies such as the Growth and Employment and Redistribution Policy (GEAR) of 1996 and the White Paper for Social Welfare 1997, amongst many others. The NDP highlighted that the priority target areas and organisations such as SAB are able to get guidance from these policies and select areas that which they can focus on. However, in as much as the government has facilitated and given direction towards areas that the private sector activities should focus on, the government still lacks taking into account that there are no established structures that ensure successful implementation and monitoring of these CSR programs. According to the Fox et al, (2002), for CSR to work well, the government has to monitor and ensure that entities are implementing the programs in the correct manner and promoting social progression. However, as it stands, companies have been given problem areas to invest in but in terms of monitoring and evaluation of implemented programs, the South African government is

unfortunately found lacking. This paves way for corporations to get away with carrying out mediocre programs with no tangible benefits (Eweje, 2006).

The SAB's approach of aligning CSR programs with government priorities can be linked to what Jensen (2001) observes as enlightened value maximisation. Aligning the corporation with the government is a good business and political strategy as the government is the most powerful partner in a democracy and with the ability to reduce corporate taxes if CSR activities conducted warrant the action to do so (Epstein, 2007). Such alliances are also always necessary in business especially in light of continued partnerships that can see to the generation of more income a feature which is clearly highlighted by Jensen (2001) and Esser and Dekker (2008).

### 4.2.4. Business strategy

SAB CSR programs are largely informed by the nature of their business; which is the production of refreshing beverages such as beer, a product that uses a lot of water from its production (inclusive of farming) to its processing stage. As a result, many of SAB's CSR programs are specifically designed to contribute to the protection and enhancement of products that are critical for the businesses survival. In some cases, the beer that is produced by SAB has resulted in a lot of unintended harm to many communities like alcohol abuse. To this end, SAB as part of its overall business strategy, implements programs that addresses social ills resulting from the consumption of their products.

One participant highlighted that:

*"….obviously as a company like SAB, our product is beer, so it's made up of 98% water so we are concerned about water and water is one of the big focuses that we look at when it comes to CSR and even when it comes to issues of sustainability and so forth because without water we cannot run and you know we can't have any products. So that is what we do at the Wilge River (Let the river flow) by cutting down alien trees and freeing up the water for the people and the spin offs of the project is also that people get employed,……"*

Another participant also noted that:

*"We have priority areas around alcohol harm reduction and such areas are what we as a company have committed to doing work in with regards to alcohol harm reduction. These programs are informed by research that is done around issues of risky alcohol abuse behaviour and also aligned to research that is done with regards to social issues that are experienced in*

*the community and what could be contributing to those social issues. These arears are; underage drinking, FAS (Foetal Alcohol Syndrome)because that is a huge issue in SA in particular, drinking and driving or the risk of driving under the influence and then there are other social issues associated with risk behaviour and irresponsible alcohol consumption and that is a social issue in the homes and communities with reference to violence, umm risky behaviour around certain human practices like sex so people end up engaging in unprotected sex and are at the risk of contracting HIV. So those are the different areas that have been identified as a risk in the social context and* ***alcohol*** *has been identified as one of the things that play a role in those areas so that is what informs how we actually select the kinds of programs that we are going to be doing."*

Another participant mentioned that:

*"We also have programs for our customers like the responsible traders program, we call it RTP where we go to our taverners and we teach them how to trade responsibly when it comes to alcoholic beverages. We make them aware of things like you cannot sell alcohol to a child below the age of 18. We advise them not to serve alcohol to pregnant women. We empower them with information to say that 'hey Avril you are pregnant and I see you buying this do you know the effects that alcohol has on your unborn child?' and so forth so that's the RTP and…"*

The views expressed by the participants noted above show that when SAB is choosing CSR projects, they select programs that also feed directly into their area of work; trying to intervene and counter the negatives that ensue due to their products. In the case of the Wildge River, it is evident that SAB is conscious about the environment and issues surrounding sustainability and protecting scarce and finite resources such as water from being diminished unnecessarily. Whilst with the other programs, SAB is trying to protect the people from abusing alcohol by empowering them with the necessary information so as to ensure that they make the right decisions especially for their unborn children.

According to Jensen (2001) and Piedade and Thomas (2006), the BSP subsidiary theory: enlightened value maximisation is about the business realising that by helping society, they are also helping themselves. Ndlovhu (2009) remarks that corporations needs to protect the environment so as to fulfil the TBL requirements and report on it and meet the international standards and norms. SAB also relies heavily on water and farm outputs for the processing of beer thus protecting the environment equally benefits them. With that in mind, the SAB CSR programs display how they are aware that by helping society by making sure that water is

available for farming, they see to it too that there are enough raw materials and water to enable them to process their beer leading to the business continuing to thrive whilst simultaneously meeting international standards.

***Stakeholders perceived strengths of CSR programs by SAB***

The second objective of the study was to explore perceived strengths of CSR programs by SAB. Several issues emerged from the data analysis process and these issues include partnerships with credible organisations, productiveness of CSR programs, the use of experts when designing and implementing programs, flexibility and adaptability and lastly visible and measurable results.

## 4.3. STRENGTHS OF CSR PROGRAMS BY SAB

### 4.3.1. Partnerships with credible organisations

SAB as an entity acknowledged that it is not an expert in all areas of work and made a decision to partner with other organisations when the need arose. Partners are selected depending on the context and partners that aid and have a lot of expertise that feeds into a potential CSR program are chosen by SAB and that is the approach evident in all the CSR programs explored during the study.

One participant noted the following:

*"…we partner with other organisations, in terms of CSI we never work in isolation, we never go into communities and assume what communities want so we understand and work through other organisations who have the know-how, for example the SAB working with SAFA. We know how to make beer; we are not footballers, so we leave them with the administrative issues but we coming in as sponsors to support the program. I think that's one of the main strengths when it comes to our CSI, that we are partnering with credible organisations and we choose programs…."*

Another participant mentioned the following:

*"…partnering with the government, for me the most important thing was the fact that we could establish a very successful public private partnership that benefits government and SAB. In terms of SAB, government sees that they are contributing. From the government side, according to the governments' health agenda, and according to the NDP, we also feel that we are playing a role in supporting government efforts to fight HIV/AIDS."*

From the quotations above, it is clear that partnerships allow corporations to work together, establishing alliances that help maintain a balance ensuring that corporate resources are used efficiently by those that have the skill and expertise to deal with society and its complex challenges. According to Brown (1990), partnerships carefully chosen reduce the rate of failure in a project as people delegate tasks and duties that one is most familiar to them and then combine efforts resulting in one huge success. However, McQuaid (2002) notes that in as much as partnerships are necessary , the success hinges on how the team members operate thus a need to ensure that team players are well co-ordinated ,have the same goals and objectives, are disciplined and fulfil their obligations and tasks timeously as all members depend on each other for the success of a partnership. With that in mind, due attention to detail should be exercised when selecting a partner as a wrong partner can bring the whole project to a halt delaying progress and the realisation of social development.

In SAB's bid to reach as any people as possible they invest in partnerships with credible and relevant organisations. Moir (2001) emphasizes on how such partnerships ensure that SAB programs address a challenge while also guaranteeing that a good reputation is preserved and that legitimacy is maintained in society and how that intricately links to the BSP enlightened value maximization concept that alludes to the need for strategic CSR endeavours.

### 4.3.2. Pro-activeness

From the findings, it emerged that some SAB programs are educational and empowering in nature. These programs are designed to proactively respond to potential problems before they happen. These activities include teaching children about the dangers of underage drinking, and other potential consequences so as to prevent potential social ills. One participant exclaimed that:

*"With regards to our underage drinking program, the program doesn't go out lecturing people saying no to this and no to that. We go to them and say; you know you should be waiting until you are 18 to make this decision. If you decide to do these things at this age, these are the potential consequences. So we paint a picture for them and get them thinking of their future, motivating them to make better choices for themselves."*

A participant said that:

*"With the TIP program, we also look at issues around HIV/AIDS, we look at issues around gender based violence and the abuse of children, and also cover children's rights comprehensively because there are people out there who think that children have no rights, we*

*look at the responsible use of alcohol alongside all these other issues hoping for a more wholesome change in individuals who can become role models in society.*

Another participant also added that:

*"In the youth division program, it's a program that we offer to those participating in the SAB league where we equip the young men with life skills. Basically, they talk about everything from CV writing, they will talk about finances, how to manage them because I mean, quite a lot of them have the potential of being stars and how to manage their finances, how do you make sure that your money sees you through other days, don't waste your money and other things. We also speak to them about issues of sexuality, HIV/AIDS, being responsible and so forth so that's the SAB League.*

The above views from participants show that SAB CSR programs are also designed to abate potential risks and harm before they happen. It is far much cheaper to prevent a problem than trying to manage or solve one. To this end, the issue of pro-activeness in the design of CSR programs by SAB becomes a key strength of some of their CSR programs.

The programs mentioned above show how SAB CSR programs apply the BSP values with distinct reference to the educational programs. Such programs as those mentioned by the participants appeal to how SAB shapes societies perceptions so as not to only give the impression of being a legitimate entity, but showing that they are caring co-corporation that is concerned with issues of sustainability and such features underscored by BSP theory Moir (2001) and Baron (2001). Such educational CSR programs can also be connected to what Jensen (2001) and Piedade and Thomas (2006) refer to as the theory of enlightened value maximisation. Since CSR programs resonate on the issue of educating society on the dangers of alcohol abuse, they ensure that society is made aware of the dangers of substance abuse and drink responsibly which is in turn good for SAB as its clientele base is protected allowing them able to enjoy responsibly for longer periods of time thus also ensuring business survival.

### 4.3.3. Use of experts to design and implement programs

Human social and health sciences are broad areas which need to be covered and handled with care. With such complexities in mind, SAB programs proved to be successful because there was enough consultation and engagement with experts when CSR programs were being designed and implemented.

One participant had the following to say:

*"We acknowledge that we are not the experts in this field and it's a very specialised field and it requires specialised involvement as the experts actually need to be involved."*

Another participant also said that:

*"In everything that we do, when it comes to CSI, we partner with our NGO's as they have the skill and expertise needed to handle complex social challenges in the most efficient manner."*

Another participant also added that:

*"So a woman who actually is not necessarily an alcohol dependent but is an alcohol consumer and can be considered a consumer who is at risk. We take this person through a program where we assist them not to drink when pregnant. We basically monitor the journey of their pregnancy. Umm there are a lot of medical components to the program and that's why I say it was designed by experts and basically the objective of the program is to then take the women through it and make sure that she actually delivers a healthy baby at the end of the program. The program is called the happy mother happy baby program, it is facilitated by an NGO called FARR * Foundation for Alcohol Related Research."*

SAB acknowledges its limitations, hence it sometimes relies on partnerships .However, partnerships also have their challenges and SAB is aware of this and averts the risks by consulting and working with experts in a particular field that is related to their CSR activity. According to Brown (1990), working with experts and giving them the room to design and implement a program is a good and necessary approach when establishing social development programs. When dealing with psychological and health issues, lives are at stake and ensuring that the necessary expertise is available is a key advantage that contributes to the success of SAB CSR programs as it drastically reduces failure. Such alliances are also good as the SAB and other parties get an opportunity to learn about other areas and increase their networking spheres which may be handy at some point in the future.

### 4.3.4. High levels of flexibility, accessibility and adaptability evident in programs

One of the key strengths of CSR programs done by SAB is the high level of flexibility, accessibility and adaptability evident in programs. CSR by SAB does not take a one size fit all approach. Their programs take the context into consideration; the location, people's needs and feelings and many other variances and incorporate them into the design of the program. CSR

is inherently driven by societal needs and SAB strives to maintain this principle when designing and implementing programs.

One participant said the following:

*"….and so with TIP where we work with men, we run these workshops in a tavern. We tried when we started the initiative in 2008, we tried to do it in like a community hall like we do with any other program and it didn't work because then people will know in the community that there is this thing running. And you know men being men and with their 'reputation' or ego, they wouldn't want to go there because 'everyone' in the community will think that you have got a problem and you are being a weakling and all that so we changed the venue and use the taverns and when they pop into a tavern you know it's quite discrete and people cannot tell if you going to have a drink or if you going for that thing so they go for those sessions and it has worked very well and we have touched over 2000 men since the program started."*

Another participant also highlighted that:

*"So with project promote we basically use our infrastructure, our distribution foot print to assist the NDH in partnership with SABCOHA to reach less accessible areas and ensure that these areas also have condoms readily available to them."*

The above views portray how SAB CSR programs are versatile and handy towards the attainment of social progress in South Africa; touching the lives of those in the peripheral areas. Flexibility is evident in how context is always considered; taking the needs of society; placing them first when running the program. The programs, unlike mainstream business operations also tap into the less accessible areas; showing how equally important the needs of people in the periphery areas are.

In terms of the BSP theory, Piedade and Thomas (2006), highlight this strength of being of flexible, accessible and adapting to change as the absolute ideal to which CSR programs should ascribe. Programs should embrace the changing social contracts to suit the context and establish CSR programs that work towards eliminating immediate trials. The SAB CSR programs clearly displayed this characteristic.

### 4.3.5. Unique programs with evident and sometimes measurable impact

The impact and usefulness of CSR is difficult to ascertain in most cases but in the case of SAB, some programs have produced good results that can be measured and used for future analysis. Such features not only make the programs strength evident, but also validate the need or lack of, for the program making monitoring and evaluation easier.

One participant said that:

*"…so we have got different ways that we use to measure so like for a project like Project Promote, we work with SABCOHA and we have also got our internal systems so we always track the numbers of condoms that we have delivered and using the John Stover research, based on the number of condoms that we have delivered we can say that okay we have averted this many people from contracting the HIV virus. And with other programs we use varying monitoring and evaluation techniques and we use different tools that are specific to that program. So it could be just the reports and doing impact assessments…..…"*

Another participant added that:

*"….the strength of the program lies in the sense that it is what we call a real impact program. So the programs are designed to actually affect a behaviour change and attitudinal change. The reason why I say that this is the strength of the program is that there are many companies and many practitioners operating under a trend that a mass communications campaign and being highly visible everywhere and people are wearing your t-shirts and wearing your caps, talking about your messages, that's a CSR program and that that is supposed to contribute to some kind of change in the community. We believe that the communications campaign is necessary but you actually need programs that are deliberately designed to intercept where the problems are and to change people's behaviours. So I think the key strengths of these programs is the way that they have been designed with some real actuation and behaviour change visible which is the main objective of this program. The benefits of this program are quite great and speaking of FAS and the benefit there is firstly the reduction in the incidents of FAS. We can't do anything about the kids that were born with FAS before the program started because it is an irreversible disorder but we can ensure that the kids that are born from here on don't have to suffer the consequences of something that was not their choice and we are seeing visible and actual results which are a great compliment to our efforts."*

Based on the above findings, it is clear that there are some measures put in place that allow for CSR to be at least evaluated resulting in some useful results being generated. Such strong monitoring and evaluation structures are necessary and help to continue guiding the course of the program by showing areas that need to be attended to or paid more attention to resulting in the programs always meeting their objectives even in a continuously changing environment (Piedade & Thomas, 2006).

### *Challenges faced by stakeholders during the implementation of CSR programs at SAB*

The third objective of the study was to investigate the challenges that are faced by participants during the implementation of CSR programs. Several challenges were noted which are the duplication of effort, scarcity of resources and inconsistency during collaborations/partnerships and these are discussed in the sections elow.

## 4.4. CHALLENGES FACED BY STAKEHOLDERS IN THE IMPLEMENTATION OF CSR PROGRAMS AT SAB

The implementation of CSR presents several challenges that impact on both the project facilitators of CSR initiatives and the beneficiaries. The following challenges proved to be the most outstanding obstacles militating against the efficient and successful implementation of CSR projects by SAB.

### 4.4.1. Duplication of effort due to lack of coordination at sectorial level

Participants highlighted that one of the key challenges that negatively affects the potential of CSR programs by SAB is the issue of duplication of effort by several organisations that work in the same geographical areas and on the same issues. The lack of collaborative effort by various stakeholders means that resources end up being concentrated in few areas when partnerships would have endured a greater reach and benefit for many communities. Consequently, lack of collaborative efforts leads to reduced impact and waste of resources.

One participant said that:

*"When we don't collaborate, the work gets diluted as we have separate campaigns and programs. We could have been more powerful when brought together to attain higher impact and obviously reaching more people. So I think if we could just find common ground and work together a little more, we could surely make progress."*

Another participant mentioned that:
*"….there is so much that could be done if SAB could work with other organisations that have similar interest in such sports programs. There is so much more needed but SAB cannot cover all costs and if we could have more donors and companies coming in together and focusing on a program, that would be good as well."*

Based on the evidence above one can conclude that between all private sector companies, there are significant amounts of resources to be used to establish massive CSR programs that reach more people and massively impact on society to propel human development. However, this potential is locked down because companies lack the platform on which they can engage with one another, share ideas, paving way for the establishments of 'credible partnerships'. This challenge can be attributed to the governments' failure to act as a facilitator of CSR. According to the Fox et al (2002), the government must ensure that such platforms are available for companies: once they facilitate such gatherings where corporations converge, share and establish partnerships that work towards the goals set by the government, CSR programs will have real impact on people's lives. That said, it is important for the government to assist in coordinating sectional gatherings and companies should the take initiative, be proactive, establish shared goals and begin to work together when they can and not take the competitive spirit into CSR activities as CSR is about helping society and not about making profits.

### 4.4.2. Scarcity of resources for the implementation of CSR

Findings generated from the study showed that SAB has the will to do more for society but its efforts are impeded by budgetary constraints. Making money is still crucial in the running of SAB as a company and hence expenditure is allocated and expected to fall within the budget so as to ensure that the shareholder and worker commitments of the company are also met; which is the primary reason why businesses exist. Thus, despite the success of some CSR

programmes done by SAB, their geographical reach is still limited due to lack of resources to expand on these established initiatives.

One participant said that:
*"…..obviously we would want to go bigger and reach as many more people as we can but we are working in a huge company with several other obligations to attend to as well and considering the budgets, we have to do things in chunks. For example, the TIP (Tavern Intervention Program), we would like to help all men facing alcohol abuse issues but we cannot at the moment, we can only do this in stages but eventually we will reach more people in time."*

Similarly, another participant said that:

*"…we have been asked to expand into other areas. With NICRO (National Institute for Crime Prevention and the Reintegration of Offenders), it is exactly the same thing, 99% of the people that went through the program have not re-offended. The magisterial courts have increased the participants that they recommend for the program and because of the resources, it takes time to expand and increase capacity of the programs but being approached by stakeholders citing the need for a program in a specific area is a highlight."*

From the above quotations, it is evident that there are a lot of CSR programs needed to be established or expanded but SAB is bound by budget constraints. There is an evident need to look at other avenues to gain access to funds and that maybe to include sectorial and public sector partnerships. According to Brown (1990), a company's reach is limited but if it invests in alliances: a load of responsibility is shared and the progress attained is more visible as enough resources and effort are used with less pressure imposed on the stakeholders. With that in mind, corporations should shift their mind-set from looking for funds from within the company, but rather looking outside and exploring more opportunities for collaborations as a means of furthering CSR and fostering society's progress.

### *Stakeholders' perceptions on how CSR programs at SAB can be improved*

The fourth and final object of this study focused on the recommendations which participants highlighted on as potential avenues that SAB could explore in terms of improving their CSR programs. While it is apparent that SAB programs are well run and well received by the

beneficiaries, there participants noted that SAB had the potential to do even more and improve on its programmes. The need to expand programs and reach marginalised areas such as rural areas and establishment of more private partnerships and increased marketing of CSR programs were highlighted as having the potential to strengthen the CSR program.

## 4.5. STAKEHOLDERS INPUT TOWARDS HOW CSR CAN BE IMPROVED

### 4.5.1. Expanding programs and reaching marginalised areas

Several participants acknowledged the usefulness of the CSR programs by SAB in their societies. Participants also felt that it is important for SAB to consider scaling up its operations so that it could have a greater reach and impact on more lives than they do currently.

One participant mentioned that:

*"I feel that they should do more in terms of broadening their selection base of beneficiaries because I feel that rural places are left out from most of these opportunities as they are not exposed to these programs. So I think it would be nice if SAB took such initiatives to rural areas so that other kids from different parts of the country can have access to such opportunities."*

Another mentioned that:

*"Moving forward, we should have more food donations made more than once a year by the Wits staff and community. We should also involve other key stakeholders those involved currently and even new partners so that the program can be expanded such that it reaches other universities as well as the need for food is very evident and will likely remain so for a very long time to come."*

The quotations presented above show that there is an expressed need for more resources which can be used to expand on the existing CSR programs so that they reach a wider audience. A participant gave examples of such resources as food and donations. Another participant noted that more resources would be needed so as to allow for the expansion of programs to reach some rural areas.

There are a lot of social challenges that need the corporate sector's attention. In the same vein, Kane- Berman (2014) notes that the private sector in South Africa performs well and this success could be attributed to the former minister of finance, Pravin Gordhan, who shifted 70% of the GDP (gross domestic product) generation burden upon private sector early in 2014. This shows that the private sector has the resources and generates lots of money for the country. Statistics such as these show that most corporations are fulfilling their economic responsibility exceptionally well and probably not putting as much effort towards fulfilling their philanthropic duties. Jenkins (2005) further states that issues of CSR are not given as much time as they should in the boardrooms hence the shortages of resources for CSR. CSR is essential as it addresses government shortfalls especially in the context of developing countries like South Africa. There is need to ensure that corporations maintain and/or increase their budgets on CSR activities beyond the legal expectations so as to forge healthier relations and find favour in scorned society's eyes. CSR programs have indeed proved themselves useful resulting in calls for expansion that cannot be fulfilled due to the shortage of resources. If more resources could be made available for CSR purposes, that would go a long way in improving people's lives and making a real impact on an increased number of people.

### 4.5.2. Need for more private partnerships

The SAB has established a good operational framework that has led to the establishment of several successful CSR projects. SAB has acknowledged its limitations in terms of resources and expertise when dealing with issues around social development and, as a result, established partnerships with the public sector. However, very little was mentioned on the actual realisation of partnerships between SAB and other private sector organisations, that is, sectorial partnerships.

One participant mentioned that:

*"I feel that it is also very valuable for private sector companies to come together and partner with each other because at times we want to contribute in the same area and in somehow similar ways. If we could actually work together, we could most certainly do so much more than what is being done now you know……"*

From the above one can conclude that there is evident need for partnership amongst corporations there is possibility for organisations such as SAB and others to, engage and establish terms via which they can co-operate with one another on similar projects. By so doing

they reduce their expenditure and workload (as it is shared) but still establish highly effective, bigger and better programs that can help more people (Wee, 2000).

Participants' perceptions on how CSR could be improved were largely inclined towards the BSP theory principles and ideals. As Zadek (2004) highlights, CSR should reach as many stakeholders even those that do not have direct impact on the economic function of the company. With that in mind a need to expand CSR programs so that they could reach the rural peripheral areas was stressed. It is such areas that need help the most and yet even through CSR, such societies struggle to access help hence why participants flagged this issue with the hope that SAB could try and access these stakeholders more in the near future.

## 4.6. CONCLUSION

The chapter discussed the findings of the study. The findings show that there are various factors that account and influence the establishment of CSR programs by SAB such as feasibility, sustainability, necessity, government priorities and business strategy. A lot of strengths and successes were evident in the CSR programs done by SAB to date. Programs being context specific and meeting people's needs and expectations, establishing credible partnerships that yield good results and pro-activeness were highlighted as key strengths of the CSR programs. A couple of challenges were also noted such as duplication of efforts, lack of adequate resources to match the need on the ground and in some cases the challenging dynamics of partnerships. However, it was evident that CSR programs by SAB are inherently embedded with the ideas to which the BSP theories promote. Such features give hope and show how CSR can indeed be used as a platform towards improving social welfare and promote social development. Chapter five focuses on summarising the major findings of the study and presenting recommendations.

# CHAPTER FIVE
# SUMMARY OF FINDINGS, RECOMMENDATIONS AND CONCLUSION

## 5.1. INTRODUCTION

The purpose of the study was to explore CSR programs by SAB. This chapter summarises the main findings that emerged from the study on the factors that account for the choice of CSR programs by SAB, the strengths of these programs, and the challenges being faced during implementation of CSR projects. The study also explored how CSR could be improved.. The chapter presents a summary of these findings and recommends possible areas of focus for future research on CSR.

## 5.2. SUMMARY OF FINDINGS

### FACTORS ACCOUNTING FOR THE CHOICE OF CSR PROGRAMS BY SAB

#### Feasibility and sustainability

The findings from the study showed that SAB chooses programs based on their capacity to address social needs adequately. If a program can meet the desired objective or goal that the SAB wants to accomplish, it would result in that particular program with a high probability of being rolled out and implemented. Another characteristic that the study revealed as a major factor considered when selecting CSR programs was the issue of sustainability. If a proposed program exhibited potential growth indicators with the program reaching more people over time, more self-sustaining with very little need or excessive dependency on SAB funding, that program would be most likely chosen over one that needs constant supervision and financial injections.

#### Responsiveness to emergencies

It is clear from the findings of the study that CSR programs by SAB are chosen, designed and implemented to cater varying contextual needs in their respective societies. Given the frequent outbreak of emergencies that affect people, SAB programmes are partly informed by the need

to be at the forefront alleviating the suffering. This is very helpful given the often slow response by government to respond to emergencies.

**Government priorities**

It was also evident from the study that CSR programs are chosen and guided by the government's key priority areas. The aim of the governments' health department, especially with regards to halving HIV/AIDS infections was highlighted as a contributing factor towards the establishment of Project Promote, a CSR program worth noting. Government priorities guide SAB and make it easier for them to pick out a focus area in which they can then build on and assist the government in attaining social development.

**Business strategy**

Business strategy was also highlighted as a key factor in informing how CSR programmes are designed. It was clear that CSR programs were chosen on the basis of how they fed into or could be linked to the products that SAB uses (such as water) or produces (such as alcohol). CSR programs were chosen, designed and implemented with long term considerations of the sustainability of the environment, the planet and the people. SAB needs to ensure that it secures and protects the continuous supply of water to farmers and does so by clearing land, cutting down alien trees and freeing up water. In the case of alcohol, SAB programs are aligned to the strategy of ensuring that a productive citizenry is maintained by enlightening people on the responsible enjoyment of alcohol and taking care of themselves so as to ensure that a steady supply of consumers is maintained in the long run. The findings showed that SAB is concerned about social challenges, especially those that can be attributed directly to alcohol abuse then consider the context (such as environment, age, target audience) and design a program that suits their particular needs whilst remaining unprejudiced and yet surgical enough to address the social anomaly without causing extra tension or unwanted pressure on the part of the beneficiaries.

## STRENGTHS OF CSR PROGRAMS BY SAB

### Partnerships with credible organisations

The favourable condition that made CSR programs such a success was that SAB partnered with credible organisations that had the double edge of experience and expertise to assist in alleviating social challenges in various instances. SAB invested well in scouting for the necessary allies that strengthened their CSR programs by equipping them with the necessary specifications. The findings of this study showed clearly how SAB acknowledged its short comings and is willing to engage with the necessary stakeholders with the required experience in dealing with social ills.

### Pro-activeness

Another strength that continued to surface during the study was the high level of pro-activeness displayed in planning CSR programs by SAB. The projects had an educational component that allowed people to make informed choices to avoid alcohol related problems. This paves way for more and more people to make wiser decisions in future and such a preventative approach is critical rather than curing problems. Pro-activity in SAB CSR programs is indeed a strength that the organisation should continue to build upon for the good of society.

### Use of experts to design and implement programs

It also emerged from the study that SAB consults and engages with experts in various areas of interest such that their program designs and implementation plans are well planned, thought through carefully and with a high unlikelihood of failing. Such measures not only show commitment but all signs of dedication towards social development by SAB.

### High levels of flexibility, accessibility and adaptability evident in programs

SAB programs were noted to change format and adapt to societal situations; a high level of flexibility is adopted in order to vary the approach depending on community needs and unique contexts in which programs are implemented. This is very important as it ensures the relevance of programs.

## CHALLENGES FACED BY STAKEHOLDERS IN THE IMPLEMENTATION OF CSR PROGRAMS AT SAB

The challenges that affect SAB CSR programs are as follows:

### Duplication of efforts due to lack of coordination at sectorial level

It was established that organisations within the private sector are not well co-ordinated and are largely disjointed when it comes carrying out CSR programs. The study showed that if corporations combined their efforts, there was a high likelihood that they would establish bigger and better programs as resources and skills would have been pooled together ensuring adequate supplies of all materials necessary and needed for the CSR programs.

### Scarcity of resources for the implementation of CSR

It was also established that there are limited resources available channelled towards CSR programs. Limited budgets and other company obligations meant that there was often not enough money directed or reserved for CSR thus further highlighting the need for companies to seek partnership with other corporates and public entities and not limiting themselves to their own resources.

## STAKEHOLDERS PERCEPTIONS ON HOW CSR PROGRAMS AT SAB CAN BE IMPROVED

The following suggestions emanated from the study with regards to how best CSR practices by SAB could be improved so as to see to the realisation of social development.

### Need for more resources to be directed towards CSR causes

Both the beneficiaries and the facilitators of CSR programs stressed the need for more resources to be allocated towards CSR projects. They highlighted the need to expand operations by moving into new areas but this would be possible only if they had more resources at their disposal.

**Need for more Private Partnerships**

The need for partnerships amongst private sector organisations was seen as being critical in improving CSR initiatives. It was also argued that corporate entities, arguably, have substantial resources that could be used towards CSR programs and that private partnerships will result in more corporate funds channelled towards CSR. Such collaborations will result in massive CSR projects that reach more people and have a higher impact on society. Such potential needs to be tapped and will only materialise if and when corporations establish more CSR partnerships.

**Need for consistency when entities collaborate**

Participants highlighted the need for partners in collaborative projects to be disciplined, accountable and dedicated towards fulfilling their obligations. The CSR experience can be improved when all facilitators meet their obligations on time.

## 5.3. RECOMMENDATIONS

Based on the findings generated from the study, it was recommended that:

- There is an evident need for the government to create an enabling space in which corporate entities can meet, engage and establish potential collaborations which may lead to more cross-sector partnerships being established when conducting CSR projects. This would also reduce the ‘challenges’ of duplication of efforts.

- SAB needs to dedicate more time and effort in establishing private partnerships with other corporate entities such that the ensuing CSR programs are bigger, well-resourced and with greater impact to society.

- The government and the corporate sector also need to work towards establishing a platform for public- private partnerships. Such arrangements will enable meaningful assistance by the corporate sector in addressing government gaps.

- There is need for the government, in conjunction with corporations, to establish the boundaries and expectations of CSR clearly, establish structures that ensure implementation, monitoring and evaluation of CSR programs and assessing efforts against policy targets set by government; paving way for the improved CSR experience in the near future.

- For monitoring and evaluation to be made easier, there is need for a standardised CSRR instrument or structure to be established and used across all sectors.

- There is need for more resources to be channelled towards CSR and the government should seriously consider increasing the CSR obligation from the current 1% of profits before tax deductions.

- Lastly, there is an overall need to enlighten corporations on the BSP theory of CSR so as to make them aware of how the business benefits from being a good corporate citizen by carrying out CSR to the best of their abilities.

### 5.3.1. AREAS FOR FURTHER RESEARCH

Future research should focus on:

- Exploring other CSR programs by other South African based corporations.
- Investigating the actual effectiveness of CSR programs in aiding the attainment of social development against policy targets.
- Exploring the possibilities of establishing CSR reporting, monitoring and evaluation structures in South Africa.

## 5.4. CONCLUSION

This chapter gave a summary of the major findings of the study that are linked to the aims and objectives of the research. The major findings in this study, as discussed in the previous chapter, highlighted the factors that account for the choice of CSR programs by SAB, the strengths of these programs, the challenges experienced when rolling out programs and also revealing the stakeholders perceptions on how CSR can be improved. Continued research in this area will bring to light better ways in which CSR can be carried out so as to ensure that CSR works and contributes towards the realisation of social development in South Africa.

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**APPENDIX A- Participant information sheet**

**Research title:** In pursuit of a triple bottom line: An exploratory study of Corporate Social Responsibility programmes conducted by South African Breweries.

Good day sir/madam

My name is Avril Mafemba, I am a Masters student registered for the degree Social Development at the University of the Witwatersrand. As part of the requirements for the degree, I am conducting research on the effectiveness and usefulness of corporate social responsibility (CSR). It is hoped that the information obtained may enhance the capacity of private sector to carry out CSR in a way that benefits the society and sees to the decline in poverty and inequality. This research may also help to inform companies on how to improve and develop effective and useful CSR initiatives that are mutually benefitting to both the private sector and the society.

I therefore wish to invite you to participate in my study. Your participation is entirely voluntary and refusal to participate will not be held against you. If you are interested in taking part I will arrange for an interview with you at a time and place that suits you. The interviews will take approximately one hour. If you feel at any time within the process of the study that you wish to withdraw you may do so as well as also refuse to answer any questions that you feel uncomfortable with answering.

With your permission, the interview will be tape recorded. No one other than my supervisor and I will have access to the tapes. The tapes and interview schedules will be kept for two years following any publications or for six years in if no publications emanate from the study. Please be assured that all findings, data and recordings will be saved under a password protected folder and your name and personal details will also be kept confidential and no identifying information will be included in the final research report.

Findings from the study will be reported through the means of a research report as mentioned above and this report will be available to the general public and the participants upon request. Direct quotes noted during interviews will be used in the write up of the final report but participants' identity will be safeguarded as pseudonyms will be used in place of participants' real names so as to ensure confidentiality and anonymity is maintained.

There are no risks, harm or direct benefits associated in partaking in this study and if you have the need for me to clarify and elaborate on anything else with regards to this study, please feel free to ask and I will answer them to the best of my ability. I may be contacted on 0604362385/ avymafemba@gmail.com. You may also contact my supervisor, Dr Victor Chikadzi on 011 717 4473/ Victor.Chikadzi@wits.ac.za . Should you wish to receive a summary of the results of the study; an abstract will be made available on request.

Thank you for taking the time to consider participating in the study.

Yours sincerely

Avril Mafemba

**APPENDIX B- Consent form for participation in the study**

**CONSENT FORM FOR PARTICIPATION IN THE STUDY**

**DECLARATION BY THE PARTICIPANT**

I hereby consent to participate in the research project. The purpose and procedures of the study have been explained to me. I understand that my participation is voluntary and that I may refuse to answer any particular items or withdraw from the study at any time without any negative consequences. I understand that my responses will be kept confidential.

**Name of Participant:** _____

**Date:** _____

**Signature:** _____

**CONSENT FORM FOR AUDIO-TAPE RECORDING**

I hereby consent to tape-recording of the interview. I understand that my confidentiality will be maintained at all times and that the tapes will be destroyed two years after any publication arising from the study or six years after completion of the study if there are no publications.

**Name of Participant:** _____

**Date:** _____

**Signature:** _____

## APPENDIX C- Interview schedule for the main informants and the beneficiaries

### Questions for main informants experiences on CSR programs

1. How long have you been working for SAB?
2. What does your job entail?
3. What CSR projects have you been involved in?
4. How did you choose these programs?
5. What would you say are the key strengths of these programs?
6. In your opinion, in what ways have people benefited?
7. What were your highlights in these CSR projects?
8. What are the challenges that you face (d) when carrying out CSR initiatives?
9. How do you measure the success of your projects?
10. In your opinion, how can the way CSR is carried out be improved?

### Questions for beneficiaries

1. Which SAB CSR program did you benefit from?
2. How did you get to know about the CSR program running?
3. How did you get involved in this CSR program?
4. How did you benefit from the program?
5. If things were to be done differently what changes would you suggest towards improving CSR implementation?

## APPENDIX D- Interview schedule for the key informants

**Questions for key informants**

1. How long have you been involved in CSR issues?
2. How many programs have you worked on to date?
3. How were these programs chosen?
4. What would you say are the key strengths of these programs?
5. In your opinion, in what ways have people benefited?
6. What are the challenges that you face (d) when carrying out CSR initiatives?
7. How do you measure the success of your projects?
8. In your opinion, how can the way CSR be improved?

# EHICS CLEARANCE CERTIFICATE

Research Office

**HUMAN RESEARCH ETHICS COMMITTEE (NON-MEDICAL)**
R14/49 Mafemba

| | |
|---|---|
| **CLEARANCE CERTIFICATE** | **PROTOCOL NUMBER H14/06/06** |
| **PROJECT TITLE** | In pursuit of a triple bottom line: An exploratory study of Corporate Social Responsibility programmes conducted by South African Breweries (SAB) Miller |
| **INVESTIGATOR(S)** | Ms A Mafemba |
| **SCHOOL/DEPARTMENT** | Human and Community Development/Social Work |
| **DATE CONSIDERED** | 20 June 2014 |
| **DECISION OF THE COMMITTEE** | Approved Unconditionally |
| **EXPIRY DATE** | 07/12/2016 |

**DATE** 08/12/2014 **CHAIRPERSON** _____ (Professor T Milani)

cc: Supervisor : Dr V Chikadzi

**DECLARATION OF INVESTIGATOR(S)**

To be completed in duplicate and **ONE COPY** returned to the Secretary at Room 10000, 10th Floor, Senate House, University.

I/We fully understand the conditions under which I am/we are authorized to carry out the abovementioned research and I/we guarantee to ensure compliance with these conditions. Should any departure to be contemplated from the research procedure as approved I/we undertake to resubmit the protocol to the Committee. **I agree to completion of a yearly progress report.**

_____ **Signature**

_____/_____/_____ **Date**

**PLEASE QUOTE THE PROTOCOL NUMBER ON ALL ENQUIRIES**