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2018

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Dikgale, Selatswa Paul, (2018) An investigation into the implementation of corporate social responsibility programmes of construction firms with regard to sustainable SMME development: the case for Kimberley, University of the Witwatersrand, Johannesburg, https://hdl.handle.net/10539/26576

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An investigation into the Implementation of Corporate Social Responsibility programmes of Construction Firms with regard to Sustainable SMME development: The Case for Kimberley

Research Report

Submitted by

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A research Report Submitted to the Faculty of Engineering & Built Environment, University of the Witwatersrand, in fulfilment of the requirements for the degree of Master of Science in Building (Project Management in Construction).

Johannesburg

October 2018

Declaration

I declare that the research submitted is my own unaided work. It is submitted to the partial fulfilment of the Degree of Master of Science in Building at the University of the Witwatersrand, Johannesburg. The work submitted has not been previously submitted before for this purpose or for any other degree or examination at any other university.

_____

Selatswa Dikgale 0616033E

_____ Day of_____ (year)_____

Abstract

Subsequent to the boom in mining, Kimberley remained very dormant in terms of construction and infrastructure activity which led to very little or no training, skills development and ownership of businesses and a steady decline in economic activity. The Government has identified the deficit and is investing approximately R 10 billion over a 10-year period in construction (DHET, 2012). Central to the Governments plan of redressing this deficit, the construction of Sol Plaaje university is the cornerstone of addressing the skills shortage through the Corporate Social Responsibility (CSR) programs. The program will result in established more experienced contractors utilising local SMME contractors in the construction program to train and develop the SMME contractors to aid to the sustainable development of the SMME contractor (www.newuniversities.ac.za).Using a qualitative approach, the study explores the challenges associated with the implementation and roll-out of CSR programmes with the integration of SMME's into the Sol Plaatje university program in Kimberley. Interviews were conducted with key personnel in the Sol Plaatje university project who are stakeholders in the university construction program. Major findings revealed that the study revealed that the program does not aid the necessary implementation and roll out of CSR programs necessary to sufficiently allow for the participation and integration of local SMME contractors. This in turn does not allow for adequate training, transfer of skills and knowledge gaining by the SMME contractors and thus does not develop or grow the local SMME contractors.

Dedication

I dedicate this research to my parents; your help and support does not go unnoticed and words can never begin to explain the gratitude I have for the opportunity afforded to better myself. To my son, may this serve as motivation for you to attain far greater than what I have accomplished. My partner for the love and encouragement to do and be better.

Acknowledgement

I would like to thank my supervisor; Dr Sitsabo Dlamini for the assistance and guidance offered to me throughout this project. I would also like to thank everyone who availed themselves to be a part of the study by agreeing to be interviewed or taking part in answering the questionnaire, your help assisted in the compilation of this document. I am sincerely grateful to the Lord Almighty for opportunity to conduct this research.

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CHAPTER 1: INTRODUCTION

1.1 Background Information

The construction sector in South Africa is a key sector in the South African economy. The sector provides to South Africa's economy the largest employment and annual revenue contributing to the Gross Domestic Product (Ntuli & Allopi, 2014). The Construction Industry is a highly strategic and multi-faced industry. The Industry is a highly labour-intensive sector which dispenses more than one million jobs and contributing approximately 267 billion rand in annual revenue (Gauteng Growth Development Agency Business Intelligence & Planning Unit 2015). According to the Gauteng Growth Development Agency Business Intelligence & Planning Unit (2015), the construction sector is divided into the following sub-categories:

- General Building Construction
- Industrial Construction
- Commercial Building Construction and
- Heavy Civil Construction

Small, Medium and Micro Enterprises in South Africa, according to the Department of Trade and Industry are seen as the key drivers to economic growth, innovation and job creation. These Enterprises are regarded mainly as the major contributors of employment in South Africa and contribute significantly to the National GDP (DTI, 2008). The South African Government policy on SMME development was first established in 1995 White Paper on SMME Development. The South African Government further established institutions that would be responsible for the implementation of the development Strategy (DTI, 2008).

South Africa as a developing country is faced with high levels of unemployment, low skill labour force and inequalities as a result of poverty, crime and other factors (Joubert, Schoeman & Blignant, 1999). The South African Government aims to alleviate the challenge of unemployment, labour force with low skill, poverty and crime through the creation of jobs through the integration of large business to small business (Joubert et al., 1999).

Luiz (2011) posits that the private sector firms have a very pivotal role to play in addressing the inadequacies faced by SMME's. Luiz (2011) postulates that the role of the private firms

in alleviating the inadequacies, is through the promotion and integration of small firms with larger firms. Furthermore, Luiz highlights that countries such as Taiwan which arguably have a well-developed urban industrial and financial system, has benefitted from the integration arrangements of larger firms with smaller ones.

Corporate Social Responsibility is regarded as the voluntary corporate commitment by companies in order to maximise the direct and indirect obligations imposed on a company by the societal environmental expectations of conventional corporate behaviour (Falck, 2007). Jones, Comfort and Hillier (2006) citing the World bank (2004) explain Corporate Social Responsibility to be "*the commitment of businesses to contribute to sustainable development-working with employees, their families, local community and society at large to improve the quality of life in ways that are good for business and good for development*". Falck (2007) postulates that due to globalization, companies are now less constrained by society's basic order and thus Corporate Social Responsibility (CSR) becomes a way of promoting and enhancing social trends in order to enhance society's basic order.

Jones *et al*. (2006) argues that CSR in the modern business environment has gained much recognition due to the ever-changing business environment due to issues such as globalization and global warming and companies feel the need to address these issues. Jones *et al*. (2006) argues that the companies that address such issues benefit from a corporate success point of view as this helps and boosts the company's reputation and image. Falck (2007) posits that the interrelationship between a company's social commitment and profitability is an efficient management strategy and a very crucial factor in the success of the company. Corporate Social Responsibility in modern business environment also helps benefit the company in areas such as improved financial performance and profitability, reduction of operating costs, increased staff commitment and involvement, good relations with Government and communities and enhanced reputation and brand value (Jones *et al*., 2006).

In the UK, the majority of building firms rely on self-employed labour force which has significantly grown in the past 2 decades in subcontracting (Jones *et al*., 2006). These sub-contracting firms although perceived as an efficient labour force, results in construction industry related problems like innovation and training and wider social realms like, the nature and status of construction employment, Health & Safety and environmental issues (Jones *et al*., 2006).

Health and Safety for instance was a major issue in the UK construction Industry and companies that received government work were tasked to employ local self-employed labour force and tasked to extensively train staff and provide safety incentives and rewards as motivation for Safety regulation adherence as a CSR initiative. These efforts, the UK Government found were evidence of the reward of CSR initiatives and the reward gained as the companies that undertook in the program had lower accidental reports and frequency of accidental report much lower than the Industry average (Jones et al., 2006). Furthermore, the recognition by construction companies to the ever-changing construction environment and commitment to addressing these issues highlighted, the UK construction Industry through Corporate Social Responsibility programs has helped to alleviate the challenges and made good contributions to society.

The benefit experienced by companies in the UK construction industry through the commitment to Corporate Social Responsibility programs illustrates the importance and thus the need for Corporate Social Responsibility investment by construction companies.

Kimberly, a small town in the Northern Cape boomed in the 19th century in mining due to the discovery of diamonds in the town by Cecil Jones Rhodes. Kimberley became a fast growing, vibrant town and the epicentre of mining, construction and economic activity. Coupled with this level of growth, Kimberley had to develop infrastructure to support this growth, this in turn led to training, mentoring, skills development and employment (Van der Merwe, 2010). Succeeding the mining boom, Kimberley remained dormant in terms of continued construction and infrastructure development which led to very little or no continued and sustained training, skills development and ownership of businesses which led to a steady decline in economic activity (Van der Merwe, 2010).

Kimberley according to Statistics SA (2015), has an unemployment rate of 31.9% and a youth unemployment rate of 41.7%. Further evidence portray that the higher education rate is at 10.4% which is evidence of the lack of skilled, qualified personnel in the province. The figures presented have contributed to the very slow rate of expansion and construction activity in Kimberley. The evidence presented further suggests that there is a socio-economic challenge experienced in Kimberley. According to the Development Framework for new Universities in the Northern Cape and Mpumalanga, published by the Department of Higher Education and Training (2012), the South African Government developed a range of

strategies to develop and expand the country's post schooling education system. The South African Government identified Kimberley as one of the areas to which such expansion could take place (DHET, 2012).

The task team tasked by the Education Minister to undertake a feasibility of the study for the models of establishment in the two Provinces (Mpumalanga and Northern Cape), identified some advantages as a result of the construction of a university in the Northern Cape, Kimberly (DHET, 2012). The advantages include the reduction of poverty, job employment, skills transfer and therefore, the improvement of social development and a sustainable growing economy. The South African Government has invested approximately R10 billion over a 10-year period for the construction of these universities (DHET, 2012).

One of the key objectives of the university construction delivery plan is for the larger more established construction companies through Corporate Social Responsibility programmes to integrate and impart knowledge and skill to the smaller establishing local SMME contractors and labour force (DHET, 2012). The integration of larger more established construction firms should be able to develop, train and impart on the local economy with much needed skills and capacity. The training and development mechanisms should in the long-term yield to development, economic distribution and curb the high unemployment levels and reverse the socio-economic conditions in the province.

With the high levels of unemployment and low entry levels into higher education learning in the Northern Cape, it becomes important for the government to address such social ills. This is addressed as presented through Corporate Social Responsibility programmes of the larger more established construction companies through integration with the smaller local SMME contractors in order to employ, train and develop the community. These efforts should generate a growing sustainable environment and redress socio-economic ills in the province.

1.2 Research Problem

The high levels of unemployment and low levels of higher education learning in the Northern Cape has arguably resulted in the lack of adequate skilled professionals and a competent skilled labour force. SMME's are seen as the key driver for economic growth and a major contributor to alleviating unemployment in South Africa. The role of the private sector is seen as very important in collaboration with Government efforts through CSR initiatives in training and developing local SMME's. The South African Government through the Department of Higher Education and Training (DHET) aims to achieve this development in the Northern Cape through the construction of the Sol Plaaje University. Part of the main objectives of the construction of the university is to enhance Corporate Social Responsibility programs of larger more experienced construction firms to smaller local SMME contractors through participation. There is however, a perceived challenge in the commitment of larger construction companies in the implementation of CSR initiatives and programs and the participation and integration of smaller local SMME contractors into the construction programme. The absence of this participation and integration of local SMME contractors negates the mandate and primary objective of the Government; which is to enable the development, training, transfer of skills and knowledge gaining of SMME contractors by larger participating contractors through CSR initiatives in order to develop SMME contractors.

1.3 Research Question

The following Research Question is posed in this study.

Does the Sol Plaaje University construction program allow for the adequate level of participation and integration of local SMME contractors through the roll out and implementation of CSR programs by larger construction companies in order to yield to sustainable development of SMME contractors?

1.4 Research Objectives

The Research Objectives posed in this study are:

- To highlight and evaluate the challenges faced in the implementation of CSR programs in the Sol Plaaje university project
- To evaluate the roll out and impact of CSR programs on the sustainable development of local SMME contractors

1.5 Hypothesis

The following Hypothesis is posed in this study

- The Sol Plaaje university construction program does not aid the necessary commitment, implementation and roll out of CSR programs by larger more experienced construction firms. There is inadequate participation and integration of local SMME contractors. This lack of participation in turn undermines the sustainable development of local SMME contractors.

1.6 Rationale for the Study

The rationale for the study is to assess the impact of CSR programmes with regard to sustainable development of SMME's in the construction sector.

The study explores the challenges associated with the implementation and roll-out of CSR programmes with the integration of SMME's into the program. SMME development will provide a benchmark on which to assess the impact of the CSR programmes for the continued improvement and sustainable growth of local SMME's, yielding competent and profitable SMME entrepreneurs in the construction sector.

The study will explore the concept of CSR and evaluate the history and advances of the CSR concept. The study will further establish the challenges faced in the delivery of CSR projects as well as the challenges faced by SMME's and how these can be addressed and harnessed to contribute to the long-term sustainable development of SMME's in Kimberley.

1.7 Limitations to the Study

The limitations to the study are noted as follows:

- The study is limited to the Northern Cape area and only on the construction of the Sol Plaaje University.

1.8 Thesis Structure

Chapter 1 presents the introduction to the study and setting out the problem statement, hypothesis and research objectives of the study. It provides the insight to the topic and highlighting the issues to SMME's in the Northern Cape.

Chapter 2 serves as the literature review section of the thesis and provides in depth literature review of CSR concepts, SMME's challenges in the construction sector.

Chapter 3 presents the methodology utilised in conducting this study.

Chapter 4 presents the data collected, extrapolated and analysed in the study providing results and explanations thereof.

Chapter 5 presents the conclusions of the study as well as the recommendations relevant.

1.9 Research Model

Figure 1.1 maps the structural presentation for addressing the Research Questions and Research Objectives applied in this study.

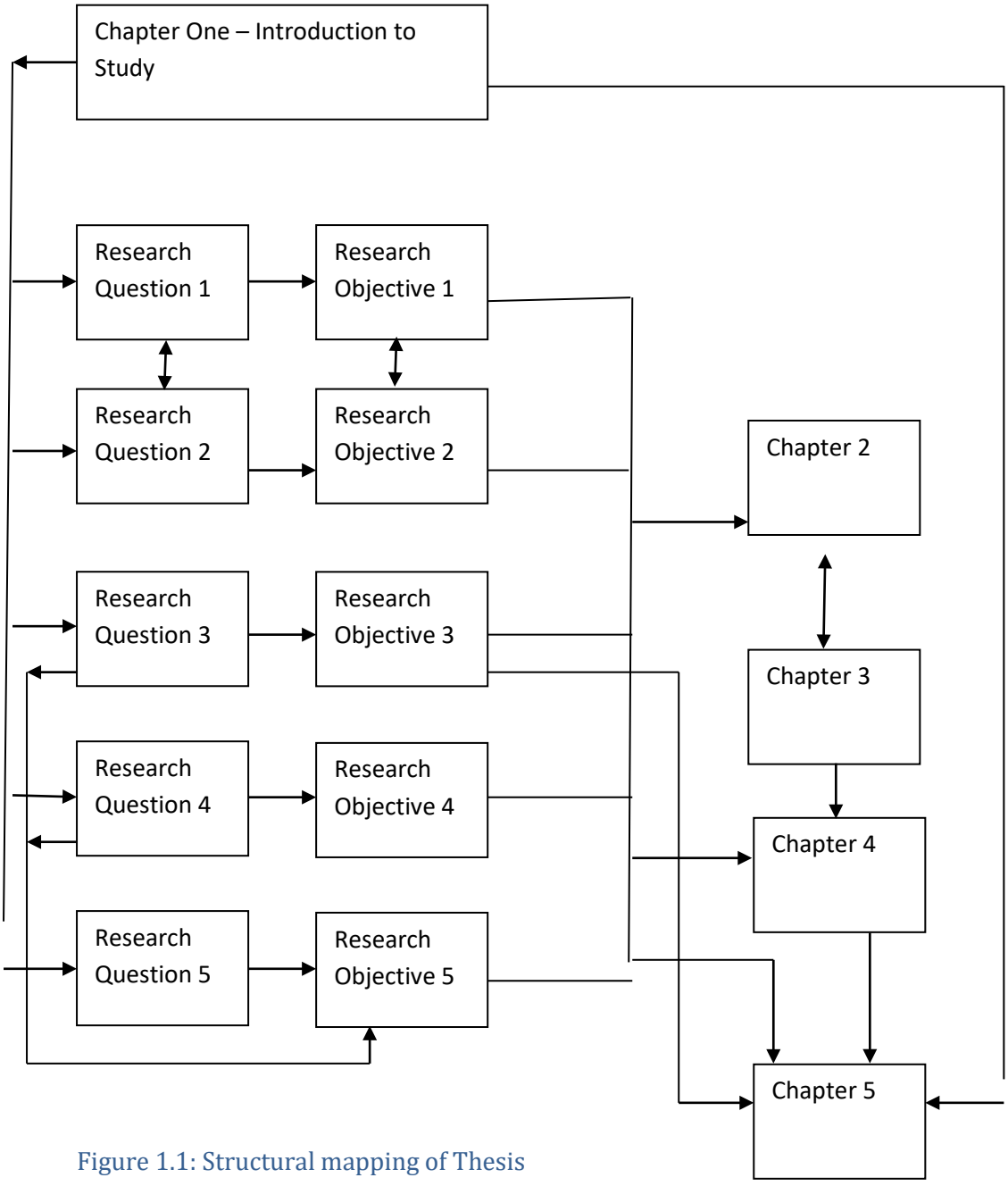


Figure 1.1: Structural mapping of Thesis

CHAPTER 2: LITERATURE REVIEW

This chapter presents the literature review of the study.

2.1 SMME'S: An Overview

The need for the use of SMME's is vital in any economy as SMME's have the potential of being the cornerstone and the backbone of the economy as they can be the key drivers of economic growth, innovation and job creation (Seda, 2016). Findings from Statistics South Africa (2012) through the research conducted by the Global Entrepreneurship Monitor (2014), indicates that 30% of all employment opportunities in South Africa are achieved through small business opportunities. The findings further indicate that SMME's can further contribute to the curbing employment and GDP as SMME's create and expand employment opportunities, develop entrepreneurial skills and magnify market opportunities (DTI, 2013).

According to Shakantu and Kajimo-Shakantu (2007) the SMME sector in South Africa can be classified into four broad classes, namely: survivalist, micro, small and medium enterprises.

- Survivalist: survivalist enterprises are "survival" enterprises that fight for survival and are comprised at the lowest entry level in the sector. Survivalist enterprises usually undertake "mediocre" and "survivalist" inconsistent type construction activity and they operate on a hand-to-mouth basis in an effort to earn some form of income. Shakantu and Kajimo-Shakantu (2007) points out that these survivalist enterprises operate in the informal sector, have very little skill, and generally employ family labour and the company structure comprises less than five employees.

- Micro enterprises: micro enterprises involve the owner and are relatively small enterprises. Shakantu and Kajimo-Shakantu (2007) citing The DTI (1995) and DTI (1997) explain that the micro enterprises operate in the informal sector with the enterprises structure usually involving some family members and not more than five paid employees. The employees generally lack in business acumen as they do not have VAT numbers, formal business premises, operating permits, business licences etc., having very limited skill but the potential for growth. The turnover associated to micro enterprises is up to R 1 million (Shakantu and Kajimo-Shakantu 2007 citing DTI., 2007).

- Small: small enterprises are a form of business that is owner managed, can be tax registered and employs skilled staff and work from formal business premises (Shakantu and Kajimo-Shakantu, 2007)

- Medium: medium enterprises employ skilled employees of between 61 to 300 employees and generate revenue of between R 12.1million to R 60 million per annum; these are the most established in the SMME class. (Shakantu and Kajimo-Shakantu, 2007 citing DTI, 2007).

The Global Entrepreneurship Monitor (2014), who study the entrepreneurship patterns, cultures, attitudes and behaviours of entrepreneurs around the world through a series of interviews, distribution of questionnaires and carefully analysed data. Findings from the research undertaken by the Global Entrepreneurship Monitor (2014) indicate that South Africa has the lowest entrepreneurial activity when compared to the rest of Africa and as such the interventions of implementation by the local South African Government need to cater for this condition (DTI, 2013). The characteristic of having low entrepreneurial activity highlights the limited capacity of SMME's and SMME use to influence infrastructure development, boost economic growth and to narrow the gap between the more established formal economies to the less developed informal sector and therefore, the significance and importance of SMME's cannot be overlooked. The Minister of Small Business Development, Lindiwe Zulu posited that sustainable social development could be promoted through the use of SMME's (DTI, 2013). The Small Enterprise Development Agency (SEDA) is an institution/agency of small business development with its core mandate to enable the government to implement its small business strategy and design and thereby enable a standard and common national network of delivery for small business development (SEDA, 2016). This small business development thus enables government to fund and support small business development across all tiers of government.

The Minister further highlighted that sustainable SMME development could be achieved through the following:

- Require very little start-up capital

- Are important incubators for emerging business

- Can adapt easily to customer requirements as they use domestically engineered and re-engineered technologies (SEDA, 2014).

The South African minister of Small Business Development through her address of SMME at the SMME Colloquium in 2014 stated that "*Statistics tell us that small businesses have only 37% chance of surviving four years and a 9% chance of surviving 10 years; 70% to 80% of small businesses fail in their first year, and only about half of those remain in business for the next five years"* (SEDA 2014). The argument put forward by Minister Zulu highlights the problems in the sector and the dwindling effect, use and growth of SMME's within the South African economy. Joubert et al., (1999) posits that the role played by SMME's in South Africa is extremely important as it addresses and tackles the issue of unemployment and job creation. Thwala and Mvubu (2008) point out that South African contractors contribute to the sector being extremely competitive and unsustainable as contractors enter at the lower end of the market, lacking technical, operational skill and competence.

Shakantu and Kajimo-Shakantu (2007) citing Mohammed (2005) validates the importance of SMME's and explains that the promotion of SMME's should be the centre of Government's priorities and focus as it will address socio economic problems. The South African Government is aware of the urgent need to invest in small, medium and micro enterprises (SMME), as investment in this sector is a potential key driver to economic growth and job creation as it addresses problems associated to socio-economic conditions.

Shakantu and Kajimo-Shakantu (2007) further posits that the Government's expansion of its fiscal framework, which is centred on infrastructure development, will result in the order books of the larger more established contractor's being filled and this in turn will affect the SMME contractor. Shakantu and Kajimo-Shakantu (2007) argue that the importance of meaningful participation by enterprises in the formal sector, is through infrastructure investment. Luiz (2011) postulates that the private sector has a more important role to play in addressing SMME's inadequate demand problems by providing complementaries between small and large firms. Furthermore, Luiz (2011) posits that the small business sector in South Africa has the potential of creating jobs and yielding economic growth while at the same time redressing some of South Africa's social ills and thereby promoting and creating opportunities for Black Economic participation.

Shakantu and Kajimo-Shakantu (2007) further points out that the development of technical solutions are important as technical solutions aid in assisting SMME's in providing untapped labour, develop skill and management. The development of this skill and managerial acumen will result in SMME's venturing into both the unskilled informal and skilled formal markets, making SMME's in the long run the larger employment generators. Minister Lindiwe Zulu emphasised the need and prioritisation of small business development and stated that SMME development through infrastructural development can be achieved if the three spheres work together, namely; Government, private sector and civil society (SEDA, 2014).

Minister Lindiwe Zulu further recognised the efforts and pro-active approach of the Government in addressing employment shortfalls and small business development through the use of the more established enterprises (SEDA, 2014). Through support and collaboration in joint venture partnerships in harnessing SMME development, public and private partnerships could combat the constraints faced by SMME contractors and address the constraints SMME contractors face. Luiz (2011) argues that business can act as a great stimulus for SMME development by providing steady source of demand. Furthermore, Luiz (2011) posits that businesses have to work very closely with SMME's in order to meet this demand and in order to achieve that, support is necessary from all tiers of government. The development of these links by the SMME sector will yield to the sector's sustainability. Ultimately social upliftment programmes through CSR initiatives will contribute to the development of small businesses and result in economic development (DTI, 2013).

2.2 Challenges to SMME Contractors

Research conducted by the Small Enterprises Development Agency conducted a study in 2015 on the landscape of SMME development in South Africa. The research conducted found that Small, Medium and Micro Enterprises (SMME) as an institutional framework should serve to alleviate socio-economic problems such as employment, poverty and skills shortage and skills transfer (SEDA, 2016). Havemann and van-Gass (2001) who conducted research on the creation of employment and SMME development in development projects in South Africa, explain that the key feature to the realisation of the developmental policy in South Africa is to centre policy development to issues that will result in above-average employment levels through the process of applications by SMME contractors who have the capacity of generating investment in construction projects. While a significant effort has been made in

terms of inclusion and drafting of small business development policy, challenges still arise from the application of such policy. The question posed with the application of the small business development policy is the extent to which SMME contractors encounter challenges in terms of running and administering a successful business venture. It is therefore necessary to evaluate the challenges that SMME contractors face with regard to start up and business operation, in order to determine the areas and degrees to which input is necessary to aid and help SMME contractors.

Ntuli and Allopi (2014) document that running a successful enterprise requires a certain level of experience, expertise and training. Ntuli and Allopi (2014) further suggest the following as challenges faced by SMME's with regard to daily operation:

- Human Resource Development
- Lack of understanding of tendering process
- Late payment affecting business cash flow
- Industry Corruption
- Procurement Policy not fully understood by contractors
- Lack of understanding of development of business plans
- Work Security
- Lack of understanding of CIDB role in Industry
- Lack of operational and managerial skills amongst contractors
- Under-pricing
- Lack of understanding of general conditions of contracts
- Encourage established contractors to sub-contract work to smaller contracts – partnering approach
- Improve transparency in the circulation of tender opportunities especially on invited tenders

- Operational and financial management challenges

Thwala and Mvubu (2008) indicate that the challenges faced by SMME's, affect the training, skill and expertise generated in the industry. In addition, Thwala and Mvubu (2008) posit that the non-adherence, and non-transformation of management techniques lead to inadequate capacity. Ntuli and Allopi (2014) express that growth, development and education is still needed in small business policy development especially given the language diversity in the country which poses as a hindrance to entry and participation. Government is seen as a major contributor to help achieve that.

2.3 Corporate Social Responsibility (CSR) brief overview

The concept of Corporate Social Responsibility (CSR) has grown in importance and value (Falck, 2007). The application of CSR in the South African context has expanded rapidly since the publication of the report of the World Summit on Sustainable Development in 2002 (Shah, 2002). Since the publication, the application of CSR in the South African context is seen as the solution for bridging the gap for corporations to address business needs and cater for social expectations and problems.

Early interpretations and definitions of CSR according to Sen and Bhattacharya (2001) citing Davis and Blomstrom (1975) argue that the broad terminology of CSR involved the managerial obligation to take action to protect and improve society's welfare and organisational interest. Falck (2007) describes CSR as a process for commitment by an enterprise to address social issues and must be carefully planned, supervised and evaluated on a regular basis in order to enhance the company's reputation. Carroll (2001) argues though that although the early constructs of CSR mainly focused on profitization for stakeholders, newer governmental bodies later established policies that recognise the environment, employees and consumers to significant and legitimate stakeholders of business. Dahlsrud (2006) citing Khoury et al. (1999) posit Corporate Social Responsibility (CSR) to be the overall relationship of the cooperation with all its stakeholders. These include the customers, employees, communities, owners/investors, government, suppliers and competitors.

Furthermore, Dahlsrud (2006) citing Khoury et al. (1999) postulates that the elements of Corporate Social Responsibility (CSR) include the investment in community outreach,

employee relation, creation and maintenance of employment, environmental stewardship and financial performance.

In order to appreciate the importance underpinning the application of CSR, it is important to explore the inception, history and evolution of CSR, the value and initiatives of CSR programmes and the application of CSR programmes and initiatives in the construction industry.

2.4 The history of Corporate Social Responsibility (CSR)

While CSR initiatives can be traced to before World War II (1939-1945), the more significant formulations underpinning CSR were developed between the periods 1945-1960, which was termed the cold war (Carroll and Shabana, 2010). Carroll and Shabana (2010:4) citing Davis (1960) state that the purpose of CSR was to "*align the business interest of free market capitalism against the danger of Soviet Communism".* During the periods 1945-1960, thoughts around the concept began to develop and a definitive term of the concept had not yet developed (Carroll and Shabana, 2010). It was an executive from a New Jersey Standard Oil Company during the 1950's that began to shape the definition and construct of CSR, the executive's approach involved the introduction of questions posed to managers of corporations. The questions posed asked managers to not only consider profit maximisation but the greater environment in its employees, customers and the public at large (Carroll and Shabana, 2010). The era around the 1940's and 1950's is viewed as the era that significantly shaped the notions, ideas and concepts behind CSR (Carroll and Shabana, 2010). During the 1940-1950, several company executives contributed significantly to the CSR concept and the concept began to take shape (Carroll and Shabana, 2010). Falck (2007:6) posited that the initial formalization of the term CSR was put forward by Bowan in 1953. According to Falck (2007) Bowan stated that CSR is the "*obligation of businessmen to pursue those politics, to make those decisions, or follow those lines of action which are desirable in terms of the objectives to society*". Frederick (2006) supported by Carroll and Shabana (2010) argued that the three core ideas behind CSR at the time of inception were:

- Ideas of managers as public trustees
- Balancing of competing claims to corporate resources
- Corporate philanthropy

The ideas as presented by Carroll and Shabana (2010), which were developed at the inception of the CSR concept, prompted a thought process to acknowledge the link between business interests and responsibility to good works for the society. It was during the 1960's that the real popularity of CSR grew especially in the United States of America, which was a time of high unrest where key issues were raised and forced to be addressed. Ultimately, this period saw the shaping of the basis of the CSR concept (Carroll and Shabana, 2010). Carroll and Shabana (2010) points out that the 1960's was an era marked by civil rights and the civil rights movements in the United States of America, and it is believed that the civil rights groups generated a lot of momentum in addressing CSR issues. A fundamental difference during this era as shown by Carroll and Shabana (2010:3) citing Levitt (1958) was the shift in responsibility from business managers to the Government in terms of social concerns and that business had to take care of the "material aspects of welfare". Friedman (1962) supported this notion by arguing that the sole responsibility of management was to maximise the profits of the shareholders and executives. However, Friedman (1962) believed that businesses were incapable of handling social activities and argued that that managers were business minded and as such could not possess the necessary skills to make social decisions. McGuire (1963) and Walton (1967) examined the responsibility of CSR programmes, and McGuire (1963) and Walton (1967) posits that responsibility of the programme is on the sole proprietor of the business. During the conceptual development of CSR, objections to the CSR concept, especially in terms of who was responsible to execute and apply the concept were raised. Davies (1973) posited that the application of the CSR concept would dilute the primary essence of business, which was to make profit, and in essence enable businesses with additional power in social power, over and above business power, which business already acclaimed and in so doing business will make business less competitive on a global front.

The objections lead to more conscious thought being developed regarding the concept of CSR. Carroll and Shabana (2010) point out from the initial objections, researchers such as Davies (1973) and Frederick (1978) established two important concepts about CSR. Firstly, that business should make decisions beyond the firms' direct economic business interest and secondly that business resources should also be used to achieve society's broad social goals. These concepts shaped the notions of thought around CSR and as the concept of CSR developed, it became evident that the responsibility was shifting from Government to businesses and that Government should be the facilitators. Falck (2007) citing Davies (1967)

argued that the responsibility of CSR initiatives should not be that of the businessman but rather on institutions and enterprises. These institutions would in turn encourage mangers and stakeholders either directly or indirectly to bear the costs and take responsibility due to the role and positions managers and stakeholders occupy. These early notions around CSR development were highlighting the importance for business in its long-term strategy, to think about the importance and repercussions of their current actions on the impact of future business activity. Emphasis on business long-term strategy was placed, as it was believed that businesses have the necessary resources and abundance of management talent, expertise and capital and that businesses should tap into this talent pool to bring about change (Davies, 1973).

As the CSR concept has developed, the value of CSR is seen as a process to adopt programs to ultimately address society's needs. Falck (2007) citing Margolis & Walsh (2001) regard CSR as an efficient management strategy that rewards enterprises through social activities and involvement.

2.5 Evolution of CSR as a concept

The early constructs and definitions of CSR focused on the "businessman" and "his" maximum profitization in order to safeguard self or stakeholder expectations (Carroll, 1999 citing Bowen 1953). The definition has however through the years developed into a complex and multi-faceted concept, being a very integral component to the directives, efforts and decisions of business choices today (Carroll and Shabana, 2010). The following review presents the historical development of CSR:

2.5.1 1950's -1960's

During the 1950-1960 the early stages of conscious thought around CSR and the definitions of CSR were conceptualised (Carroll, 1999). The 1950-1960 period was depicted as the modern era by Carroll (1999). According to Carroll (1999), Bowan (1953), Friedman (1962) and Levitt (1958) are considered the forefathers of the early conscious thought and definitions. Carroll (199) citing Bowen (1953) explains CSR in the early 1950's as the obligations of businessmen to follow actions that are desirable to society's obligations and values. According to Carroll (1999), the early definitions of CSR specifically addressed the "businessman" as they were deemed the rightful owners of business and "businesswomen" were not recognised or their work acknowledged. Furthermore, Carroll (1999) posits that Bowan (1953), Friedman (1962) and Levitt (1958) argue that businessmen are the sole

proprietors of responsibility for the drive behind CSR initiatives and that the businessmen should be held accountable for the decision and actions of their corporations (Carroll and Shabana, 2010). Furthermore, the 1950's era was centred around the questions imposed by early writers such as Frederick (1953) and Bowen (1953) of the broader responsibilities of management in terms of the wider complex world by trying to create the link between the corporate resource to corporate philanthropy to business support of good cause (Frederick, 2006).

2.5.2 1960's – 1970's

Carroll and Shabana (2010) describe the period between 1960 and 1970 as the era for awareness. The era is associated with high unrest in the United States of America and as such, this era was driven by socialist movements. Carroll (1999) citing Davis (1960) argue that the definition of CSR during this period involved the decisions and actions taken by businessmen for reasons that are partially beyond the firms direct economic and technical interest. During this period, the definitions and structures of CSR began to take shape and the fundamental contribution was the shift of responsibility from the businessman to the Government (Falck, 2007). This era focused predominantly on defining social responsibility and establishing the link with regard to the relationship between the businessman and society. Carroll (1999) argues that McGuire (1963) expanded the definition previously reported by stating that the in the pursuit of social responsibility, firms should extend their responsibility beyond the economical and legal responsibilities. This meant that businesses should take interest in the politics, welfare of the community, education, in the happiness of its employees, and the social world at large. This period established the construct to relate business power to social responsibility (Carroll and Shabana, 2010). Moreover, to enable top managers to realise the responsibility and relationship between the corporation and society and to realise that such relationships need to be considered in pursuit of organisational interest and goals (Carroll, 1999 citing Walton, 1967).

2.5.3 1970's – 1980's

The results of the notions depicted in the late 1960's positioned and changed the focus of CSR from being a responsibility to responsiveness and performance. Falck (2007) and Carroll and Shabana (2010) argued that during the 1970-1980 period, firms were no longer arguing about the ethics or the different degrees of social responsibility but responding to social expectation of businesses to "do good and just. Cochran (2007) citing Wartick and

Cochran (1985) pointed out that the concept of firms having ethical obligations that must respond to social pressures was conceived during this period. There was a fundamental change in thought seeing a shift in responsibility from being the Government to businesses and institutions in order to carry out social programs that aid profit. However, Carroll (1999) argued that the future existence of businesses rests upon business' immediate response to society's expectations. Carroll (1999) citing Johnson (1971) posits that social responsibility involves the pursuit of socio-economic goals through societal norms that are prescribed by business. This enables businesses to carry put social programs to add value to community while adding profit to their business by adding and contributing to the quality of life of citizens. Falck (2007) citing Seiner (1971) argue that the focus to quality of life, business helps society achieve its basic goals while business remains an economic institution.

2.5.4 1980's – 1990's

This era was concerned with and produced fewer definitions of CSR and focused more on the empirical research and alternatives themes in the development of policies and theories that contributed to shaping stakeholder and business ethics (Carroll, 1999). Carroll (1999) argue that during this era it is more important and pertinent for business to conducts itself in a manner that is economically profitable, law abiding, ethically and socially supportive. Carroll and Shabana (2010) citing Murphy (1978), postulate that the ear between 1980 to 1990 was a period to which social consciousness and overall business responsibility and involvement in community affairs, racial discrimination, pollution and business donations was the focus. Carroll and Shabana (2010) described this era as the era that defined Corporate Financial Performance (CFP) and linking CSR to CFP with the introduction of social audits. Falck (2007) suggest that this era made firms aware of firms' core competencies. Efforts with regard to CSR initiatives and programmes should be central to competencies. Furthermore, Falck (2007) argues that the primary focus of firms should not be areas that firms have very little knowledge or expertise on.

2.5.5 1990's – 2000's

Quest for CSR accelerated during this period in terms of global outreach. The emergence of business ethics was prevalent in this period and a new term "sustainability" became the core focus area and issue of concern (Carroll and Shabana, 2010). Sustainability according to Bhagwat (2011), refers to the organisational activities which are generally considered voluntary, which illustrate the inclusion social and environmental concerns and impacts in which the business operates with stakeholders. Carroll (1999) posited that during this era the

fundamentals of the development and growth of the CSP concept was principle, process and policies. Corporate Social Performance placed greater concern from traditional CSR strategy to placing a particular emphasis on all that a firm is achieving in terms of social responsibility policies, practice and results.

The principles that formed were around: economical, legal, ethical and discretionary/philanthropy. This era placed broader emphasis between the link of the concept of CSR and CSP and not a stand-alone model and concept (Carroll, 1999).

The concept of CSR can be traced through history and the evolution of the concept and application has shaped it. In the late 2000's the new term applied was sustainability and as such the true value of CSR could to be measured (Carroll and Shabana, 2010).

2.6 Value of CSR

As the concept of CSR evolved, principles have evolved from business oriented and being profit driven to understanding the broader impact business has on society and the influence of profitability and conscious thought regarding business direction (Carroll, 1999). The 1990's saw the development of CSR being linked with performance. The principles derived were key to the application and value of CSR in addressing the initiatives and motivations for the company benefits as a result of the programmes and whether the programmes were parallel with the benefits society attained in the companies' fulfilment of those obligations (Carroll, 1999). The principles were a representation of the value of CSR within the operating domain of the company. Carroll (2001) argues that although the early constructs of CSR mainly focused on profitization for stakeholders, newer governmental bodies later established polices that recognise that the environment, employees, and consumers are considered a legitimate stakeholder of the business. The obligations were defined within the realms of economical, legal, ethical, and philanthropic (Carroll and Shabana, 2010). Furthermore, Carroll (2001) also highlights that CSR encompasses values of economic responsibility, legal responsibility, ethical responsibility and philanthropic responsibility.

2.6.1 Ethical and Philanthropic Responsibility

Carroll and Shabana (2010) posited that beyond the company's drive for profit, which represent the philanthropy of the business, the business in its operation, by being pragmatic and consciously thinking should employ means of safeguarding their conduct in business. This conscious thought and safeguarding mechanism should address society's need and

thereby evoke the ethical obligation from business to society (Carroll and Shabana, 2010). Carroll (2001) posits that business practices should embody norms by the business entity that are expected or prohibited by societal members even though they are not coded in law. Ethical responsibility embodies the standards and norms that reflect a concern for what the employee, stakeholder or community regard as being fair and morally right. Carroll (2001) postulates that philanthropic responsibility embodies practices that are in society's expectation of business to be good corporate citizens by engaging in acts or programs that promote human welfare or goodwill. In addition, society has and will in the long-term benefit from such conduct (Carroll and Shabana, 2010).

2.6.2 Economical and Legal responsibility

The economic value of CSR as explained by Carroll and Shabana (2010) is that business should sell at a profit the goods and services that society requires and needs. Furthermore, Carrol and Shabana (2010) citing Drucker (1945, 2006), Carroll and Shabana (2010) argued that businesses need to fulfil society's needs and derive profit to the business, and through the process of profit derivation, economic value to society can be measured. Carroll (2001) argue that business' core function should remain profit derivation by the creation of goods and services that consumers need and want. The effectiveness of business in profit maximization, provides a risk premium for business not to be liquidated and insures future supply of capital (Carroll and Shabana, 2010). Carroll and Shabana (2010:22) posed the following question; "*to what extent should business pursue profit?"* and explained that the legal obligations put on business are those regulations and laws of the society in which the business operates and the adherence to those laws and regulations. Carroll (2001) argues that businesses not only has the duty to maximise profit but should also strive to ensure that is compliance with the laws in generating profit. These laws and regulations represent the legal responsibility of businesses to society.

The principles of CSR provide justification for the value of CSR not only on business but also on society. The principles provide the link that needs to exist between businesses and society to cease the benefit derived from opportunity. Carroll (2001) posits that firms who strive for wholistic CSR implementation, should strive to make profit, obey the law =, be ethical and be good corporate citizens.

2.7 CSR in Construction

Jones, Comfort and Hillier (2006) citing the European Commission (2002) argued that CSR gained worldwide recognition because of the important need for business to respond to the overall changes to the business environment. Changes in the business environment include areas such as globalisation, image, and reputation of the business and the use of skilled personnel in the workforce. Murray and Dainty (2013) argue that Governments in many countries address social responsibility and embed sustainable development and principles in the construction industry. The growth in recognition of the CSR concept has shaped the strategies business undertakes in the fulfilment of business and the realization of profit (Jones, et al., 2006). The business strategies undertaken are required to be varied based on the domains in which the business operates, which should in its rollout address both the business' internal and external requirements (Jones, et al., 2006). Murray and Dainty (2013) citing Randles and Price (2009) posit that the route to construction competitive advantage is achieved through the implementation of Corporate Social Responsibility programs by firms.

The impact through the application of CSR in the construction industry was documented by Jones, et al. (2006) is as follows:

Jones, et al. (2006) identifies and categorises the construction industry according to the definitions of the South African Department of Trade and Industry as inclusive of sectors such as public housing, private housing, infrastructure, other public non-housing, private industrial and private commercial. Measuring the construction output to the number of listed companies within the sectors, it was established that the key areas of focus that business needs to develop CSR strategies around and address were; environment, Health & Safety, Human Resources, Supply Chain Management, Customers and Communities, Governance and Ethics.

2.7.1 Environment

Environmental concepts referred to issues related to water and energy use, climate change, environmental impact, waste management, recycling, transport, land use and planning, remediation, biodiversity and sustainability (Jones, et al., 2006). An understanding of the impact of the above-mentioned issues allowed focus to be deployed on the construction companies and the impact to the environment (Jones, et al 2006). Furthermore, Jones, et al. (2006) explains that the directives to address this issue resulted in 68% of homes being built on brownfields and more than 65% of waste recycled under the broad plan "Site Specific

Environment Action Plan". The "Site Specific Environmental Action Plan" identified ecological and environmental issues. This allowed company staff and business to receive extensive training prior to work commencing. This in turn allowed companies to develop specific capabilities through the adherence of certain standards like ISO 14001.

2.7.2 Health & Safety

Health & Safety was a major issue for most of the construction companies in the UK. The issues identified according to Jones, et al. (2006) were; accident prevention, Health & Safety management, employee and contractor training, designing for safety, site inspection and audits. Montero, et al. (2009) posits that the search for a good Health and Safety environment, together with the culture of risk prevention are 2 of the firm's main social responsibilities and as such an integral part of CSR especially in the construction sector. Murray and Dainty (2013) cite Lingard (2013) and express that the responsibility of providing a safe, healthy and hazard free working environment is the responsibility of the employer. Murray and Dainty (2013) further establish that the knowledge and realisation of this notion has helped in the drafting of policy and legislation to protect the workers' Health and Safety in work environments.

Rameezdeen (2007) citing Moirs (2001) identify CSR as the ethical behavioural responsibility of a company toward its stakeholders inclusive of its workers, while Montero, Araque and Rey (2009) argue that CSR involves the voluntary integration of social and environmental concerns into the decision-making of firms. Rameezdeen (2007) posits that CSR discussions and initiatives inclusive of implementation of policy documents should result in the well-being and comfort of the workplace. Jones et at (2005) argues that the critical difference in Health & Safety approach, was from being reactive to proactive, where Health & Safety was to be thought about in design phase planning and before work commenced. Extensive Health & Safety training was to be provided to workers, contractors and sub-contractors and safety rewards were to be provided as incentives for compliance. In addition, Jones et al. (2005) express that these proactive measures amongst other CSR initiatives resulted in great reductions in accidents reported and frequency of accidents and injury. The result in efforts directed generally improved the complexion of the Health & Safety amongst construction companies in the UK.

Rameezdeen (2007) argues that the role of CSR initiatives should address social and environmental issues, thereby creating legal requirements and compliances. The creation of

these compliances should result in close working partnerships between Governments and private companies which should result in the drafting of policy documents. Rameezdeen (2007) further argues that the ethical behavioural responsibility should be a continued effort and commitment of business which will uplift and improve the quality of life of workforce and their families, thereby leading to economic development.

2.7.3 Human Resource

Human Resource as a field did not receive much focus and little has been documented on the CSR initiatives addressing this issue (Jones et al., 2006). The lack of documented knowledge of this knowledge area resulted in the poor management of staff which made companies operate inefficiently. Furthermore, the inefficient operation of companies resulted in the loss of competitive advantage of companies (Jones et al., 2006).

Murray and Dainty (2013) citing Loosemore, Higgon and Aroney (2013) posit that the most important resource for companies to manage is the human resource element. Jones, et al. (2006) citing Bovis Home Group (1965) stressed the importance for companies to view their employees as the most valuable and prized assets the company possesses. It is argued that the employee's skill, knowledge and expertise contribute to the success of the company. The notion is supported by Murray and Dainty (2013) citing Loosemore et al. (2013) who posits that the effectiveness of Human Resource is the companies' knowledge of its core values. The core values are the knowledge of habits, skills, relationships, routines and ways of workings which define the HR strategies essential for business advantage.

As a result, policies and ethical conduct have been drafted to generally improve the state of the employees. This has been achieved largely by improved treatment in providing training and improved skills transfer in the workplace. Programs which provide vocational training and in-house training ensures that the training received can be linked to transfer of skill and competence which would lead to the company acquiring competence and as such gain industry advantage (Jones et al., 2006).

2.7.4 Supply Chain Management

Supply chain management relates to companies' ability to plan and make decisions that will highlight the best practise with regard to materials coordination (Jones et al., 2006). Jones, et al. (2006) citing Crest Nicholson (2004) stated that the purpose of supply-chain management was to develop long-term partnerships with contractors and suppliers. Moreover, the purpose

was to consider resource impacts, contractor and supplier partnerships, assessment and waste management as core issues.

By addressing a particular concern area, it was found that there can be overlapping effects on benefit derived that not only benefits the business but society at large. Andersen and Skjoett-Larsen (2009) citing Groeff, 1994, Sobczak, 2006 and Nielsen et al., 1997) posit that the importance of supply-chain management in relation to CSR initiatives is a result of the large global trade link conducted through systems of governance. These governance systems link firms together in various supply and contracting arrangements. Furthermore, these arrangements allow for companies involved in a business dealing to collaboratively take responsibility for social and economic upliftment in areas of business operation under the formations of these contractual arrangements. These arrangements according to Andersen and Skjoett (2009) result in the CSR initiatives and drafting of policies and global construction practices like the recent awareness and adherence to environmental practices. Jones et al. (2006) argue that focusing on supply-chain transport as a focus area could reduce the internal transport cost and internal paperwork as well as congestion, traffic, noise and pollution.

These efforts resulted in major increases in efficiencies and effectiveness in the construction industry (Jones, et al., 2006). Andersen and Skjoett (2009) argue that these practices in CSR initiatives around supply-chain management are important in giving rise to the company image and reputation which are variables important in brand protection.

2.7.5 Customers and Communities

Murray and Dainty (2013) citing Moodley and Preece (2013) argue that construction industry is linked to communities in which they work. Murray and Dainty (2013) express that the construction industry is linked with the communities through the planning process, labour, resource, production process and ultimately finished product.

For many construction companies in the UK, the key objective is customers' perception that is derived from satisfaction (Jones et al., 2006). Client satisfaction is linked to "quality" that is derived from "value for money" (Jones, et al., 2006:10). Murray and Dainty (2013) argue that stakeholders need to be concerned and embark on projects that have a clear benefit for society and will lead to the society's wellbeing. The focus for the UK construction companies centres on delivery of quality products and ensuring the safeguarding of privacy and requests that respond to individual needs. This delivery process subliminally communicates the

responsibility companies have on communities. The responsibility is undertaken through the involvement of the local community and planning authorities (Jones et al., 2006).

Murray and Dainty (2009) posits that in the UK, sustainable outcomes are often addressed with public sector contracts. By companies delivering quality products to customers with the aid of local community, it increases the competitiveness of the company in the area and reward will be achieved through further utilisation of the company for future development in the area.

2.7.6 Governance and Ethics

An area in construction according to Jones, et al. (2006), that has been extensively documented is Governance and Ethics. The notion of Governance and Ethics deals with construction companies seeking to achieve a level of governance within the sector the company operates, through identification of responsibility teams, evaluation and management of risk (Jones, et al., 2006). This identification is achieved by developing strategies that encompass the economic climate and ensures that the company operates with integrity and in a socially responsible manner. This resulted in companies drafting "Ethical Code of Conduct" (Jones, et al., 2006). Employees ensure compliance by operating and conducting themselves within communities without violating conduct to ensure that the company does away with bribery and unethical business activities. The result of this greater compliance to ethical business behaviour saw greater transparency in the industry and greater ethical conduct of businesses and employees (Jones, et al., 2006).

It can be seen from the application of strict ethical behavioural practices by businesses, that CSR initiatives have shown value in the construction industry in the UK. The application of CSR programmes shows not only the commitment of companies to the cause of societal problems and issues, but that companies are aware of the need for ethical behavioural practice and moral code of conduct. These practices will result in businesses benefitting from such CSR programmes.

2.8 Sustainable Development

Sustainable development has been the catchphrase on many programs and campaigns and have emerged as the new paradigm of development (Lèlè, 1991). Lèlè (1991) critically reviewed the term sustainable development with particular emphasis and focus on social with economic development. Through qualitative research methodology, Lèlè (1991) examined

the strengths and weaknesses of sustainable development and found that in order to effect sustainable development, there needs to be political will through policy creation and adoption in order to enable social change. The application of policy will necessitate the creation of jobs which will lead to economic development and growth. The proponents to this driver of change will be government and the private sector (Lèlè, 1991). The Oxford Dictionary (2010) defines sustainability as "*An ability to be achieved and maintained at a certain level*" or "*A conserving of the ecology by the avoidance of depleting of natural resources*". The UK Sustainable Development Commission defined sustainable development as development that meets the needs of today without compromising the needs of the future (Bhagwat, 2011 citing the World Commission on Environment and Development, 1987). While CSR involves the pursuit of socio-economic goals through norms prescribed by business (Carroll, 1999 citing Johnston, 1971). Bhagwat (2011) posit that CSR involves the operation by business in a manner that accounts for social and environmental impact created by business. Lelè (1991) argues that it can be accepted that sustainable development can be achieved by the deployment of resources at certain level without compromising the environmental, societal and economic needs of society.

Hopwood, Mellor and O'Brien (2005) explains that although the concept of sustainable development is subject to many interpretations, sustainable development encompasses the shift necessary in understanding human's place on earth. Bhagwat (2011) posits that CSR involves the operation of business in manner that accounts for social and environmental impact created by business. Bhagwat (2011) argues that in order for business to demonstrate a competitive advantage, businesses need to continuously demonstrate concerns with and the inclusion of social and environmental impact of business on society. The achievement of this, requires business to continuously revise their short – long term plan and goals, the quality of their relationship with; employees, customers, investors, suppliers, public and government officials, activists and communities (Bhagwat, 2011). Lelè (1991) postulates that companies that seek to transform and achieve this advantage requires companies to approach business practice in terms of sustainable development.

Hopwood et al. (2005) citing O' Riordan (1989) posits that the concepts around sustainable development embodies views on ecocentric and techno centric. Hopwood et al. (2005) citing O' Riordan (1989) explains that ecocentric efforts are efforts that address social and economic redistribution while techno centric efforts respond more to economic and political

objectives. Hopwood, et al., (2005) citing O' Riordan (1989) argued that sustainable development encompasses the following trends:

2.8.1 Status Quo

Status Quo as explained through Hopwood et al. (2005) recognises the need for change although the environment and society are not facing insurmountable problems. The ideas around status quo trends are believed to support theories that adjustments that can be made without huge changes to society, decision making, or power relations with views mainly supported through Government and business. The support centres businesses as the key drivers toward sustainability, with development being centred on economic growth. Hopwood et al (2005) citing The UK Department of Environment, Transport and Regions argue that sustainable development under status quo can only be achieved through continued growth. Hopwood et al. (2005) further argue that continued growth is a way of addressing social problems with business being the key drivers of this growth, leading to sustainable development. Furthermore, this sustainable development can be achieved through changing values, improving management systems and techniques and a close working relationship of business with the Government. Hopwood et al. (2005) argues that under the status quo trend, Government provides a more relaxed role, with business not using laws and regulation but more policy documents to institute change in addressing social problems.

2.8.2 Reform

The approach to reform as tackling sustainable development encompass the acceptance that mounting societal problems exists and that these problems are of critical importance to policies of most businesses and Government's obligations (Hopwood et al., 2005). Hopwood et al. (2005) explains that the reform approach does not address the root problem but believes that circumstances can change to address developmental challenges through shifts in policy and life-style within the bounds of present social and economic structures. Furthermore, the change in addressing social issues will result in the persuasion for Government to introduce major reforms to institute development. Hopwood et al. (2005) argues that the key drivers to institute reform in an effort of addressing social issues are the Government, academics and mainstream NGO's. moreover, the Governments interventions are usually to change the balance of tax to divert to social change and provide subsidies to institutions that comply or adhere to developmental targets. Technology is seen a key component to achieving reform

with the Government being the key drivers of reform in political systems (Hopwood et al., 2005).

2.9 Corporate Social Responsibility in South Africa

Arya, Bassi and Phiyega (2008), explore through a qualitative research method, the responses corporate organisations in South Africa undertake to institutional transformation related to social issues. Arya et al. (2008) argue that in South Africa, the approach to achieving governmental goals of economic inclusion is by encompassing internal aspects like business-employee relations along with external aspects like contribution to society by engaging in philanthropic, community and small business building activities. Furthermore, Arya et al. (2008) posits that organisation s that contribute to the expansive goals of economic and social development will enable codes of good business practice and add benefit to poor areas. Luiz (2011) posits that the SMME sector in South Africa is large but not yet fully integrated into the economic mainstream and it often exists on the periphery often without links to the broader economy. Migiro (n.d.) however, postulates that the small business sector in South Africa is highly diverse in terms of structure, problems, growth, potential and access to support. Furthermore, Migiro (n.d.) posits that the support of SMME's as a developmental strategy to entrepreneurship and acceleration of economic development in South Africa is key. With SMME promotion seeming a key driver and focus for economic development in South Africa, Luiz (2011) argues that the promotion of SMME's in South Africa can be a powerful stimulus for the SMME sector as it will provide for much needed real and steady source of demand. Furthermore, Luiz (2011) posits that in order for this stimulus to be reached, companies have to work closely with SMME's as this enables the SMME's to benefit through the transfer of skills. Luiz (2011) citing Tendler (1994) argues that in South Africa, some of the limitations that can hinder the co-existence and joint venture successful partnerships between companies and SMME's can be:

i. corporate sector not being interested in outsourcing

ii. none existence of links between SMME and business, with the ones that do exist are merely "cosmetic" to look politically correct

iii. subcontracting relationships which exist are monopolistic which lead to dependence

Ntuli and Allopi (2014) argue that South African built environment has embarked on some CSR programs in order to bolster the relationship between big business with SMMEs. Ntuli and Allopi (2014) postulate that SEDA (Small Enterprise Development Agency) served as a key driver to achieving this as it embarked on a contractor development program in 2006.

The main aim of the program was to develop emerging contractors through the alignment of technical and business administration skills through a contractor incubation program. The program provided support to selected participants for a 3-year period with the ultimate goal being that the participants should move at least one financial level above entry point and be able to operate in the open market unassisted. Ntuli and Allopi (2014) furthermore, argue that the main efforts of this development program, was mentorship with workshops being the main interaction with incubates. Ntuli and Allopi (2014) argue that the program proved to be a success as it helped support about 63 contractors with a 95% success rate of contractors who stayed in the program for the required duration. The contractors managed to grow in terms of meeting their challenges like finance, business administration and their CIDB grading. This resulted in contractors having the ability to take on bigger contracts.

Luiz (2011) postulates how a South African medium sized construction company also embarked on a CSR initiative as a pre-requisite from the government as most of the work the company did was through government projects. Luiz (2011) argues that the irony in the situation of the medium sized company was that the company relied on larger company support in outsourcing for its growth. The medium-sized construction company outsources certain aspects and trades of its work to smaller SMME contractors. The construction company, through mentorship and close working links with the SMME contractors, is able to create an environment that is mutually beneficial for profit-generation and much needed exposure to business admin. This in turn enables the growth of SMME contractors.

The arguments discussed here illustrate the importance the construction industry plays in the social and economic development in South Africa. The arguments also highlight the role played by government in providing a platform for enabling SMME development and growth through Corporate Social Responsibility initiatives with business. Othman and Abdellatif (2011) citing the Council for Built Environment (2007) argue that the South African government was the single largest construction client in providing between 40 and 50 percent of the entire construction expenditure. The onus and importance become that of the

Government's. the Government needs to be among the biggest drivers and supporters of SMME development within the construction industry. Othman and Abdellatif (2011) citing Bennett and Jayes (1998) postulate that partnering has substantial positive impact on project performance, not only with regard to time, cost and quality but also on general outcomes such as innovation and improved user satisfaction. The literature provided also illustrate the importance of partnerships in SMME development. This partnership allows for joint commitment from both business and SMME contractor in utilising much needed expertise and skills of business to impart knowledge and training to SMME contractor. This effort, in turn, will jointly enable business and SMME contractor to produce quality results of a common goal and produce profit in the venture quest.

2.10 Summary

The literature review presented in this Chapter presents a historical overview of the initial concepts of Corporate Social Responsibility (CSR), the developments of CSR and the external obligations for the future prospect of the company.

The literature review highlights the advantages of implementing CSR policies. The literature review also indicates and highlights the results of the utilisation and implementation of these CSR policies and programmes. Furthermore, the literature review outlines the links between CSR programmes and sustainable development and how CSR programmes can be implemented to achieve sustainable development. Through the literature review, it can be deduced how sustainability encompasses social, economic and political issues, which are necessary for development and growth. Furthermore, through the literature review, it was illustrated how this development and growth is necessary for the growth and development of communities in order to redress the social and economic challenges faced in communities.

The Research Methods conducted in the study shall be discussed in Chapter Three.

CHAPTER 3: RESEARCH METHODOLOGY

3.1 Introduction

The purpose and aim of Research Methodology is to outline and discuss the manner in which the research will be controlled and monitored, ensuring validity and reliability of the analysis and data presented (Bryman, 2006). Fellows and Liu (1997) argued that Research Methodology embodies "*the use of principles and procedures of logical thought process applied to scientific investigation"*. The methodology is an integral part of understanding the application of research methods and must be given suitable and careful consideration.

This Chapter presents the data collection methods applied in this research. The research approach, research design and the theoretical approach undertaken in this study are presented. This Chapter outlines the rationale for adopting the case study method, and the rationale underlying the chosen case studies applied in this study. Following this, the method of data collection within the boundaries of the chosen case studies is given. The data collection approaches adopted, namely, interviews and questionnaires are critically described and evaluated in terms of development and application. Finally, this Chapter presents the methods adopted for data analysis and interpretation.

3.2 Theoretical Background to Research Approach

According to Leedy and Ormrod (2005), research is defined as a systematic process involving the collection, analysing, and interpreting information (data). Furthermore, this information is gathered and complied in order to increase the understanding of a phenomenon about which the researcher is interested or concerned. Leedy and Ormrod (2005) argue that the fundamental basis of research is comprises of eight characteristics, namely;

1. Research originates with a question or problem.
2. Research requires clear articulation of a goal.
3. Research requires a specific plan for proceeding.
4. Research usually divides the principal problem into more manageable sub problems.
5. Research is guided by the specific research problem, question, or hypothesis.
6. Research accepts certain critical assumptions.
7. Research requires the collection and interpretation of data in an attempt to resolve the problem that initiated the research.
8. Research is, by its nature, cyclical or, more exactly, helical.

(Source: Leedy & Ormrod (2005:3))

According to Leedy and Ormrod (2005) there are two fundamental philosophies underpinning research approaches, namely whether the research approach is qualitative or quantitative. Creswell (2012) posits that Qualitative and Quantitative research approaches should not be viewed as rigid, distinct categories, polar opposites or dichotomies.

According Marshal (1996), quantitative research approach tests pre-determined hypotheses in order to produce generalizable results. Marshal (1996) further argues that quantitative research is useful for answering more mechanistic questions that relate to "what?". According to Armaratunga, Baldry, Sarshar and Newton (2001) citing Herna (1994), quantitative research designs allow for the assumption that human behaviour can be explained by "social facts" which can be investigated by methodologies that utilise "deductive logic of the natural sciences". Armaratunga et al. (2001) posits that quantitative research develops testable hypotheses and theories which are generalizable across settings. Furthermore, quantitative methodology is rich, has complex descriptions of specific situations (Armaratunga et al., 2001). In addition, Armaratunga et al. (2001) argue that quantitative research seeks to find out the origins, justifications and progress of knowledge through observation.

In terms of data collection methods, quantitative research allows for the determination of truth-value of propositions that allow for flexibility in treatment of data, comparative analysis, and statistical analysis necessary for validity verification (Armaratunga et al., 2001). Furthermore, Armaratunga et al. (2001) highlights the strength of quantitative methodology to be:

- comparison and replication are allowable;
- independence of the observer from the subject being observed;
- subject under analysis is measured through objective methods rather than being inferred subjectively through sensation, reflection or intuition;
- reliability and validity may be determined more objectively than qualitative techniques;
- strong in measuring descriptive aspects of BE;
- emphasises the need to formulate hypothesis for subsequent verification;

- helps to search for causal explanations and fundamental laws, and generally reduces the whole to the simplest possible elements in order to facilitate analysis.

(Source: Armaratunga et al., (2001:1) citing Easterby-Smith (1991))

According to Marshal (1996), qualitative research aims to provide illumination and understanding of complex psychological issues. Marshal (1996) further argues that that qualitative research is more useful to the researcher when answering more humanistic issues around "why?" and "how?" questions. According to Armaratunga et al. (2001), qualitative research is conducted through an intense or prolonged contact with a field or life situation. Furthermore, Armaratunga et al. (2001) citing Miles and Huberman (1994) argue that the situations which define qualitative research are typically normal, reflective of everyday life of individuals, groups, societies and organisations.

In terms of data collection methods, Armaratunga et al. (2001) posits that an important feature of qualitative research is that the research focuses on naturally occurring, ordinary events in natural settings, so that there is a view of what "real life" is like. Furthermore, Armaratunga et al. (2001) argue that qualitative data collection methods are rich, whole with strong potential for revealing complexity. The data provides for "rich descriptions" that are vivid, nested and have truth (Leedy & Ormrod, 2005). Malete (2014:40) citing Johnston (2006) defines the difference between Qualitative and Quantitative research as presented in Table 3.1:

Table 3.1: Qualitative versus Quantitative Research

CRITERIA	QUALITATIVE	QUANTITATIVE
Purpose	To understand & interpret interactions	To test hypothesis, look at cause & effect, & make predictions
Group Studied	Smaller & not randomly selected	Larger & randomly selected
Variables	Study the whole, not variables	Specific variables studied
Types of Data Collected	Words, images, or objects	Numbers & statistics
Form of Data Collected	Open-ended responses, interviews, participant	Precise measurements using structured & validated data

	observations, field notes & reflections	collection instruments
Type of Data Analysis	Identify patterns, features & themes	Identify statistical relationships
Objectivity & Subjectivity	Subjectivity is expected	Objectivity is critical
Role of Researcher	Researcher & their biases may be known to the researcher	Researcher & their biases are not known to participants in the study
Results	Particular or specialized findings that is less generalizable	Generalizable findings that can be applied to other populations
Scientific Method	Exploratory or bottom-up: the researcher generates a new hypothesis and theory form the data collected	Confirmatory or top-down: the researcher tests the hypothesis and theory with data
View of Human Behaviour	Dynamic, situational, social & personal	Regular & predictable
Most Common Research Objectives	Explore, discover, & construct	Describe; explain & predict
Focus	Wide angle lens, examines the breadth & depth of phenomena	Narrow-angle lens, tests a specific hypothesis
Nature of Observation	Study behaviour in a natural environment	Study behaviour under controlled conditions, isolate causal effects
Nature of Reality	Multiple realities, subjective	Single reality, objective
Final Report	Narrative report with contextual description & direct quotations from research participants	Statistical report with correlations, comparisons of mean, & statistical significance of findings

(Source: Malete (2014:40) citing Johnston (2006))

3.3 Research Approach Adopted in this Study

In order to justify a research approach in this study the reliability and validity of the research was considered. Research reliability according to Phelan and Wren (2006:1), is *"the degree to which an assessment tool produces stable and consistent results*" and validity as referring to "*how well a test measures what it is intended to report*". Phelan and Wren (2006) postulate that reliability is not a stand-alone but rather a test that needs to be both reliable and valid. The researcher gathered the information required from the participants directly or peripherally involved in the construction of the University in Kimberley. The participants are integral and key role players in the development process from a construction point of view. Data obtained from the questionnaire and interview was analysed and compared with the theoretical data review. Research Validity according to Burke Johnson (1997) is embodied by 3 main definitions, namely; descriptive validity, interpretive validity and theoretical validity.

Descriptive validity is the factual accuracy of the accounts as will be presented by the researcher (Burke Johnson, 1997). This form of validity involves descriptions of events, objects, behaviours, people, settings, times and places (Burke Johnson, 1997). Furthermore, Burke Johnson (1997) argues that the test for descriptive validity requires the researcher to use investigator triangulation. Investigator triangulation involves the use of multiple observers to record and describe the research participants' behaviour and context in which the participants are located. The process as explained by Burke Johnson (1997) allows for cross-checking which enables the investigator to agree about what took place.

Interpretative validity refers to the degree of accuracy in presenting and reporting the viewpoints, thoughts, intentions and experiences of the participants by the researcher (Burke Johnson, 1997). In addition, Burke Johnson (1997) posits that interpretative validity requires the researcher to understand the viewpoints and perspective of the participants. This form of validity test involves member checking. Member checking allows for clarity of miscommunication within groups when opinions and thoughts are shared to be eliminated (Burke Johnson, 1997).

Theoretical validity refers to the discussions of how phenomenon operates and why it operates the way it does (Burke Johnson, 1997). Theoretical validity test involves an extended fieldwork strategy which requires the researcher to spend a sufficient amount of time studying the research participants and their setting. This enables the researcher to have

confidence that the relationship patterns being operated in are stable so as to develop an understanding of why these relationships occur (Burke Johnson, 1997).

Over and above the research question posed, the methodology applied was to be appropriate in testing the hypothesis by allowing the adaptation of flexibility in the interaction between the researcher and participant in a more formal interactive setting. The hypothesis of this study posed in Chapter One was:

- Generic hypothesis: The implementation of CSR programmes will aid to the development of a selected few SMME's but will not promote sustainable development in the long term.

3.3.1 Qualitative Approach

Armaratunga et al. (2001) describes qualitative research to be research that is conducted through an intense or prolonged contact with a field or life situation. Sanders (1997) argue that qualitative research is research that seeks to understand phenomena in context-specific settings by utilising a naturalistic approach. Sanders (1997) further argues that qualitative research is research that is not dependant of statistical procedures or other means of quantification in order to produce its findings. Sanders (1997) citing Strauss and Corbin (1990) posited that qualitative researchers seek illumination, understanding and exploration to similar situations. Armaratunga et al. (2001) postulates that qualitative research approach is the best strategy to use when the researcher seeks to discover, explore a new area and develop hypotheses. Furthermore, Armaratunga et al. (2001) highlights that qualitative research is useful when the researcher seeks to supplement, validate, explain, illuminate or reinterpret quantitative data gathered from the same setting. Sanders (1997) citing Strauss and Corbin (1990) posited that the basis for the choice of qualitative research methodology approach should be utilised when the researcher wants to better understand any phenomena about which fairly little is known, to gain new perspective of known area, or to gain more in-depth information that may be difficult to convey quantitatively. Sanders (1997) highlight the features of qualitative research to be:

1. Qualitative research uses the natural setting as the source of data. The researcher attempts to observe, describe and interpret settings as they are, maintaining what Patton calls an "empathic neutrality"

2. The researcher acts as the "human instrument" of data collection.
3. Qualitative researchers predominantly use inductive data analysis.
4. Qualitative research reports are descriptive, incorporating expressive language and the "presence of voice in the text" (Eisner, 1991, p. 36).
5. Qualitative research has an interpretive character, aimed at discovering the meaning events have for the individuals who experience them, and the interpretations of those meanings by the researcher.
6. Qualitative researchers pay attention to the idiosyncratic as well as the pervasive, seeking the uniqueness of each case.
7. Qualitative research has an emergent (as opposed to predetermined) design, and researchers focus on this emerging process as well as the outcomes or product of the research.
8. Qualitative research is judged using special criteria for trustworthiness (these will be discussed in some detail in a later section).
(Source: (Sanders (1997:1) citing Patton (1990:55) and Eisner (1991:36))

Sanders (1997) highlight qualitative research design methods and strategies for data collection to be:

1. Determine a focus for the inquiry. This should establish a boundary for the study and provide inclusion/exclusion criteria for new information. Boundaries, however, can be altered, and typically are.
2. Determine the fit of the research paradigm to the research focus. The researcher must compare the characteristics of the qualitative paradigm with the goals of the research.
3. Determine where and from whom data will be collected.
4. Determine what the successive phases of the inquiry will be. Phase one, for example, might feature open-ended data collection, while successive phases will be more focused.
5. Determine what additional instrumentation may be used, beyond the researcher as the human instrument.
6. Plan data collection and recording modes. This must include how detailed and specific research questions will be, and how faithfully data will be reproduced.

7. Plan which data analysis procedures will be used.

8. Plan the logistics of data collection, including scheduling and budgeting.

9. Plan the techniques that will be used to determine trustworthiness.

(Source: Sanders (1997:1)

3.3.2 Rational for Choice of research approach applied in this study

Having highlighted Qualitative Research Design in 3.3.1 above, this research study is of a descriptive nature and the study will adopt a Qualitative approach. The qualitative research method was chosen due to the flexibility it provides in the interaction between participant and researcher. Qualitative research as depicted in Table 3.1 above, enables for a more formal setting where open ended questions can be posed to the participant, where the participant is at liberty and free to answer and elaborate a lot more openly and in detail.

As depicted in the Table 3.1, the study aims to explore the implementation of Corporate Social Responsibility (CSR) programmes with regard to the sustainable development of local SMME contractors. Empirical data was obtained through the process of interviewing participants as well as administration of questionnaires. The data captured was obtained from the personnel involved in the construction development process in phase one of the construction of the University in Kimberley. The data was obtained from the Project Management Team (PMT), the Community Liaison Officer (CLO), the Local Employment Division (LED), the SMME contractors, the main contractors, Business Chamber and Youth Chamber. The researcher obtained data using both the interview and questionnaire method structured in both open ended and close ended questions.

The questionnaire is designed so as to ascertain the context as it “exists on the ground” meaning it shall pertain to issues with regard to actual completion of the works and was distributed to the main contractors as they are the facilitators of works completion, the SMME contractors, they are the suppliers of material, and man power to works completion. The CLO is the source of local content in terms of sourcing then drafting a database of local labour and supply of local construction materials and constructions related services, and then monthly manage any issues between the local labourers and local contractors with the main contractors on site to be used in the project.

The Interview is designed to determine the integral issues pertaining to integration of local contractors and suppliers, supply of material, demand of goods and services and use of local suppliers and contractors with regard to expenditure of main contractors to the local

community and whether the program shall aid to sustainable SMME development. The interview was conducted with the PMT as the PMT is the facilitators of the entire project, the LED is the link between the integration of local emerging SMME contractors to the larger more established corporations in the province and serving as the link between the community and the PMT, the Business Chamber and Youth Chamber as they supply the workforce for works completion.

In compliance with the Ethics standards, it is customary that the respondents both to the questionnaire and interview give their consent to participate in the study. This was obtained informally through telephonic calls and scheduled meetings where appropriate dates and times were established. The most appropriate model for the administration of the questionnaire was evaluated, the options are for the administration of the questionnaire was electronic and hand delivered questionnaire. The respondents were given a time frame of two weeks to go through, answer and return the questionnaire. Closer to the return deadline, a courtesy call was made to the respondents to remind them of the forthcoming deadline. In Certain instances, the two-week time frame lapsed with respondents not having returned their questionnaires. They were contacted and alluded to requiring more time to complete the questionnaire, to which an additional week was granted. The respondents that did not respond within this extension period, “sent and not responded” were recorded in the data capture and analysis.

The interviews were conducted in accordance and consent with the parties involved. The parties were briefed of the primary reason for the interview and how the data captured shall be utilised. Willing interviewees gave consent to the interview being conducted. The researcher then designed questions for the interview that elicited the most appropriate and relevant information pertaining to the subject matter. The information from the interview was recorded using both a voice recorder and scribing notes. The researcher asked for permission to record the interview from the interviewee and once consent had been granted, the interview commenced. The recorded interview was listened to at a later stage and notes that were taken, were sent back to the interviewee for validation and consent in order to verify that they had not been miss-quoted or referenced out of context. Once this process had taken place, the findings were then analysed and conclusions drawn.

The researcher, in the effort of collecting data from the respondents disclosed that all information gathered shall remain anonymous with no disclosure of names or organisations. It was explained to the respondents that the information gathered will be used exclusively for the purposes of fulfilling a research study and that no information shall be forwarded to any third party and confidentiality will be guaranteed. This shall ensure that the information gathered is relevant, genuine and reliable, this will aid to the best contributions to the study. Similarly, the researcher shall not use any bias or prejudice in conducting the study.

Table 3.2 further validates the selection criteria for the research method utilised in the study.

Table 3.2: Selection criteria for research method

Methodology	Viability of the method in this study	Perceived suitability of the returned data	Extent of control over the method
Case studies	high	high	high
Historical data	high	low	low
observations	high	high	high
interviews	high	high	high
questionnaires	high	high and low	high and low
experiments	low	low	low

The research method utilised in the study as described previously, is qualitative in nature. Data is to be collected through interviews and questionnaires. As depicted in Table 3.2, both interviews and questionnaires methodologies, have a high validity, relatively high suitability of returned data and a relatively high extent of control over method.

3.4 Data collection – The approach and structure

Sanders (1997) posited that prior to the researcher conducting data collection, the researcher should ensure that a stance is developed as suggested by the characteristics of the naturalist paradigm, a skillset is developed which is appropriate for human instrument and a design is utilised which utilises accepted strategies for inquiry. Sanders (1997) citing Strauss and Corbin (1990) argued that the researcher should implore "theoretical sensitivity" when conducting the research. Theoretical sensitivity represents the personal quality of the

researcher. Furthermore, theoretical sensitivity is necessary when analysing data (Sanders, 1997). Armaratunga et al. (2001) argued that an important aspect for the researcher to consider, was to provide the respondents with the goals of the research as the researcher is gaining access to the lives, minds and emotions of the participants.

Sanders (1997) argued that humans tend to be a more reliant source of data collection in qualitative research. Sanders (1997) citing Lincoln and Guba (1985) posited that humans are a more favourable choice as humans are more responsive, able to interact with the situation, have an ability to collect information of multiple levels, holistic perception of situations, data procession as soon as its available, provide immediate feedback, ask to verify data and can explore unexpected responses. Furthermore, humans can be engaged by means of interviews, observations and questionnaires.

The methodological process applied to undertake this study is categorized into 2 distinct phases discussed under surveys.

3.5 Surveys

The survey research employed in this study included interviews and questionnaires.

3.5.1 Interviews

Myers and Newman (2006) posit that an interview is an artificial situation where the researcher talks to someone. The researcher will ask the interviewee questions which the interviewee answers often under time constraints. Armaratunga et al. (2001) argues that interviews are the primary source of data collection method in qualitative research. Myers and Newman (2006) argue that an interview is an excellent means of gathering data. Armaratunga et al. (2001) citing Kvale (1996) posited that an interview is a primary source of collecting data by means of gathering descriptions of the real world of the interviewee by means of interpreting the meaning of phenomena. Armaratunga et al (2001) citing King (1994) argues that interviews are flexible, can be used anywhere and are capable of producing data of great depth. Furthermore, interviews seek to see the research topic from the interviewee's perspective and to understand how and why the interviewee came to that particular perspective. (Armaratunga et al., 2001). Sanders (1997) argued that interviews fall within three distinct categories, namely; informal, semi-structured and open-ended interviews.

Myers and Newman (2006) indicate the interview as comprising of:

- Structured interview: Interview that has a complete script prepared beforehand and has no room for improvisation. This type of interview style is used in surveys and the interview is not necessarily conducted by the researcher

- Unstructured or semi structured interview: Interview that has an incomplete script with part of the interview script prepared beforehand and a need for improvisation necessary. The researcher is the interviewer or forms part of the interview team

- Group interview: interview that can be structured or unstructured where two or more people are interviewed at once by one or more interviewers.

The interviews in this research was the primary data collection mode. The study adopted a structured interview approach and targeted the CLO, Business and Youth Chamber, main contractors as well as the LED office. The choice for an interview approach as depicted in Table 3.2, is that interviews have a high validity, high suitability of returned data and a high extent of control over method. The questions were open-ended allowing for the participant to give more than a "yes" or "no" answer, which enabled a more descriptive and detailed response.

According to DHET (2012), The Project Management Team (PMT) is chosen to plan, guide and facilitate the construction program. The Community Liaison Officer's role is to source then draft a database of local content in terms labour and supply of construction materials and constructions related services, and then monthly manage any issues between the local labourers and local contractors with the main contractors on site. The LED is the link between the integration of local emerging SMME contractors to the larger more established corporations in the province and serving as the link between the community and the PMT. The Business Chamber is the source and supply of local SMME contractors as the supply services for works completion, with the main contractors as the primary agent to the works and the facilitators and mangers to works completion. These are the role players in terms of facilitation of construction works completion of the Sol Plaaje University (DHET, 2012).

Sanders (1997) argued that the best method to adopt when conducting interviews is to have an interview guide or schedule. Sanders (1997) argued that the interview guide or schedule

makes use of limited interview time, allows for more systematic and comprehensive interviewing of multiple subjects and keeps interactions more focused.

3.5.2 Questionnaires

Johnson and Turner (2003) posit that questionnaire data collection method involves the researcher developing a data collection instrument by drawing up a set of questions that is filled out by the research participants. Furthermore, Johnson and Turner (2003) posit that questionnaires data collection is defined in 3 distinct categories, namely; unstructured questionnaire, structured questionnaire and mixed questionnaire.

- Unstructured questionnaire: consists of a series of open ended questions to be answered by all or a subset of the participants in a research study. The process involves participants providing answers in their own words.

- Structured questionnaire: consists of a series of closed ended questions. The participants fill out the same questionnaire and all answers provided must be answered by means of selecting an answer by the participant. Usually consists of categories in the form rating scales, rankings, semantic differentials, checklists and summated rating scales.

- Mixed questionnaire: consist of a combination of both open-ended and closed-ended questions that should be answered by the participants.

The study undertook the mixed questionnaire data collection method. The questions were based on the information from the literature review and supplemented by questions from the interview process.

Chilupunde (2010) citing Naoum (2007) posits that a sampling is a necessary tool for developing data in questionnaire data collection strategy. Furthermore, Chilupunde (2010) posit that a sampling framework is a list of respondents from which the samples are drawn. For this research, the population consists of the main contractors, the Project Management Team (PMT), the Community Liaison Officer (CLO), the Local Employment Division (LED), Business Chamber and the local SMME contractors and the main contractors working on the University project in Kimberley. Purposeful sampling was applied in this research, Marshall (1996) indicates that by conducting purposeful sampling, the researcher is looking

for a sample with a purpose in mind. The purpose is to obtain the targeted sample quickly. The sample targeted will be between 25 - 40 participants.

The questionnaire comprises of 20 questions, both open and closed ended questions. A questionnaire was drafted and distributed to 40 – 50 respondents. The questionnaire targeted the local SMME contractors. Chilupunde (2010) citing Naoum and Fellows (2007) highlight the procedures of sampling as:

- Random sampling: Sampling procedure where random selection process is utilised from a homogenous population
- Systematic Sampling: Sampling approach where systematic selection is used to certain items according to a predetermined criterion
- Stratified Sampling: Sampling approach that uses stratified population instead of homogenous population
- Cluster/Area Sampling: Sampling approach where the population is sampled into large groups of a large population spread over a large area

Random sampling was adopted in this study.

3.5.3 Constraints

Dictionary.com (2015) defines limitation or constraint to be a restrictive weakness that brings about a lack of capacity or inability. Due to the study focusing on sustainable development of SMME contractors in Kimberley, the findings will reflect the condition in Kimberley and may not necessarily be applicable to other areas and contexts.

Given the strict deliverables such as time, the availability of the participants comprising the primary data source served as a limitation as questionnaires could be answered upon respondents' free time. Language also served a constraint particularly to the secondary data source and some questionnaires had to be translated in order for the participants to fully comprehend the questions being asked. Some of the respondents from the secondary data source were reluctant to participate in the study as there was "no benefit" to them in participating in the study. Given also the time of the year the data is to be collected, the secondary data source posed as a limitation as interviews could only be conducted when the participants were available. It should also be noted that the study is undertaken upon the

inception of this development programme in Kimberley and thus the data collected might not be representative given some time allowance in the future. The selection of local SMME was meant to be as representative as possible but the participants in the programme were based on CIDB grading and the local SMME contractors targeted for comment were the ones currently participating in the programme.

3.6 The choice of Kimberley

The study explores the implementation of Corporate Social Responsibility (CSR) of construction firms to the sustainable development of local SMME contractors in Kimberley, South Africa. The construction programme is part of a 10-year developmental plan process initiated by the South African Government in an effort to address socio-economic problems in Northern Cape, Kimberley. The Sol Plaatje Municipality acts as the custodian and primary agent for this developmental plan, through the construction of a University. The project comprises of various phases and phase one embodies the delivery of three buildings, namely; residential apartments and 2 teaching facilities. The project value over the 10-year period is estimated at R 10 Billion. The South African Government has selected a Project Management Firm to plan and guide the project process from start to finish. The Project Management Firm will be facilitating and supervising three contractors that have been pre-selected through a tendering process, to timeously deliver phase one.

The Northern Cape Province is faced with certain constraints such as capacity and competence of local contractors in relation to supply and construction of works as well as constraints such as skills and availability of skills for works completion. The study explores the impact of Corporate Social Responsibility (CSR) programmes with regard to the sustainable development of local SMME contractors.

The study was undertaken in Northern Cape, Kimberley. The study explored to determine and evaluate the Corporate Social Responsibility (CSR) programme of Construction Firms with regard to the sustainable development of local SMME contractors. The study explored the Corporate Social Responsibility (CSR) in one environment, namely Kimberley due to the socio-economic condition in Kimberley.

The town of Kimberley is found in the Province of the Northern Cape, which according to Statistics SA (2015) is the largest and most sparsely populated Province in South Africa with a total population of 1 185 600 people. Kimberley is the capital city of the Province with a

total population percentage of 2.2% and the total size of 164 km/m^2. Kimberley has a number of districts and Municipalities but the custodian and primary agent of the developmental plan is the Sol Plaatje Municipality, and the stats presented shall be of that pertaining to Sol Plaatje Municipality. Table 3.6 portrays the statistical demographics of the Sol Plaatje Municipality.

Table 3.3: Statistical Representation

DESCRIPTION	POPULATION PERCENTAGE (%)
Provincial Poverty levels (NC)	63%
Poverty Head Count (NC)	56.8%
Sol Plaatje population	248 041
Working age (15-64)	66.2%
Dependency Ratio	51
Population growth rate (2001 – 2011)	2.04%
Unemployment rate	31.9%
Youth Unemployment rate	41.7%
No schooling (20+)	7.1%
Higher education (20+)	10.4%
Number of households	60 297
Formal dwellings	81.6%

(Source: Stats SA (2015))

From Table 3.3, it can be noted that Sol Plaatje Municipality (Kimberley) has a working age of 66% with an unemployment rate of 32%, meaning that almost half of the people who are of a working age are unemployed. Youth unemployment stands at up to 42%. Only 10.4% of the population has a higher education qualification resulting in a large number of the population exhibiting a lack of skill beyond an NQF level of 4. A dwindling growth rate resulted in a very slow rate of expansion and construction activity in the Province and town of Kimberley over the years, but the statistics suggest that there is a problem within the population and it is for that reason that the town became a target for the South African Government to address socio-economic problems. The Government in aid of addressing the socio-economic conditions is investing approximately R 10 billion over a 10-year period in construction (DHET, 2012). One of the key objectives of this delivery plan is for the integration of larger more established construction companies through Corporate Social Responsibility (CSR) programmes with local small emerging SMME to employ, train and develop skills of the locals through participation. Through this construction program the

Government will directly and indirectly be addressing the Socio-Economic issues in Northern Cape, Kimberley.

Through the infrastructure program implemented in Kimberley, the Government has identified key issues relating to business development and such as the transfer of skills to local community members and the development of local SMME's through participation (DHET, 2012). The integration of larger more established firms should be able to develop, train and impart knowledge and training on the local economy with much needed skills and capacity and these mechanisms shall in the long run lead to development, economic distribution and curb the high unemployment levels and reverse the socio-economic conditions in the province (DHET, 2012).

3.7 Data processing and analysis

Tellis (1997) citing Yin (1994) posited that data analysis consists of examining, categorising, tabling or recombining the evidence in order to address the initial study propositions. Sanders (1997) postulates that data analysis involves working with raw data, breaking it into manageable units, synthesising it, searching for patterns, discovering what is important and then deciding what to tell others. Every study should have a general analytic strategy in order to guide the decisions of what needs to be analysed and for what reason (Tellis, 1997). Caudle (2004) defines qualitative data analysis as gathering data from different sources such as interviews, onsite observations and documents and making sense of it by responsibly presenting what the data reveals.

3.7.1 Qualitative data analysis

Sanders (1997) citing Miles and Huberman (1994) define qualitative data analysis as consisting of 3 components namely; data reduction, data display and conclusion drawing and verification. Sanders (1997) posited that these 3 components form an inter-active cyclical process. Furthermore, Sanders (1997) proposes three additional analytical techniques to use when researcher is analysing qualitative data, namely; pattern-matching, explanation-building, time-series analysis. Tellis (1997) argued that the analytical strategy chosen will rely on the theoretical propositions that led to the case study.

Pattern-matching: Sanders (1997) describes pattern-matching as a desirable strategy to use. Sanders (1997) argued that pattern-matching compares empirically based pattern with a

predicted pattern. Tellis (1997) posited that when patterns match, the internal reliability of the study is enhanced.

Explanation building: an analysis of qualitative data by building explanations about the situation by stipulating causal links about the situation (Sanders, 1997). Tellis (1997) posited that explanation building analysis is most useful in exploratory case study research. Explanation building involves the interactive process beginning with theoretical statements, refining the statements, revising the propositions and repeating the process again (Tellis, 1997).

3.7.2 Data Analysis

Interviews: in this study, interviews are regarded as primary data. Data was collected through structured interviews. The interview consisted of both open ended and closed questions, this was to enable the researcher the ability as explained by Armaratunga et al. (2001) to see the topic through the interviewee's perspective. The study targeted the CLO, Business and Youth Chamber, main contractors as well as the LED office. The data collected was obtained by means of recording the interview by the researcher who asked and acquired the permission from the interviewees. The data was then transcribed onto written transcripts by the researcher. The data then analysed and coded for content in order to establish themes. These themes were then categorised, interpreted and presented in relation to the correlation that occurred from different respondents. The presentation of the findings in this format increases the internal validity of the findings as argued by Sanders (1997).

Questionnaire: Data was collected through mixed questionnaire survey involving both open ended and closed questions. The questionnaire comprises of 20 questions; both open and closed ended questions. A questionnaire was drafted and distributed to 40 – 50 respondents. The questionnaire targeted the local SMME contractors. Data was then summarised, coded and categorised accordingly based on the responses given. The data was then statistically analysed using ratios and percentages. The analysed data was then interpreted and relationships were established and then presented. The information interpreted from the questionnaire was cross tabled and correlated with the data interpreted from the interview in order to draw similarities to strengthen the analysis.

Information from the literature was then utilised to strengthen the interpretations drawn from the data analysed.

3.8 Ethical consideration

For the purposes of the study, the research was conducted under careful consideration and under the policies and guidelines of the University of the Witwatersrand's School of Construction Economics & Management Ethics Committee. In order to protect the participants to the study, the following have been considered:

- It was revealed to the participants that the information gathered is for academic purposes only
- Due to the researcher being involved in the project, it was expressed that this might serve as a conflict of interest
- The participants shall remain anonymous to the greatest degree save for those participants who will be interviewed and the title of position they hold shall be mentioned
- The participants shall have a right to privacy and no information shall be linked back to them

3.9 Summary

The objective of the Chapter 3 was to outline the methodology utilised in the study. The chapter started by introducing the theoretical background to the research approach, followed by the approach adopted in this study. The data collection methods and strategies were explored to highlight the data collection methods by the researcher including the ethical considerations and constraints faced by the researcher. Data analysis is discussed in Chapter Four.

CHAPTER 4: DATA ANALYSIS

This chapter presents the data collected and analysed in the study. The data will be presented in two sections. Section one presents the data collected through interviews as well as data collected from questionnaires, constituted by Section 4.2. Section 4.2 will be broken into 3 parts namely; Part A, Part B and Part C. Part A will present the responses from the interviews conducted with the Community Liaison Officer, Project Management Team, Business Forum and Local Employment Division, subdivided into 7 themes. Part B will present the data collected from the interviews with the main contractor. Data from the main contractors is presented separate because the main contractors are the administrators of the actual construction of the university and as such some of the questions posed were of a technical nature which they have the ability to attest to. Part C will present graphical representation of the responses conducted with the SMME contractors through questionnaires. Section two will present the analysis of the data collected, constituted by Section 4.3. Section 4.3 will be broken into 3 parts namely; Part A and Part B and Part C. Part A will present the analysis of the data collected through interviews, while Part B, will present the data analysed from the questionnaires distributed. Part C will present the analysis of the graphical representation of SMME contractors. Section 4.4 will present the summary of the Chapter.

4.1 Introduction

Chapter 4 presents the data analysis into whether the implementation of Corporate Social Responsibility programmes of construction firms will lead to the sustainable development of SMME contractors in Kimberley through the construction of the Sol Plaatje university project. The study evaluates various entities and stakeholders involved in the project like the Community Liaison Officer (CLO), main contractors, Business Forum and the SMME contractors as explained in Chapter 3 in order to determine the current impact of Corporate Social Responsibility on SMME contractor development.

The reviewed literature portrayed the importance of Corporates to invest within the local community in which they trade and illustrated and highlighted the impact and reward of such investment in order to address the socio-economic conditions of that area. The study highlighted that the Sol Plaaje university project was in its inception year and thus it became important to the researcher to test whether in the inception year, the mandates, targets and objectives are being considered and adhered to and whether the programme is aiding to some form of development to the local Northern Cape SMME contractor development.

Considering the exploratory nature of the study, a qualitative approach was adopted. The qualitative approach of interview schedules was conducted with the CLO, the main contractors and the Business Forums as these entities constitute the administrators of the targets and objectives as set out by the Government for the Sol Plaaje university project. The raw data collected was analysed in order to ensure that the research questions and objectives are answered.

The qualitative approach involved the distribution of questionnaires to SMME contractors as they are the custodians and benefactors in the Sol Plaatje university project with the primary aim being to identify their challenges and establish whether their challenges are being addressed and whether they are participating in the university project and thus aiding to their development as SMME contractors.

The results collected through the interview approach is presented thematically in 6 sections in Chapter 4. *Section I* presents the theme of role identification of the various constituencies and their perception of the importance of the university construction project. It analyses the

data by trying to assess the knowledge of the stakeholders involved, the engagements had in drafting of the targets and objectives.

Section II presents the second theme, stakeholder identification and perceived importance of the university project.

Section III presents the third theme, the knowledge of the role and impact of Corporate Social Investment.

Section IV presents the fourth theme, the integration of local SMME contractors in the construction phase of the university project. The researcher identifies the challenges faced by SMME contractors, the extent of local participation of local contractors in the construction process and whether the integration is addressing the challenges faced.

Section V presents the fifth theme, SMME development through participation in the university construction programme.

Section VI presents the sixth theme, evaluating project success in relation to the objectives and targets set and mapping the way forward for sustainable SMME development.

The last section presents the summary of the data collected and analysed and provides conclusions on whether the current programme is yielding to local SMME contractor development and provides recommendations for consideration to ensuring that SMME contractor development is attained.

While conducting the interviews, the Local Employment Division (LED) officer and the other two contractors could not be reached for comment. The other Respondents however did reply and the numbers of the interviewees are deemed sufficient for the valid sample group.

The results of the questionnaires are presented graphically in order to relay the framework of the study.

The questionnaires were distributed to 40 SMME contractors who participated in the university construction programme the SMME contractors comprised of both the building contractors and suppliers. A total of 34 questionnaires were completed and returned to the researcher, making a response rate of 85% with a total of 3 being spoilt and thus making a valid and reliable total response rate of 78%. The response rate is considered a good response rate.

4.2 Data Presentation through Interviews and Questionnaires

Part A: Data Collected through interviews with Community Liaison Officer, Project Management Team, Business Forum and Local Employment Division.

Section II: Stakeholder identification and perceived importance of university project

Project Management Team

An important aspect in the construction of the university project was to establish what the participants thought was the benefit of having the university project in the province and what substantial impact the university project will have within the town. A sub theme that emerged was to establish an understanding from the participants in the construction phase to identify the impact that the construction project will have in the Province and thereby establish who the role players and stakeholders are. The knowledge of this aspect will enable the researcher in identifying the engagements had with the various stakeholders and whether indeed the stakeholders as identified are common with those set out by the Government and whether there is some form of integration with the stakeholders. The views presented by the participants remained very similar in the identification of the various stakeholders in that the

biggest stakeholders to the project are the local community comprising of the labour force, SMME contractors and local suppliers. The views presented by the participants identified the local community to be the largest benefactors within the construction phase of the university project with the spins off contributing largely to the economic and social development of the town.

Project Management Team

How you see this university project in relation to its surrounding areas? Its relationship to the wider environment?

Respondent D expresses that the Sol Plaaje University is the first university in the Northern Cape having a major catchment area, this allows students previously having to travel to Johannesburg and Bloemfontein to have the opportunity of education closer to home. The other important thing according to Respondent D is that the university project will contribute greatly to the development of the town, in infrastructure and capital development.

Respondent E portrays that the university project from a construction point of view contributes to urban infrastructure and development and the spiral effect is the employment opportunities that will ultimately yield to economic growth.

Respondent F views the university project as a fundamental stepping stone to business activity and economic growth in Kimberley as it will provide for much needed employment to the locals and rid the high scourge of unemployment. It will contribute greatly to the development of businesses and most importantly to the development of businesses, thus benefitting largely the local economy.

The views as presented by Respondent D, E and F portray the overall arching view that the Project Management Team have in the impact the Sol Plaaje university construction programme will provide, it mainly stems on infrastructure growth which lead to educational development, business development and economic upliftment. The overall development through the construction programme will yield to economic growth.

Community liaison Officer (CLO)

How you see this university project in relation to its surrounding areas? Its relationship to the wider environment?

The overall participation of these stakeholders according to respondent A will over time help to alleviate and curb the high levels skill deficiency and high unemployment rate.

Respondent B believes that the university is aimed at the youth and students. Respondent B further corroborate that the university project provides continued academic growth and stimulates hop and possibility to the upcoming generation that that access to tertiary education is there. Respondent B further suggests that the university project provides for work opportunity and employment in the construction phase and this will lead to economic growth.

Respondent C is of the view that the university project provides the possibility of growth in Kimberley by providing opportunities for education in the province which Respondent C believes is something that has been lacking in the Province. Respondent C further explains that the university project provides opportunity for employment to the layman (labourer) and for the enrichment and growth of business entities and also provides a platform for skills development and a bridge to certification and qualification of trade or NQF level toward a construction or engineering field, so the impact is of great significance to the local youth.

The views presented by the CLO's is such that the impact of the university construction programme is more specific to the local community and more specifically the micro-economy. Respondent B and C express that the university provides job employment to the man on street, it provides SMME contractors with a chance to participate and thereby contributing to the development of the SMME contractor. Respondent C further explains that the other major significance of the university project is the skills development aspect it will provide toward qualification toward a trade, or NQF level. Chapter 3 provides statistics of the unemployment levels in the Province inclusive of the youth unemployment level, which indicated a youth unemployment rate of 41.7% and Respondent C believes that the skills development aspect that the project will provide largely target the youth and help alleviate that high unemployment rate.

Forums

How you see this university project in relation to its surrounding areas? Its relationship to the wider environment?

Respondent H explained that the importance of the university project arised in 2007/2008 when the NAFCOC youth Chamber and the Youth Chamber of Commerce became vocal about the need for a university in the Northern Cape in attempt to enhance tertiary education in the province and thereby addressing some of the socio-economic challenges faced. This then has spin-offs in that it contributes to economic upliftment of the province, it uplifts the socio problems in households and eradicates the high unemployment rate as one of the variables for consideration in the construction program was the participation of local businesses more over youth businesses.

Respondent I expressed that the importance of the university project from a youth perspective especially those involved in business was the employment and empowerment opportunity it presented. Respondent J further expressed that the university was providing a platform to which young business people would partake, learn and develop skill and thus have an ability and opportunity to grow their business in administration, turn over and grading thereby enabling them to tender and compete more competitively in future.

Respondent H brought in some much-valued insight into the concept behind having the university project in Kimberley with reasons being to establish tertiary education as an option within the youth of the town. Respondent H together with Respondent C share the similar views in the significance of the project in an effort to address problem facing the local youth. Respondent H and I express views that the importance of the project to being the upliftment of the local community and respondent H explained that in order to achieve the end result of having a university within the province that intermediate targets were established, one of which was participation of locals in the construction of the university which will result in the participation of local business and thus the development thereof. Respondent H explains that the development of local businesses will result in an ability for local businesses to compete competitively in the future as business administration would have developed and grown.

The responses as provided by the respondents in section II highlight the themes portrayed in Chapter 2 by Joubert et al. (2002) who posits that South Africa has a high level of unemployment and low skill level, which requires robust intervention from Government in terms of economic opportunities in conjunction with the private sector. Moreover, the opportunities being made available through this university construction to the youth for education and business opportunities. The DTI (2013) as discussed in Chapter 2, postulates

how the Government are key role players in fostering and catering for the need to education and business opportunity in order to redress the current socio-economic challenges faced by society. The responses indicate how the respondents view the university construction programme as a stepping stone to redressing social and economic ills and thus be a catalyst to spurring much needed economic growth particularly to small businesses.

Who do you, in your opinion think the project is aimed at/ who are the stakeholders of the project and What kind of engagements were had with these stakeholders?

Project Management Team

Respondent D identifies primarily the students in the surrounding areas as the major stakeholders to the area. Respondent D expresses that the Sol Plaaje University is the first university in the Northern Cape having a major catchment area, this allows students previously having to travel to Johannesburg and Bloemfontein to have the opportunity of education closer to home. The other stakeholders of the project include the tertiary education personnel and in the long run the economy of Kimberley – educated students might start-up companies in this area or start work in the city which is to benefit to the business owners in the Northern Cape and for job creation for local construction companies. Respondent D explains that the engagements with the stakeholders were generally centred around job creation opportunities and assisting in setting up the strategy to engage and create local opportunities and then from a project point of view a strategy of maintaining the strategies created.

Respondent E identifies the stakeholders of the project to be:

- *provincial local businesses*
- *Graduates, both in attaining training to qualification and those with qualification needing practical work experience*
- *Overall, the whole construction industry (contractors and suppliers)*

Respondent E further explains that the stakeholders were established such that there is a construction target of a certain percentage being utilised in the construction phase of the university in terms of aiding to training and development. In relation to the engagements made with the stakeholder, Respondent E explains that the efforts were not sufficient and did

not cater for the broad spectrum of the stakeholders. Respondent E explains that initially prior the inception of the program, that there were 2 adverts that were placed in the local newspaper informing the locals about the university and possible work opportunities, amongst other adverts on the local radio stations. Respondent E believes that these adverts were catering mostly to the micro-economy like, the "bakkie- contractor" and labourers and artisans and did not cater for the broader and macro-economy like businesses and suppliers and this created a gap in terms of how the project was going to cater for the macro-economy in terms of participation and resulted in the differing expectation levels from the various stakeholders and growing frustration.

Respondent F identifies the stakeholders to the project as the locals, encompassing, local workers, local suppliers and local businesses. The other stakeholders to the project are the contractors, Respondent F explains that there was sufficient engagement with the stakeholders and that each of the stakeholders knew the requirements and efforts necessary for them to ensure a successful project. Respondent F also states that the engagements did not only happen prior the project inception but that it was continuous throughout the project and thus aided to the success of the project

The views presented by Respondent D, E and F remained very similar in their identification of the stakeholders and who they believed the project was aimed at. Respondent E and F identified the local community comprising of local business, local suppliers and local workers to be the stakeholders in the project while Respondent D and E believes that the largest stakeholder is the tertiary education personnel with the local community being second tier of benefactors.

In relation to the engagements had, the PMT did not present a consistent view of sufficient engagement. While Respondent D and F believe that there were sufficient engagements had with the various stakeholders in job creation and participation of the locals, these engagements did not only take place prior the commencement of the construction programme but was present throughout the project. Respond E however, believes that the efforts made in terms of the initial and on-going engagement with the stakeholders not being sufficient over and above the engagements made not being inclusive of the wider local provincial community. This results in a disjointed perception of the ability of the project to effectively monitor stakeholder engagements within the project according to Respondent E.

Community Liaison Officer (CLO)

Who do you, in your opinion think the project is aimed at/ who are the stakeholders of the project and what kind of engagements were had with these stakeholders?

Respondent A thinks that the project is aimed at the Kimberley locals and the greater Northern Cape community. Furthermore, the stakeholders are the youth who will be provided with work opportunities and training to gain skills, SMME contractors who be given a chance to expand and grow their enterprises as this was one of the key objectives. On issues of consultation and engagement, Respondent A thinks that there was very little consultation and engagements especially prior the inception of the construction phase and the result thereof was a disjointed expectation that was created between the locals and the contractors. Respondent A provides an example that the locals expected work (due to what was advertised) and followed due process in terms of registration application process for job opportunities. Upon qualification to work on the project, the pace of the project resulted in the contractors expecting competent SMMEs which they were not and therefore eluted in many SMME contractors defaulting because the pressures were great.

Respondent B identifies the stakeholders of the project as

- *Kimberley and the whole Northern cape community*
- *The youth, in providing access for knowledge, training and growth in the construction industry*
- *The local SMME contractors by providing them with work opportunities and business growth*

In as much as Respondent B has identified who the stakeholders of the project are, Respondent B does not think that there was sufficient and thorough engagement with these stakeholders as there was continued frustration from the locals throughout the construction of the 1st phase of construction due to lack of adequate knowledge and varied expectations.

Respondent C identifies the stakeholders of the project as being:

- *Local Businesses*

- *The Youth; business and education related*
- *Municipality*
- *Local Kimberley community and Northern Cape Province*

On issues pertaining to stakeholder engagement, Respondent C is of the belief that there was no thorough engagement with the stakeholders as the expectations from the different parties varied and ultimately the original stakeholders who should have been benefitting from the program ended up not benefitting.

The CLO's present a more consistent perception of the stakeholders of the project, Respondent A, B and C identify the common stakeholders to be the youth, the local SMME contractors and the Kimberley community. As part of the responsibility of the CLO's as seen in section I, the CLO's are responsible for sourcing employment opportunities for the local community. This commonality depicts the fundamental importance from a local point of view of the understanding of the role of the local community and attributes to the mount of rigorous consultation and responsibility of the CLO's in ensuring that the identified stakeholders are represented from a participation point of view.

The CLO's however are of the opinion and expressed views that the consultation had with these various stakeholders especially in their understanding of their role to play in the construction of the university project was insufficient. The CLO's further explained that the result of this lack of knowledge and engagement resulted in a disjointed expectation from the various stakeholders and this culminated in certain issues and problems on site.

Forums

Who do you, in your opinion think the project is aimed at/ who are the stakeholders of the project and what kind of engagements were had with these stakeholders?

Respondent H identified the stakeholders of the university project as the contractors, the municipality, the different forums, like youth chamber, the Black Management Forum, the Youth Chamber of Commerce who within their constituencies represent, SMME contractors, SMME suppliers, labour brokers etc. and lastly the university students. Respondent H explained that the engagements were very thorough initially when the idea of the university was being discussed. There was engagement with the various constituencies and thus they

were able to map an ideology of the project and its deliverables and the gap and problem was that post the ideology there was not sufficient and thorough engagement in terms of how the ideologies were going to be implemented and monitored and this then led to the meagre participation of these constituencies which then led to robust consultation but more frustration more than anything and the community at large is in the dark in relation to the university construction development programme according to Respondent H.

Respondent I, believes that the stakeholders in the project and the largest benefactors are the local Kimberley community, that is inclusive of the local labourer, the suppliers, youth business, black business, and SMME contractors. Respondent I expressed that the engagements in relation to the stakeholders and their involvement and participation was not sufficient and largely non-existent, so much so that the Forums had to force countless meetings with the main contractors, the LED office and the municipality due to their non-participation in the university construction programme.

Respondent H and I also express similar views in their identification of the stakeholders in the project, and they portrayed the importance of local business as a key stakeholder in the province. Respondent H in section II expressed how the idea of having a university was developed, together with this was development targets as part of the construction of the university in an aid to redress some of the challenges faced by the local community. Respondent H and I are both consistent in the identification of business and black business to play a crucial role in the construction of the university project.

The importance of local business to play a role, came in an effort to provide a measure and platform where local business can acquire consistent work and thereby be proficient in that aspect and thus develop as business entities in the province.

Respondent H and I expressed that the engagements were sufficient while the ideology of the university project was being discussed but that post the initial engagements the follow up from the PMT and the main contractors was very poor. This lack of engagements resulted in the outcome presented by the CLO's, that the expectations were varied from the various stakeholders involved in the project and this resulted in a lot of frustration toward the participation of local business community in the university construction phase.

Section III: Knowledge of the role and impact of Corporate Social Responsibility.

The third sub theme that emerged was for the researcher to question whether the participants understood what was meant by the term Corporate Social Responsibility, as the literature reviewed in Chapter 2 explained that the key importance of the Sol Plaaje university project was the aspect of Corporate Social Responsibility. The knowledge of this fundamental concept will enable the researcher to establish an understanding of the goals and targets of the project and whether the goals and targets are aligned with the requirements of CSR and whether indeed the goals and objectives are being achieved.

Project Management Team

What are the objectives of this university project?

Respondent D highlights the objectives of the study as being:

- *Creating opportunities for students,*
- *Creation of work opportunities local labour*
- *Creation of work and business opportunities for the economy of the NC.*

Respondent E identifies the objectives of the project to be:

- *Participation of local community*
- *The development and growth of business and workforce*
- *To develop skills*
- *To train and mentor graduates to join and acquire accreditation into professional institutes*

In relation to the objectives of the project, Respondent F discerns the objectives as the employment of the local community, the development of skills, the development of local business and the development and training of locals toward a qualification. These objectives are essential to the development of the local economy.

The Project Management Team Collectively summarise the objectives of the project to encompass three main areas namely, the creation of job opportunities, participation of local community and to develop and train the local business entities. The objectives as presented by the PMT as the overall facilitators of the contract is fundamental as the PMT will need to

ensure that the objectives as set out are being met. It can also be seen from the objectives set that the objectives are in line and correspond to catering to the various stakeholders that the PMT mentioned in the previous section. This correlation is important as it forms the fundamental link to the nature of CSR measure necessary to monitor by the PMT in the Sol Plaaje university project.

Community Liaison Officer (CLO)

What are the objectives of this university project?

Respondent A states that the primary objective is to have a University in Kimberley to provide access to tertiary education to the large youth in Kimberley who do not have tertiary education, the university being in town makes that dream and realisation a lot more tangible. Once they qualify from within the province then they can work in the province thereby indirectly ploughing back and helping to uplift the communities. The construction objectives are for this university project to help uplift the local community by proving work opportunities to the youth and local SMME contractors, local suppliers and general work force furthermore the project should aid to enterprise development and skills training.

Respondent B highlights that the objectives of the university project is to provide the youth with work opportunities, to provide employment for the general labour, to provide local suppliers and SMME contractors with a business opportunity that will allow for business growth and to aid support to potentially qualified unskilled graduates and graduates seeking experiential training access to gain that skill and experience and finally to train and develop skills through training and mentorship.

Respondent C explains that the objectives in the construction of the university project was for the creation of jobs, the development of skills and the overall creation of opportunities.

The CLO's are once again providing the importance of the university in addressing the issues pertaining to the challenges faced by the youth as represented by Respondent A and B and how the university programme will address those challenges. the CLO's views present an overarching objective to the development of the local community. They provide insight into the reward of addressing objectives of skills development and mentorship and these will ultimately yield to the development of local work force and local business which will uplift the local community.

Forums

What are the objectives of this university project?

Respondent H highlighted the objectives of the project in the long term being development more over sustainable development and if one breaks that component into short term goals and objectives then it means that there must be engagement with stakeholders, there must be participation of local businesses, there needs to be mentorship pf small business to bigger businesses for small business development, at large there needs to be enterprise development, there must be skills transfer and this utilised for efficiencies in trade development and artisan trade acquisition and certification and lastly admission into tertiary institutions by majority local students.

Respondent I highlighted the objectives of the project as being:

- *Employment of the local community*
- *Development of local business*
- *Skills transfer*
- *Participation of local community in the project*

Respondent H identified a crucial aspect of the importance of the development of the objectives of the project and the key research question of the study. Respondent H expressed the long-term objective of the university project to be the sustainable development of the local community. Both Respondent H and I from the Forums identified the development of local business, the transfer of skills and the development and participation of local community as key objectives of the university project.

It can be noted from the PMT, the CLO's and the Forms that there is a consistency in that the local community need to participate and thus be developed through the construction of the university in Kimberley and thus this becomes a fundamental objective of the university project, for local businesses to participate and thus be developed through participation. An auxiliary component in ensuring this development is for the transfer of skills to take place.

Project Management Team

Do you think that these objectives have been met? Why?

Respondent D explains that the objectives have been realised as the intake for 2016 and thus the curriculum for the academic year beginning at the initial anticipated date. Respondent D

further explains that the other objectives for the creation of work and business opportunities for local labour and NC community has also been realised as the project did incorporate both local labour and business and the local businesses are being developed and learning form the larger construction firms (main contractors).

Respondent E explains that the objectives overall were not met, however there were some that received more attention than others. Respondent E explains that issues in relation to skills development and mentorship of graduates to professional accreditations lacked strongly and that the obligations in terms of the micro-economy was successful although the greatest motivation behind that drive was its direct link to the construction program. The minimum macro-economy that did participate ended up not benefitting and defaulted on contractual obligations and there was no measure to combat that.

Respondent F believes that the objectives have been met as the building was delivered on time and within reasonable quality and that the process is on-going, with the fruits of it being seen in the 2nd phase of construction as some of the SMME contractors, labourers and suppliers are still being used and developed further.

Respondent D and F believe that the objectives of the project have been met and their view is predominantly based on the fact that the actual physical building being delivered on time. It can be noted however that neither Respondent D or F mentioned the delivery of the university as a key objective and thus form a very disjointed and inconsistent analysis of the objectives mentioned and the objectives realised. Respondent E however portrayed consistency in the analysis of objectives set and objectives realised as the view expressed by Respondent E is that the objectives have not been realised predominantly being that there was a lack of local participation of local companies and the very minimum skills development taking place. Respondent E further explained that there was no structure in place during the construction phase that could effectively deal with the issues in relation to SMME involvement and participation leading to SMME contractors defaulting and thus being removed from the project.

Forums

Do you think that these objectives have been met? Why?

Respondent H believes that the objectives have not been met as there is a lot of frustration on the ground level and this came as a result of the lack of participation of businesses and then businesses demanding and setting up meetings with various stakeholders and "strong-arming" the other stakeholders into participation which never really worked out as there were no adequate structures n place from a facilitation point of view more over Respondent H believing that the large community is still in the dark in terms of the development of the university project.

Respondent I expressed that the objectives of the university project have not been met in any sort of way and that the primary reason for that was the greater priority being placed on the construction of the university and delivering that on time than for fulfilment of the objectives as indicated.

Respondent H and I from the Forum presented a common view that the objectives as set out were not met. Both Respondent H and I expressed the reason for their opinion being that the project never really allowed and catered for the participation of the local SMME contractor which could not have led to the development of the contractor. the lack of development of the contractor was expressed by Respondent H and I as the fundamental objective which the construction phase did not achieve. The resultant lack of achievement of this objective or active effort of this achievement resulted in a lot of frustration from the Forum toward the PMT and the main contractors.

Community Liaison Officer (CLO)

Do you think that these objectives have been met? Why?

Respondent A is of the perception that the objectives have been met to a large extent by providing the work opportunities though not highly beneficial to all.

Respondent B is of the perception that objectives have not been fully met. Respondent B believes that the contractors compliance came only as a mandatory form and the lasting impact was not quite understood and thus the reason for partially fulfilment of the objectives. There was in Respondent B's opinion much more that could be done to incorporate the local SMME contractors and suppliers.

Respondent C explains that the objectives as set out have been partially met and the reason behind is as previously stated, that the original stakeholders who were intended to benefit

from the project ended up not benefitting and this was largely due to the fact that there were varied expectations from the various stakeholders with no effective management process to consult on and provide solution to these expectations.

Respondent B and C share the same view, in that the objectives of the university construction programme have not been met and even though Respondent A expresses that the objectives have been met, Respondent A further explains that the benefits of the realisation of these objectives have not been beneficial to all. Respondent B and C express that there was a gap in terms of understanding the objectives of the programme and the development of an action plan in ensuring that the objectives are met. A key component of development id benefit and the benefit according to the respondent A and C is the growth and development of the local community and that in their opinion has not been realised as Respondent B explains that a lot could have been done to ensure that these objectives could be realised.

Project Management Team

Do you know what Corporate Social Responsibility is and do you understand the impact of Corporate Social Responsibility in this university project?

Respondent D expresses the knowledge of Corporate Social responsibility and thus the impact of CSR and explains CSR as the responsibility of firms to invest in the social needs of the surrounding area in which they trade or conduct business in and the impact in this project is for firms to developing the local contractors to enable them to take on larger projects and opportunities that will come with the development of the university project going forward. In relation to the funding consideration, Respondent D stated that the primary funding allocations made provision for the development local contractors.

Respondent E explains that the concept of Corporate Social Responsibility (CSR) is understood and it stem to the responsibility big businesses have to develop and grow other smaller businesses in the area in which they operate. Respondent E further explains that the concept of CSR was not thoroughly communicated and given the attention it deserved on the university project, Respondent E explains that the focus was more on the construction than the two to be linked and thus contributes to the initial obligations not being met.

Respondent F expressed having a basic understanding of the concept of Corporate Social Responsibility (CSR) and explains the impact of CSR in the university project to be the

transfer of skills, knowledge from the Corporates to the locals to yield development and upliftment.

Overall the PMT expressed having an understanding of the concept of CSR and thus the impact of CSR in the Sol Plaaje university development project. What can be deduced from the views expressed by the PMT is that there is an alignment in terms of the stakeholders identified in the previous sections, the objectives of the university construction programme and the impact of CSR in the programme. The PMT express the obligation to corporates to invest in the local community in order to impart change and develop the local community and Respondent E expressed that the concept of CSR was not thoroughly communicated and hence could be the reason behind the frustration experienced as explained by the CLO's and business forum in the previous section.

Community Liaison Officer (CLO)

Do you know what Corporate Social Responsibility is and do you understand the impact of Corporate Social Responsibility in this university project?

Respondent A could not fully apprehend the concept of Corporate Social Responsibility (CSR) but has an idea of what is and thus the impact it can create and attests that CSR addresses issues of transformation." Allowing corporates to plough into communities has major benefits, corporates can plough into a town thereby affecting chance in the community which transcends to affecting change in the nation" is the opinion of Respondent A on CSR impact.

Respondent B did not know of the concept of CSR and thus demonstrated minimal knowledge, understanding and impact of CSR and the funding considerations made.

Respondent C expresses great passion behind the concept of Corporate Social Responsibility (CSR) and explains that the idea of big businesses giving back to the local community is essential and has adverse effects as this gives big corporates the responsibility of ploughing back and growing communities by providing employment, grow and impact the youth, develop skills. Respondent C expresses the responsibility on corporates becomes even greater when they in possession of state funds and explains that this element is not greatly understood and implemented by the client, PMT and contractors.

Respondent C was the only CLO that knew of the CSR concept and this proved to be a questionable element as expressed earlier that the importance of the knowledge of CSR will enable an alignment of the objectives necessary to cater to the stakeholders identified and thus the effort required to meet and to constantly monitor the fulfilment of these objectives. The views as expressed by the CLO's can be attributed to the view of Respondent E in the previous section from the PMT, who stated that the concept of CSR was not fundamentally explained to the various constituencies and thus no adequate measures put in place to monitor and evaluate this concept which therefore led to the frustration of the various constituencies and thus ultimately to the objectives not being met due to this gap in knowledge. Another realisation made in the views presented by the CLO's was that there was a lock of understanding of how this CSR concept would impact any stakeholder within the context of the Sol Plaaje university project and this can be seen as a problem in that the administrators of local constant have no way of connecting the importance of their daily duties to ensure that there is compliance and alignment of the realisation of their overarching objective of development more over the components required to ensure that this development target is reached.

Forums

Do you know what Corporate Social Responsibility is and do you understand the impact of Corporate Social Responsibility in this university project?

Respondent H expressed being aware of the concept of Corporate Social Responsibility (CSR) and explained it to be the commitment by bigger companies to impact the area in which they operate in positive upliftment. Respondent H explained that being aware of the scope of work, skill and knowledge required in the development of the university project and being ware of the expertise the town had in relation to the problems they faced, it then became a very key objective of sustainable development of enterprises in Kimberley as the largest contributor to employment and economic drive in Kimberley is Government employment with the backup being social grants and therefore, it was important for a structure of development that revolved around Government employment. Respondent H explained having knowledge of the Department of Education having a budget in the development of the university in Kimberley, this budget after being presented to treasury and approved, was given parameters in terms of objectives like the adherence to B-BBEE, BMF and SMME participation and growth and this was merged with the expectations and

objectives that arised initially around the university development in consultation with various constituencies.

Respondent I expressed having a slight idea of the concept of Corporate Social Responsibility (CSR) and explained it as bigger companies developing smaller companies through work opportunities in order to grow those companies. Respondent I explained that in terms of the funding considerations, the budget allocated is about 10 billion rand over 10 years, meaning a spend of about 1 billion rand a year with companies like De Beers being consulted in terms of being contributors to the university project and part of the spend should be within the province in an effort to drive economic activity in the province and to develop the province through job opportunities, employment and skills transfer.

Respondent I once again shows much knowledge in the details of the university project by stating that the department of education has budgeted 10 billion over 10 years in the development in Kimberly through the university project, this view by Respondent J is similar to the evidence that was brought in the literature review of the funding considerations made in the Sol Plaaje university project and how this budget was to be utilised. Respondent H explains the parameters that are aligned to the fulfilment of CSR obligation by corporates in order to achieve the objectives sent and that would be to adhere to the skills transfer, participation of SMME contractors and B-BBEE. These parameters align to the responsibilities that corporate should have in ensuring that the they fulfil the mandate of CSR in Kimberley. Respondent I shared similar views in that the impact of CSR through the university project would be for Corporates to develop business entities which aligns with the objectives set out in the previous section though the availability of work opportunities and the transfer of skills.

The knowledge of the Forum of this obligation and concept puts the Forum in a position of having an understanding of the concept and thus a means to measure expectation to delivery, enabling them with an ability to intervene should there be contravention.

Section IV: The integration of local SMME contractors in the construction phase of the university project

The integration of local SMME contractors and thus their participation into the university construction program formed a very key component of the delivery and construction targets. Respondents from the PMT, CLO and the Form have highlighted SMME contractors as one

of the key stakeholders in the university project with the availability of jobs for locals through the participation of local SMME contractors as one of the key objectives. The integration of SMME contractors into the programme serves as a pedestal of measure and fundamental aspect into the delivery of the CSR initiatives by the main contractors who serve as the corporates in the university project. The primary objective of the integration of SMME contractors into the program would be to fulfil the mandate as proposed by the Government of ensuring work opportunities are presented to the local business community and will enable the development of skills and business. Section four will identify what the difficulties of the project were and thereby establish whether there has been sufficient participation of local SMME contractors, what the benefits and challenges were in terms of SMME incorporation and participation.

Project Management Team

What were some of the challenges and dynamics experienced in this university project?

The resultant challenges that arose was that there was a very demanding local municipality with respect to local labour development, the program incorporated a very tight timeline. Respondent D further expressed that the mitigation efforts that arose due to the challenges was such that it would wholly address the complexity of the challenges and this was the creation of a strategy for the contractors to develop the local SMME contractors.

Respondent E explains the challenges in the university project as the concept of CSR and its implementation being wrong from the onset, the engagements with the stakeholders was poor and not sufficient and this created a disjointed expectation level and frustration in the construction phase. There was a lack of adequate skills development, there was stringent entry requirements for local businesses and an overall lack of black businesses in the project.

Respondent F identifies the challenges on the project as the unavailability of services on site prior to commencement which gave the contractors tiresome effort to resolve and did not allow for the early commencement and search of local content and this led to the lack of early conception of local content. There was a general perception of unavailability of skills and inexperience and this also contributed to the lack of early conception of local content according to Respondent F.

Respondent D expresses a challenge to the project as being the demanding local community, this view of Respondent D could be attributed the views expressed by the Respondents from the Forum, in that the program was not holistically inclusive which then led to the frustration of the parties who felt excluded and thus exerted some form of pressure in the PMT in an effort to gain access to the program. The view of Respondent D can also be linked to the view point expressed by Respondent E who expresses that the program had no right structure and the lack of structure was a challenge in effectively dealing with issues that arose in the program. Once again, the views expressed by Respondent D are similar to those expressed by the CLO in previous sections. Respondent F identifies a key concept of the availability of local skills and the perception that the corporates had of the town. The perception according to Respondent F contributed to the lack of participation together with the stringent entry requirements as expressed by Respondent E of the local SMME contractor. it can be deduced from the comments presented by Respondent F that the frustration s that were felt by the Forums in local SMME participation could have been triggered by the perception that the town had a shortage of skills.

Community Liaison Officer (CLO)

What were some of the challenges and dynamics experienced in this university project?

Respondent A believes that the problems and challenges experienced in the project are

- *Not all stakeholders are participating sufficiently and thus not benefitting*
- *The youth and youth business are not participating enough.*
- *The fast track project did not allow for sufficient level of entry, participation, men*
- *Mentoring and training.*

Respondent B highlights the challenges and dynamics from a project point of view as being:

- *Lack of benefitting of all intended stakeholders*
- *There was lack of adequate structure in terms of the administration, monitoring and controlling the whole local participation concept*
- *There was greater emphasis on construction than there was on collective adherence to targets and thus the targets were met as a form of requirement.*

- *The database for sourcing the local content proved not be useful as the candidates on the list were side-lined and those not on the list ended up participating and this led to loads of frustration on the project.*
- *There was an overall lack of communication and engagement.*

Respondent C identifies the challenges on the project as being:

- *No Stakeholder engagement at all*
- *There was lack of adequate structure in terms of the administration, monitoring and controlling the whole local participation concept*
- *There was lack of transparency and planning of the whole idea behind CSR implementation on the project*
- *There was a lack of overall knowledge in terms of facilitating the different expectation levels*
- *Poor involvement of the local community in terms of participation*

The views presented by the CLO's present a similar view in their depictions of what the challenges in the project might have been. the views presented by the CLO's highlight a common and recurring challenge of not having a structure in place in the programme which leads to the lack of participation and benefit to the local community.

Forums

What were some of the challenges and dynamics experienced in this university project?

Respondent H highlighted the challenges in the project as being the lack of participation of local businesses, the lack of robust and constant engagement of the stakeholders more especially the forums, the lack of adequate integration of SMME suppliers with larger suppliers for business growth and generally the lack of knowledge of the university project to the local community.

Respondent I highlighted the challenges as being:

- *Lack of adequate engagement*
- *Lack of participation of youth business in the project*

- *No skills development*
- *No structures in place to monitor, report and address the challenges being faced by SMME contractors*
- *Bullying tactics of the main contractors toward some of the few participating SMME contractors*
- *Favouritism of main contractors toward certain companies especially those not from the town*
- *Lack of local professional (QS, Engineers etc.) incorporation in the program*

The common main challenges on the project could be summed up to, lack of adequate stakeholder engagement, lack of adequate management and facilitation structure and the lack of participation of local SMME contractors. The views presented by the various constituencies could suggest that in terms of the challenges presented that there is a gap that exists between the mandate in terms of contract targets and objectives, to the expectation and facilitation of that expectation and the delivery in the realisation of that expectation. The views presented by the various constituencies could very well suggest that the recurring challenge goes against one of the key targets and objectives to the main contractor, which was to harness and transfer skills thereby leading to upliftment and development of local community through participation.

Project Management Team

What methods were applied to mitigate these challenges?

Respondent D believes that the mitigation efforts required to address these challenges involved the continuous inclusion and communication with the local people and municipality with reports and updates on efforts made to include the local and showing opportunities are being given with adequate training taking place. Respondent D believes that there was sufficient level of SMME incorporation in the university project and explains that considering the tight schedule there was an extensive effort made to include the local labour and create opportunities. Respondent D further expresses however that there is room for improvement and maybe on the future projects where the decision is made for local development, the timeline can be given lee-way for the mistakes and rework of these locals, as this is inevitable

for an unexperienced contractor. Unfortunately, with the given time the pressure was on and some local SMME contractors could not cope with it and thus defaulted.

Respondent E believes that there was not much done in terms of trying to mitigate the challenges as the focus was on construction over and above the fast track programme, result being stringent timelines, did not allow for adequate measures of intervention and mitigation procedure to take place.

Respondent F expresses that the mitigation effort to try alleviate the challenges came as a form of constant engagement with the parties concerned especially between the contractors, local bodies and CLO's.

Community Liaison Officer (CLO)

What methods were applied to mitigate these challenges?

Respondent A does not think that there was much done to address these challenges as well as training provided to curb the challenges experienced above as the challenges led to contractor defaulting which thus led to contract termination. Although an incubator program was introduced later but that too in itself did not facilitate much help for the SMME contractors who were in the program.

Respondent B believes that not much was done to mitigate these challenges and that the result of the SMME not performing resulted in the termination of the contract of the SMME contractor and due the fact that time was already too constrained, the main contractors opted to use their trial and tested sub-contractors from out of town and this then led to a disconnect in the benefit that was meant for one of the stakeholders not being met.

Respondent C believes that the mitigation efforts to address the challenges were not essential on the project and only came when necessary and when the need had arisen, usually due to unrest derived from an aggrieved stakeholder who then threatened disruption of the construction by protesting and striking. The mitigation efforts after such a time are viewed by Respondent C as measures taken to dissipate the current grievance just so that there is no great impact on construction program and thereby no sustainable resolution.

Forums

What methods were applied to mitigate these challenges?

Respondent H expressed that the initial problem arose in that there was no sufficient plan in terms of how to facilitate and coordinate the local community and the dissatisfaction in their initial participation resulted in a forced obligation for local SMME to be utilised and seeing that most did not have much capital, they were forced to acquire loans due to the requirements from main contractors, like PPE plant, etc. and due to inability of proper business administration, most of them defaulted and were kicked off the project and thus could not pay back the loans and thus ended up losing more in participating and thus could not be seen. Some of the SMME contractors did and are being utilised in the second phase but they not thriving in their business quests and are thus not reaping much benefit from the university project.

Respondent I explained that the mitigation efforts that arose in terms of addressing the challenges came as a result of excess frustration from the Forums in terms of their issues being addressed and therefore threatening strike action, which then resulted in consultation which never really produced fruitful results and therefore resorted to passing a memorandum of grievance to the table of the deputy president and minister of Higher education so there was not real effort to trying to mitigate the challenges faced.

Having structures in place is to address the challenges is vital as it represents a conscientious effort by the PMT to ensure that there are adequate measures in place to address and respond to issues. This provides the various stakeholders with the assurance that their voices will be taken into consideration and addressed. According to Respondent D and F, the efforts was the constant engagement with the local community on strategies to form in an effort to address the challenges faced. This view however is not presented by the other Respondent who believe that not much effort was done in terms of having mitigation methods of effectively dealing with the challenges faced. Respondent E expressed that the possible reason for having very little mitigation methods was due the focus of the PMT and project being more on the construction of the university than for the correlation of having the construction in aiding the development of the locals which would ensure that there are structures in place to deal with challenges the project faces. Respondent C explains that the mitigation efforts came when it was necessary, while Respondent I expressed that the mitigation came as a result of the Forum threating strike action. It can be assumed that this was the necessity presented by Respondent C and further strengthens the argument presented by respondent E in that the focus was more on construction than the fulfilment of targets in correlation with the

construction. The common view presented by the Respondents from the various constituencies suggest that there were no adequate measures in place to deal with the challenges faced in the project.

Project Management Team

Do you think that there was sufficient incorporation of local SMME contractors in this university project?

Respondent D believes that there was sufficient level of SMME incorporation in the university project and explains that considering the tight schedule there was an extensive effort made to include the local labour and create opportunities. Respondent D further expresses however that there is room for improvement and maybe on the future projects where the decision is made for local development, the timeline can be given lee-way for the mistakes and rework of these locals, as this is inevitable for an unexperienced contractor. Unfortunately, with the given time the pressure was on and some local SMME contractors could not cope with it and thus defaulted.

Respondent E explained that the incorporation of SMME in the university project was insufficient due to the initial engagements made with the macro-economy and they (macro-economy) became very frustrated at the lack of participation, that the various corporates like Black Business Forum, Youth Chamber and Business Chamber on occasion threatened to strike and have taken memorandums to the minister and the office of the President as a result of their dissatisfaction.

Respondent F believes that the level of SMME incorporation on the project was sufficient and this was seen rather peripherally, when there was unhappiness on site and the locals had a grievance somewhat, then the contingent that voices its grievance was somewhat significant and this was seen as a measure of the amount of local content being utilised.

While Respondent D and F concur in that the level of SMME incorporation was sufficient, Respondent F explains that the perception drawn was one that was in itself observed rather peripherally. The views presented by Respondent E portray similar themes sentiments that have been explained in the previous sections, in that although the SMME incorporation was sufficient, the benefit might not have been fully experienced as the timeline was rather

constrained and did not allow for the SMME contractor to fully achieve the benefit of incorporation in the programme. The views expressed by Respondent E further cement and strengthen again similar themes emerged from previous sections of the frustrations developed by the various stakeholders who represent a constituency of SMME in Kimberley who do not believe that SMME had sufficient incorporation in the programme.

Community Liaison Officer (CLO)

Do you think that there was sufficient incorporation of local SMME contractors in this university project?

Respondent A does not think that there was sufficient incorporation of local SMME contractors.

Respondent B believes that there initially was sufficient level of incorporation of the local SMME contractors on the university project but as the project progressed, the amount drastically reduced.

Respondent C further explains that the lack of initial planning did not allow for sufficient steps and plans to be implemented in terms of SMME involvement and continued participation in the project so the challenges that arose were that the database proved useless and the lack of planning resulted in the contractors taking any SMME contractor who was on the database for the sake of local participation, the result was that some of the SMME contractors selected were not adequate and thus defaulted and the result was that this created and further purported the idea that the local SMME contractor were inadequate which then resulted in the local SMME contractors not participating further and the contractors using contractors from outside the province and thus SMME contractors not benefitting.

The Views presented by Respondent C are similar to those expressed by the respondents from the Forum and those of the PMT in that the lack of formalising of an adequate structure contributed to a lot of distress and non-satisfaction from the various stakeholders in the project. Respondent C expresses the similar views in the view of the level of incorporation of SMME contractors in the project. Respondent A however expressed views that initially the level of incorporation and participation was sufficient but as the project progressed, the number of participating SMME contractors on site reduced drastically. The views presented

by Respondent A share a similar view to that presented by Respondents in the previous section that the contractors who were participating, due to various challenges and difficulties, adherence to time constraint being one, that the SMME contractor that defaulted in terms of contractual obligation was dismissed from site with very little mitigating measures in place to combat the challenges faced. The views presented could provide additional substantiation that that the mitigation challenges were minimal and as a result led to the dismissal of SMME contractors in site and thereby ultimately harbouring the notion that the incorporation of SMME contractors on site was insufficient.

Forums

Do you think that there was sufficient incorporation of local SMME contractors in this university project?

Respondent H believes that there was not sufficient incorporation of SMME contractor in the project with most participating post the PMT and client being put to "the barrel of the gun" in terms of local business incorporation, from which defaulting occurred within a short space of time which gives an impression that the incorporation was not wanted.

Respondent I expressed that there was not sufficient incorporation of SMME contractors in the project and believes and has heard reports from some of the members in the Forum expressing sabotage mechanisms being utilised by the contractors in terms of ensuring the failure of local businesses and therefore them defaulting and not being utilised further.

The views presented by Respondent H and I suggest that the level of incorporation of SMME contractors in the project was not sufficient. The overall conclusion with respect to the level of incorporation as presented by the various constituencies is that the level of incorporation and thus participation in the project was not sufficient. This overall conclusion depicts and suggests that the contractors are in contravention of their contractual obligation and therefore and not meeting and adhering to the requirements and obligations necessary on their side in order to be fulfilling one of the core mandates of the CSR initiatives which is to ensure participation of the local SMME contractors and thereby imparting skills and contributing to the sustainable development of the SMME contractor.

Project Management Team

What were some of the benefits of local SMME incorporation in this university project?

Respondent D explains that the benefits can already be seen as in the short term it can be seen as to how some of the local contractors, suppliers are embracing the opportunity and making a success of it and that the development of enterprises is evident but that the real fruits will be in the long run when these SMME's have developed and grown into larger firms that can tender for project of the universities' magnitude.

Respondent E believes that the benefits of SMME incorporation could not be seen as there were too few to mention and at the first sign of trouble, given that the focus was on construction, the SMME contractors that did not perform were removed from the program and the contractors then sourced their "in- house" contractors from out of town to take over where the locals defaulted.

Community Liaison Officer (CLO)

What were some of the benefits of local SMME incorporation in this university project?

The benefits of incorporating SMME contactors according to Respondent A was local employment and access to work opportunities from a project point of view. This resulted in local SMME's gaining some knowledge in construction related activities and the pressures on working for a main contractor who has tine and production targets especially given the fast track program. It allows for knowledge in business components and administration like planning, pricing and overall business management.

On issues pertaining to the benefit of SMME incorporation, Respondent B highlights that some of the benefits were that the SMME contractors were helped in business administration and the evidence comes in that those SMME contractors are being utilised in phase 2 and are doing rather well. SMME got assistance and gained knowledge in financial administration as initially there was cash flow problems and an inability to pay employees and attain the necessary resources and PPE which now later they ended up being able to do.

Respondent C identifies the benefit of SMME incorporation as slight business management improvement to only a small amount of SMME contractors that participated. Respondent C further explains that the level of incorporation of SMME contractors on the university project was not sufficient and this was caused initially when the program started by not creating a forum that would have addressed the varying stakeholder expectations and had measures in

place to handle those expectations but that the greater emphasis on the project was for the physical project to be built on that great emphasis on the CSR initiatives.

The general views in relation to the benefit mainly stem from the previous question about SMME incorporation in the programme. Some respondents attest to there being benefits in the incorporation of SMME contractors with the reward being seen in that the SMME contractors who did experience the benefit are participating in the second phase of construction. This perception however, to some Respondents is not an ideal situation and is not representative of the entire or large number of the SMME contractors who exists in the database. The respondents further explain that the number of SMME contractors who benefited are only a hand full and in relation to the number of initial participants to the programme who later were dismissed due to default, the overall benefit cannot be something to boast and be happy about. While it must be understood that the program is in its inception year in terms of construction activity, the greater expectance of excellence might have been an over reach and as expressed by Respondent D in the previous section, the allowance of additional time which allows for training and development will aid to a better result in benefit received by the local SMME contractor.

Section I: Role Players Identification

In this section, the respondents were asked to identify their role in the framework of the university construction programme and who they identified the stakeholders of the project to be and whether there was sufficient consultation with the stakeholders. The section further tries to establish from the respondents, what they believe is the importance of the university project and the impact to the local community.

Project Management Team

1. **Tell me briefly about yourself. (who you are and what you do)**
2. **Tell me briefly about your organization and the role of the organization daily.**
3. **What is the function and role of your organization within the context of the university project?**

Respondent D is working with the Project Management Team (PMT) for the university project, Respondent D works as a project manager, having multiple project in different phases of the project management cycle, monitoring the daily management of activities which

need to be in line with the project deliverables, responsible for team leadership, client interface and overall managing of projects to be delivered on time, within budget and approved quality standards and has an overall experience for on-site supervision, design office and project management for the last 4 years. Respondent D explains that the function of the Project Management Team (PMT) is for Principal Agent and client interface, to manage the different professional disciplines and contractors to meet the project objectives.

Respondent E is working with the Project Management Team (PMT) as a Junior Project Manager, working to assist the Project Supervisor in the management of the contract from all spheres. The function of the Project Management Team (PMT) facilitates, manages and directs the Framework contract agreement by ensuring that the contractors deliver on their contractual and socio-economic targets and obligations all in delivered within time, cost and quality.

Respondent F also working with the Project Management Team (PMT) and is employed as a Construction Manager for the Project Team, which essentially entails liaison, documentation and presentation of issues relating to program and progress, Quality, Health & Safety and contractor interface to the client. Primarily on the university project, Respondent F is a consultant to the client, facilitating the entire construction program to ensure that the contractors adhere to the client contractual objectives and thereby formulate the necessary documentation to present to the client in the form on reports.

The Project Management Team (PMT) as expressed by Respondent D, were selected by the Government under a Framework agreement to be the PMT of the Sol Plaatje University project to ensure that the mandate, deadlines and targets set by the Government are achieved in the construction of Sol Plaatje university. It can be gathered from the Respondent D, E and F that the PMT is comprised of various divisions with personnel responsible for various duties that align with the overall objective of managing the contract agreement and targets as set by the Government. Respondent F explains that part of the function of the PMT was to gather, collect and formulate the necessary documentation from the construction programme and present to the client in the forms of reports, this served as a basis for the constant reference as to whether the obligations and targets set were being achieved as per the outline contained in the DHET document explained in Chapter One.

Community Liaison Officer (CLO)

1. **Tell me briefly about yourself. (who you are and what you do)**
2. **Tell me briefly about your organization and the role of the organization daily.**
3. **What is the function and role of your organization within the context of the university project?**

Respondent A is a local Community Liaison Officer (CLO) for one of the main contractors on site who are tasked with the erection of the university project. Respondent A began working for the main contractor from phase 1 and has been carried over through to work currently on phase 2 of the construction project. Respondent A's primary role as the CLO is to ensure that the contractor adheres to the mandate of achieving and insuring that that the deliverables as stipulated by the client. Respondent A ensures and facilitates a "mediatory" role between the stakeholders involved, by being the link between the contractor, local community and local workers working on the project. The primary roles include among others:

- *Sourcing work opportunities for local labour*
- *Source local suppliers and SMME contractors for the contractor*
- *Labour relations to the local hired workers working on site by resolving issues and grievances.*

Respondent B is a Community Liaison Officer (CLO) working for the other contractor on site also who are tasked with the erection of the university project. Respondent B ensures compliance for the main contractor in adhering to the objects of local content by seeking local employment for labour, local SMME contractors, local suppliers and for graduates by utilising a database created by filtering through that database to find the candidates and thereby in turn creating an internal database for the contractor for future use.

Respondent C is a Community Liaison Officer (CLO) working as a representative of the community though not for the contractor but on behalf of the client and consultants, to look into and handle issues pertaining to socio-economic in the university project. Respondent C handles issues involving local workers on site, job seekers, local SMME contractors and different business entities like the Youth Chamber, Business Chamber and Business Forum inclusive of role players like the Municipality and Premier Office, by being the link and representative for of information administration and distribution to them. Respondent C's

duties include the creation of the database used for the search pool for potential job seekers and businesses and this is then distributed to the main contractors as a basis for the contractors' search engine for sourcing 'local content".

The structure of CLO allocation, as represented by Respondent C, is that there is a CLO who represents the local community chosen by the local community to ensure that the local community is represented and has a part to play in the construction of Sol Plaaje university in an effort to address the socio-economic conditions in the Province. The Community Liaison Officer then sources internal CLO's who work with the contractors as a way of bridging the gap and ensuring that the contractors have someone who will ensure that the contractors source and use local community in some way in the construction phase.

The Responsibilities of the CLO as presented by Respondent A and B are primarily to source "local content" in labour, SMME contractors and suppliers for the contractors to use to ensure that the main contractor adheres to the requirement of utilising a certain portion of spend on the local community which come in the form of employment and development.

Forums

1. **Tell me briefly about yourself. (who you are and what you do)**
2. **Tell me briefly about your organization and the role of the organization daily.**
3. **What is the function and role of your organization within the context of the university project?**

Respondent H, is the President of the Kimberley Business Forum and a member of NAFCOC. Respondent H has also served in organisations like youth in mining and energy, young people in agriculture. The Kimberley business Forum was formed in response to empowerment issues of local businesses with the Sol Plaatje university project.

Respondent I, is the Vice President and member of the Youth Business Forum, which is an organisation formed of young and youth business leaders in Kimberley. The different youth business entities are represented on a database and the Forum in consultation with local Government and municipality ensure that there is a constituency within their forum that gets represented in local governmental projects.

The Forums form part of the broader constituencies in the university project by being a portal for the various business entities in the Province whom which are given to the CLO in the form of various business trades for consideration to be utilised in the construction of the university. Respondent H and I form a very key part in the business forum as both Respondent H and I have been advocating and are the voice for the SMME contractors in the province who deal mainly with issues of empowerment to SMME contractors.

Section V: Development through Participation

The fifth theme that emerged was for the researcher to establish the level of benefit to the SMME contractor. this was done by the researcher trying to establish and understand the challenges faced in the incorporation of the SMME contractor in the program, what the measures were in addressing those challenges in the training programmes and mentorships provided. The training and mentorship programs will enable the researcher establish the extent to which CSR initiatives have taken place and measure the effectiveness of the CSR initiatives. The knowledge of this measure will enable the researcher to develop recommendations going forward for the project to consider as well try to highlight some of the issues which need to be noted should a similar model present itself in the future.

Project Management Team

What were some of the challenges in local SMME incorporation in this university project?

On challenges of SMME incorporation, Respondent D identified that the challenges included:

- *High demands and expectation of delivery on the project*
- *Many SMME contractors expecting to receive opportunities / new companies on a platter without having to perform.*
- *Poor and substandard quality*

Respondent E explained that some of the challenges with respect to the challenges that SMME contractors' incorporation was that they lacked the adequate knowledge of large scale construction work experience and this then led to inconsistencies in planning for work, resource and material acquisition, financial mismanagement, poor labour/worker relations

which then led to them not performing under said contract and therefore defaulting and the SMME contractor removed from further participation.

The challenges in terms of local SMME incorporation according to Respondent F was the lack of construction work and quality experience which led to a lot of demolition and re-works by the contractor, financial mismanagement from the SMME contractor as employees often complained about remuneration, and the SMME contractors often showed lack of adequate business administration.

Respondent D expresses a challenge on the project in terms of SMME incorporation as being a high demand of delivery and expectation. This view portrayed by Respondent D further supports notions brought forward in previous section by the CLO's, and the Forum that some of the SMME contractors who have been participating in the project ended up defaulting and being taken off the project. Part of the reason for the termination of the SMME contract could be attributed to the challenge of high demand and expectation. Respondent D in the previous section also expressed that the stringent timelines on the project did not allow for adequate leeway of mistakes and learning for the SMME contractor, this is essence can also be attributed to the high demand and expectation of delivery which also according to Respondent D and E resulted in poor quality end product which then resulted in reworks being done by the main contractors.

Community Liaison Officer (CLO)

What were some of the challenges in local SMME incorporation in this university project?

From a construction point of view, Respondent A believes that the challenges were:

- *Local SMME contractors also showed signs of laziness and very low levels of productive work on site*
- *Local SMME contractors failed to adequately plan for resource and material which led to low production levels and constant labour and financial disputes ultimately resulting in contractor defaulting*
- *There were high levels of absenteeism from the locals*
- *There was lack of experience in adequate and competent work knowledge.*

- *The local SMME contractors had poor financial management and often mistreated their employees by not paying and this resulted in the SMME contract defaulting and creating a bad perception of the local SMME contractors by the contractors*

The challenges on the project according to Respondent B are:

- *Inability of local SMME contractors in in-depth knowledge of construction standards*
- *Poor quality work of the local contractors*
- *Inability of suppliers to meet procurement deadlines and thus contractor not being able to meet contract deadlines which made the already tight timeline even tighter*
- *Inability for SMME contractors to handle the "pressures" of work and production deadlines therefore not making enough money to meet expenses*
- *Constant contractor and SMME disputes*
- *SMME and worker disputes over payment*
- *Lack pf planning and co-ordinating of work material*

Respondent C further explains that the lack of initial planning did not allow for sufficient steps and plans to be implemented in terms of SMME involvement and continued participation in the project so the challenges that arose were that the database proved useless and the lack of planning resulted in the contractors taking any SMME contractor who was on the database for the sake of local participation, the result was that some of the SMME contractors selected were not adequate and thus defaulted and the result was that this created and further purported the idea that the local SMME contractor were inadequate which then resulted in the local SMME contractors not participating further and the contractors using contractors from outside the province and thus SMME contractors not benefitting.

The challenges explained by Respondent A and B in lack of construction knowledge, lack of resource planning and financial mismanagement are some of the challenges that could have been expected. It was portrayed in the literature review in Chapter 2 the challenges that SMME contractors face and the resultant benefit in dressing these challenges through CSR initiatives. It can be noticed however that some of the challenges experienced can attributed

to the SMME contractors' default and thus the decisions taken by the main contractor to terminate the contract which led to the SMME contractor not contributing. Part of the main deliverables and mandate to the contractor as represented by the various constituencies in the objectives of the project is to deliver the university within cost, time and quality. From a timing and quality point of view, the contractor will develop a program to which production targets will be requisite, now of the SMME contractors according to Respondent A and B, were showing signs of laziness and constant absenteeism, this would be justification enough for the contractor to terminate the contract as the contractor will not be meeting the targets. On the contrary however, the stringent timelines and not having an adequate structure in place to be dealing with local SMME involvement can be seen as a hurdle to adequately generate the benefit to the participating SMME contractors.

Forums

What were some of the challenges in local SMME incorporation in this university project?

Respondent H believes that the challenges that arose in SMME incorporation were challenges that arose as a result of a lack of political will in politicians ensuring that the university programme is adhering to mandate as was expressed and deliberated on in the early stages of panning phases and this led to the overall lack of benefit to the largest benefactors of the university project.

Respondent I identified the challenges as having a lack of adequate resource, lack of adequate business administration and lack of funding which then led to defaulting and thus being kicked off site

Respondent H portray internal challenges experienced by the SMME contractors to external auxiliary factors, like having the support from the politicians and in this case, it is representative of the local municipality, the Mayor and Higher Education Minister and local Education ministry. Respondent H portrays that the challenges in SMME incorporation was that there actually was very little SMME involvement and by virtue of SMME contractors being a stakeholder in the project with the mandate as handed by Government to ensure local SMME involvement and participation, Respondent H believes that the politicians should have been more robust in ensuring that there is sufficient local SMME involvement. While Respondent A and B express lack of resource planning as a challenge in SMMME,

Respondent I further explains that the lack of planning for resource and financial management were the challenges faced and expresses that these challenges led to the contractor default.

Project Management Team

What methods were applied to mitigate these challenges?

Respondent D believes that the mitigation efforts required to address these challenges involved the continuous inclusion and communication with the local people and municipality with reports and updates on efforts made to include the local and showing opportunities are being given with adequate training taking place.

Respondent E believes that there was not much done in terms of trying to mitigate the challenges as the focus was on construction over and above the fast track programme, result being stringent timelines, did not allow for adequate measures of intervention and mitigation procedure to take place.

Respondent F expresses that there were programs in place although cannot recall what the programs were but has heard that programs are there and has seen on site a couple times, programs in relation to Health & Safety, artisan training etc. and this then helped the SMME contractor in gaining that skill and participating with competency on the project.

Community Liaison Officer (CLO)

What methods were applied to mitigate these challenges?

Respondent A does not think that there was much done to address these challenges as well as training provided to curb the challenges experienced above as the challenges led to contractor defaulting which thus led to contract termination. Although an incubator program was introduced later but that too in itself did not facilitate much help for the SMME contractors who were in the program.

Respondent B believes that not much was done to mitigate these challenges and that the result of the SMME not performing resulted in the termination of the contract of the SMME contractor and due the fact that time was already too constrained, the main contractors opted to use their trial and tested sub-contractors from out of town and this then led to a disconnect in the benefit that was meant for one of the stakeholders not being met.

Respondent C believes that the mitigation efforts to address the challenges were not essential on the project and only came when necessary and when the need had arisen, usually due to unrest derived from an aggrieved stakeholder who then threatened disruption of the construction by protesting and striking. The mitigation efforts after such a time are viewed by Respondent C as measures taken to dissipate the current grievance just so that there is no great impact on construction program and thereby no sustainable resolution

Forums

What methods were applied to mitigate these challenges?

Respondent H explained that there were no mitigation measures in place in the university project.

Respondent H explained that the mitigation efforts that arose in terms of addressing the challenges came as a result of excess frustration from the Forums in terms of their issues being addressed and therefore threatening strike action, which then resulted in consultation which never really produced fruitful results and therefore resorted to passing a memorandum of grievance to the table of the deputy president and minister of Higher education so there was not real effort to trying to mitigate the challenges faced.

While Respondent D and F expresses that the challenges that arose due to SMME incorporation on the project was the constant engagement and involvement of SMME contractors and locals in terms of continuous involvement, the majority of the Respondents; Respondent E, A, B, C, H and I all believe that there were very little to none mitigation efforts in the project to deal with the challenges faced. Similar themes as previous once again reflect the lack of adequate measures and structures in place by the project team in adequately and effectively dealing with the challenges faced in the project. The result of having this lack of structure in place causes the participants in the program to feel very frustrated and despondent toward to the project and thus create anger toward and frustration to the administrators of the project and as expressed by Respondent I, the Forms eventually threatened strike action and sent a memorandum to the office of the presidency. It can be concluded from the views presented by the Respondents that the program failed in addressing the challenges experienced in SMME incorporation and adequate engagement in their involvement in the project.

Project Management Team

Do you think that there was sufficient level of training and development to local SMME contractors in this university project?

Respondent D expressed that there was sufficient training taking place and that the training was essential in addressing the short comings of the SMME contractor so as to make the SMME contractor more efficient in job execution.

Respondent E explained that the project did not have sufficient and adequate training mechanisms and programs in place as the focus was mostly on the construction of the university more over not having adequate structures in place that could identify the shortfall that SMME contractors were facing and thus providing a platform where the shortfalls could be addressed, recorded and monitored for progress.

Respondent F expresses that there were programs in place although cannot recall what the programs were but has heard that programs are there and has seen on site a couple times, programs in relation to Health & Safety, artisan training etc. and this then helped the SMME contractor in gaining that skill and participating with competency on the project.

Community Liaison Officer (CLO)

Do you think that there was sufficient level of training and development to local SMME contractors in this university project?

Respondent A replied by stating that although an incubator program was introduced later but that too in itself did not facilitate much help for the SMME contractors who were in the program.

Respondent B expresses that not much training was done, especially to facilitate those that were directly involved in the program. Respondent B explains that the methods of mitigation were very much reactive and not proactive, there was not much allowance for training in the program for those that were participating and that training came only after the SMME contractors were booted from the program that the training then came.

Respondent C expresses that the level of training of the participating SMME contractors was not sufficient but that the training after the program was sufficient as it addressed the incapacities and inadequacies of the local defaulting SMME contractor and thus helped them

to develop although expressing that more can be done to improve. Respondent C explains that the training is an on-going thing and that the fruits of the training can be seen on the SMME contractors that are being utilised in phase 2.

Forums

Do you think that there was sufficient level of training and development to local SMME contractors in this university project?

Respondent H explained that there was no adequate training being given in the university project. Respondent H explained that everyone especially the PMT and contractors are raving about the incubator program but the programme was not sufficiently developed, was not presented to anyone and in terms of the requirements it needs in relation to the accreditation from CETA, there are fundamental floors and gaps that exist and in essence makes the concept of incubator hang in the high with no tangible benefit and reward received from the incubator program.

Respondent I expressed that the there was no adequate training given more over time allocated in the entire project for training as if there was then there would not be that many SMME Contractors that defaulted and thus a lot more benefit derived from the incorporation of the SMME contractor.

Respondent A and F express that there was sufficient training and development of SMME contractor in place while Respondent E however believes that the training and development was not sufficient. The views presented by Respondent E are further supported by Respondent A, B, C, H and I in that the project offered very little to the development of the SMME contractor. Respondent J presents stringent time constraints as an element that did not facilitate the adequate level of training to the SMME contractor, while Respondent E expresses that the reason for the lack of training is that the focus was more on the construction of the university rather than on the fulfilment and achievement of the entire objectives inclusive of SMME training and development. The views presented by Respondent E are similar sentiments presented by Respondent B and C in previous sections that the focus and drive of the project was more on the physical contraction than that of the fulfilment of the targets and goals holistically.

While the CLO's explain that even though the program did not facilitate for the training of SMME contractors in the program, there was however an incubator program which sought to train and develop the SMME contractors on business skills and artisan trades to help develop proficiency in business conduct. Respondent B states however that the measures taken to develop the SMME contractors were very reactive rather than proactive and could be seen as entirely beneficial as the SMME contractors only received the training once default had occurred and the contracts were terminated. Respondent H however as part of the initial members to drafting the objectives and deliverables for the project expresses that the incubator program was a program that does not really have an originator, that was not sufficiently developed and explained and the fruits of which cannot be attested to, as certain bodies like CETA do not accredit the program and training done.

According to Respondent H, the training done through the incubator program results in very little reward and development. Some themes that emerge from the views presented by the Respondents attest to the lack of adequate stakeholder engagement, the stringent timelines in allowing for adequate training, the lack of adequate mitigation methods in dealing with the SMME and local incorporation.

Section VI: Evaluating project success in relation to the objectives and targets set thereby mapping the way forward for sustainable SMME development.

The sixth and final theme that emerged was to establish whether the project was a success or not. The basis for establishing the success is a measure of the ability for the project to aid to the development and incorporation of the SMME contractors through the CSR initiatives by the main contractors. The assessment will enable the researcher in adequately understanding and developing instruments to utilise in order to impart some form of change of the local community by CSR initiatives and use this as a model for similar project in the future.

Project Management Team

Was this project a success in your opinion and Why?

Respondent D believes that the project was a success as the initial objectives were met and that the challenges that were realised were adequately addressed and overcome such that the initial objective of delivery within time, cost, quality and main auxiliary objectives was realised.

Respondent E expressed that the project could not be viewed as a success, Respondent E explained that the contractual way to view whether the project was a success would be to look at the targets and goals set out prior construction, look at what was reported and see whether the report addresses the targets and goals and then judge whether it has failed or not but the figure might not be a true representation as the report uses a measure of monetary value in terms assessing success or not and while it might seems as the report caters for the monetary aspect of the target, it has failed in addressing the essential components and tangible rewards of that monetary spend.

In relation to the project success, Respondent F states that the project is successful as the building was delivered on time within the stringent time constraints and the fact that the local community did participate in the project.

Respondent D and F express the project as being successful as the deliverables of the project have been achieved and the project delivered on time. Respondent E however believes that while the buildings were delivered on time and therefore adherence to the construction program met, the project could not be viewed as a success as the overall deliverables, targets and objectives have not been met and the sentiments presented by Respondent E in previous sections attest to the failures the project experienced, like adequate stakeholder involvement, training and skills development, training and mentorship, SMME involvement and enterprise development etc.

Community Liaison Officer (CLO)

Was this project a success in your opinion and Why?

Respondent A really believes the project to a large extent was a success although highly challenging. Respondent A believes that the success comes from the testament that the university is built and up and that lectures are continuing and that some of the SMME contractors and labour who showed eagerness and desire to work have really benefitted and re currently employed on the second phase of the project and have been given a greater scope of work.

Respondent B expresses that the project is not entirely a success as the auxiliary objectives outside the physical construction of the buildings have not been prioritised and met.

Respondent C explains that the project is only successful from a construction point of view and not so much on the achievement of the overall objectives especially pertaining to local participation. Respondent C highlights better initial planning, better stakeholder involvement and community involvement as some of the future considerations to made on similar projects.

Respondent A expresses that the project could be viewed as successful although highly challenging primarily due to the constant need to be solving challenges that arose in the program, having an ability to overcome those challenges. Respondent B and C however do not share the same sentiment and express the inability in achieving the overall objectives as the reason as to why the project cannot be viewed as a success. Respondent C shares the similar views with Respondent E, that the success of the project results from the construction point of view and that the other objectives have not been met. Respondent C further explains that challenges like stakeholder engagement, lack of adequate planning are some which contribute to the projects overall lack of success.

Forums

Was this project a success in your opinion and Why?

Respondent H expressed the project being a failure and not successful in that the objectives more over development was not catered for and this comes in, engagement, consultation, participation, mentorship, training, skills transfer and ultimately enterprise development has not been met.

Respondent I expressed that the project cannot be viewed as a success simply because the university opened within time. Respondent I further explained that the fact that the university opened in time was one of the reasons why it led to its failure as it did not allow for adequate engagements of the stakeholders, non-participation of local SMME contractors more over Black businesses and professionals.

It can be deduced from the views presented by Respondents E, B, C, H and I that the project cannot be viewed as a success as the project failed to adequately achieve the fulfilment of the majority of the objectives. The only success of the project as presented by the Respondents could be the delivery of the university in time although as previously stated, the fact that the university opened on time could have resulted in its downfall in achieving and ensuring benefit of CSR initiatives by corporates in the program, the stringent time frames as

presented by the Respondents have attributed to the inability of the local community to participate and thereby realise reward in CSR initiatives.

Project Management Team

What lessons can be learnt in this current project for future consideration and incorporation?

The lessons to be learnt for future consideration according to Respondent D, is for stringent timelines set by government officials to be looked into deeper before committing, especially where local training is pursued. To allow for sufficient time for errors if you know that errors can be expected so as to adequately facilitate the development of business enterprises and skills.

Respondent E believes that the inception of the project is important and the lessons to be learnt is that there needs to be proper engagement due to the fact that the construction industry is very competitive given the current market over and above the mandatory requirement and obligation businesses have to utilise state funds to redress socio-economic issues in areas, the engagement should be such that it is transparent, inclusive and mostly beneficial, another component to this is to allow for sufficient time to train and develop skills and thus the time constraints need to extended and allow for proper and adequate development and skills transfer and there needs to be more focus on enterprise development. The other key component is to have a team that comprises of members who know the needs of a particular community, who understand the inequalities of South Africa and members who have the knowledge to address those problems and this team should essentially be a different team to the Project Management Team as the PMT will essentially monitor the program and not the socio-economic issues and therefore a balance needs to be created to address socio-economic conditions and the contractual construction problem.

Respondent F explains that the lessons to be learnt on this project would be for better and greater stakeholder involvement in the planning phases of the project so as to clearly have an understanding and expectation barometer in terms of delivery on the project to minimise the continuous construction program.

Community Liaison Officer (CLO)

What lessons can be learnt in this current project for future consideration and incorporation?

On lessons to be learnt, Respondent A emphasise the need for better consultation and engagement of stakeholders and adequate mentoring and training of local SMME contractors.

Respondent B expresses that the future considerations and lessons to be learnt are:

- *Better communication and stakeholder engagement*
- *More incorporation of local suppliers and contractors*
- *More overall involvement of contractor CLO's to information*
- *Better training programs and mentorship for SMME contractors*

Respondent C and believes that a proper management and evaluation team to monitor, evaluate the initial objectives outside the Project Management Team is needed in order to yield to sustainable development of the local SMME contractor.

Forums

What lessons can be learnt in this current project for future consideration and incorporation?

Respondent H, on lessons to be learnt for the future believes that there should be:

- *Adequate structures in place to report, monitor and facilitate the integration of locals into the programme*
- *Adequate engagements with the various stakeholders*
- *Stronger political will and support from local authorities*

Respondent I believes that the only way for sustainable development of local SMME would be to look at the failures, the frustrations of the current program and implement policies and strategies in terms of addressing those failures and frustration such that it will allow for the broader objectives to be met.

Project Management Team

Do you think that this university project will yield to sustainable development of local SMME contractors over time?

Respondent D believes that the university will yield to sustainable development of SMME contractors over time.

Respondent E believes that the university will yield to sustainable development of SMME contractors over time mainly due to the lack of SMME incorporation, participation and training and this does not yield to enterprise development and thus no sustainable growth.

Respondent F also believes that the project will yield to sustainable SMME development over time.

Community Liaison Officer (CLO)

Respondent A does believe that the university project will lead to sustainable development of SMME contractors over tine and the evidence is already bearing fruit in the 2nd phase of construction.

Respondent B ultimately believes that the project will lead to sustainable development of SMME contractors over time.

Respondent C believes that a proper management and evaluation team to monitor and evaluate the initial objectives outside the Project Management Team is needed in order to yield to sustainable development of the local SMME contractor.

Forums

Respondent H on whether the university project will aid to sustainable development of SMME contractors believes that the current program in the way that it is structured will not yield to sustainable development of the SMME contractor more over that phase 2 has begun and the similar model as phase 1 is still being implemented with the larger local constituency not having "a piece of the pie".

Respondent I believes that the only way for sustainable development of local SMME would be to look at the failures, the frustrations of the current program. Then implement policies and strategies in terms of addressing those failures and frustration. The implementation needs to

be such that it will allow for the broader objectives to be met, so that the current structure will lead to sustainable development of SMME contractors.

While the Respondents express how the project has not been a success, they still believe however that the project will aid to the sustainable development of the SMME contactor and believe that if the project in the way that is has been run can be altered and careful attention given in the following areas:

- Adequate structures in place to report, monitor and facilitate the integration of locals into the programme
- Adequate engagements with the various stakeholders
- for stringent timelines set by government officials to be looked into deeper before committing, especially where local training is pursued, to allow for sufficient time for errors if you know that errors can be expected so as to adequately facilitate the development of business enterprises and skills.
- More incorporation of local suppliers and contractors
- Better training programs and mentorship for SMME contractors

Part B: Data Collected through Interviews with Main Contractor

1. **What is your educational background, your age group and how long have you been in the Construction Industry and with the company?**

Respondent G is a Contracts Manager of age group 25 – 35 for one of the main contractors on site tasked with the construction of the university. Respondent G has a collective construction experience of about 11 years, having worked in Europe post matric for about 5 years and returning to work for the current employer for the past 6 years. Respondent G has experience in large scale building projects, varying from commercial, educational and residential construction.

2. **Tell me briefly about the company? (work it does, Grading, BEE level etc.)**

Respondent G explained the current company as one of the largest companies operating within the Bloemfontein area, operating for more than 20 years, the company has a level 2 B-BBEE status. The company according to Respondent G has experience in renovations projects, housing, hospitals, property, commercial and educational projects so it comes with a lot of construction knowledge and skill in the university project.

3. **What in your opinion is the importance of this university project?**

Respondent G expressed the importance of the project as being the development of the local community as the project will be providing the local community with employment in terms of labour, SMME contractors and suppliers. The importance and realisation of this development will be on the bigger contractors to develop and grow the local businesses and companies and impart skill on the local community according to Respondent G.

Respondent G explained that the project in relation to the wider environment will yield to much needed economic upliftment. Respondent G stipulated that one of the key components in terms of deliverables and targets for this university project was the development and employment of the local community. By virtue of "out of town contractors" coming in town and spending money in the town, it indirectly contributes to economic activity, the employment of the locals boosts the disposable income of the local community and indirectly increases the economic deficits in households and thus addresses some social and economic problems in the town.

4. **Do you know of and understand what Corporate Social Responsibility is and the impact of Corporate Social Responsibility in this university project?**

Respondent G expressed having a basic understanding of what Corporate Social Responsibility (CSR) and explains CSR as being the responsibility of the bigger corporates or firms to impart knowledge and skill to develop the local community in which the corporates or firms ply their trade with the impact being that the local SMME contractors, labour, suppliers who realise the opportunity presented and perform accordingly will reap the benefits of this transfer and will thus develop and grow.

5. **Do you think that there is sufficient competent local SMME contractors in town to handle and meet the demand and expectation of delivery?**

Respondent G expressed the opinion that there was sufficient capacity and content of local SMME contractors in the Kimberly and Northern Cape community and this was evident in phase 1 of the construction program although not having much knowledge of construction practises standards and workmanship. Respondent G further explains that the difficulty in phase 1 construction was that the program was fast tracked and as such from a contractors' perspective, the expectation was for entry level SMME who was competent and knowledgeable in construction trade, workmanship and quality who would work within the given parameters to meet the deliverables and that however was not the case.

6. **What were the objectives set to you as the Main Contractor?**

Respondent G stated that the financial considerations made were for the contractors to spend money in the town to develop, train and employ the local community although not being so cognisant of the figures and identifies the objectives of the project as being:

- *To use local SMME contractors*
- *To employ and procure a certain percentage of materials locally*
- *To develop and train local labourers toward a skill*
- *To develop and train local businesses and companies*
- *To deliver the project on time and with a good quality finish*

7. **My understanding is that there were objectives set to local SMME development, did any of the objectives focus to local SMME development?**

Respondent G explained that there was an objective directed toward SMME development and that was to improve training, skills development which would yield to competent business administration and thus business growth.

8. **What were some of the programs that were put in place to develop and impart skill and knowledge to the local SMME contractor?**

Respondent G identified the incubator program as one of the training initiatives and programs developed which mainly focused on SMME development and training. The incubator program identified the inadequacies of the SMME contractors then trained and mentored the SMME contractor in order for competent skills acquisition for business

administration. Respondent G further explained that the incubator program served not only the SMME contractors but the locals as well as there would be training toward trade certificates like, scaffolding, steel fixing, electrical, carpentry and shop fitting.

9. **Do you think that there was sufficient level of incorporation and participation of local SMME contractors in this university project?**

Respondent G expressed that there was sufficient level of SMME incorporation and as the contractors, they at times had huge headaches from the long list of available SMME contractors, some of which were not experienced at all and thus it became much of a logistical task of administering all of them in the program.

10. **What were some of the challenges experienced in relation to SMME incorporation in this university project?**

Respondent G highlighted the challenge in phase 1 of the university project as being the time allocated for training of the local community, Respondent G believes that the project was fast tracked and therefore did not allow for the adequate training of the local community. The other challenge as expressed by Respondent G was the lack of knowledge of construction practices by SMME contractors, given the fast track program, most defaulted and could not meet the requirements set out by the contractor. The other challenge was that the town did not have enough suppliers to meet the demand by 3 large independent contractors at one given go and this led to a lot of delays in the project. Another challenge experienced was the lack of willingness to work by some of the SMME contractors.

11. **What methods were applied in mitigating these challenges faced?**

Respondent G explains that the mitigation methods were applied and some proved worthless like having interventions and meetings with suppliers to try alert the suppliers on the importance of timeous procurement and delivery of material in order to meet deadlines and constant supervision of trade SMME contractors but that ultimately led to quality issues over and above delays and most of the time the Foremen spend most of their time supervising trade work than the holistic oversight of site.

12. What are some of the benefits of local SMME incorporation in this project?

Respondent G expressed the benefits of SMME incorporation as being the exposure to construction practises, standards demand thereby the growth of SMME contractors which will enable them to grow into bigger contractors.

13. Do you think that the programs in place are sufficient to yield to the sustainable development of contractors over time?

Respondent G expressed that the programs are sufficient but that just like anything else, there is room for improvement and the proof is just how some of the SMME Contractors have been carried over to the new phase being given more responsibility and greater scope of work.

14. What lessons can be learnt in this current project for future consideration and incorporation?

Respondent G expressed that the lessons to be learnt for future consideration would be to use the right SMME contractors who are willing to work and also have the right structures in place. Another lesson would be to utilise 1 contractor who sub contracts 5 or 6 smaller contractors below him and only have 1 point of reference as a main contractor than having 6 different contractors to deal with which takes time away from actual work to more supervising duties.

Summary

The purpose of the study was to present data collected through interviews done with the respondents presented in arrangement of themes. The themes presented was supported by the literature presented in Chapter 2 to support the responses supported by the interviewees. The findings presented illustrate that the project did not facilitate the involvement and participation of the SMME contractor, furthermore, the program does not contribute to the providing adequate training and business development of the SMME contractor. The study further portrays how the program does not have adequate measure in place to monitor and evaluate challenges faced by the SMME contractor and well as to effectively mitigate the challenges faced.

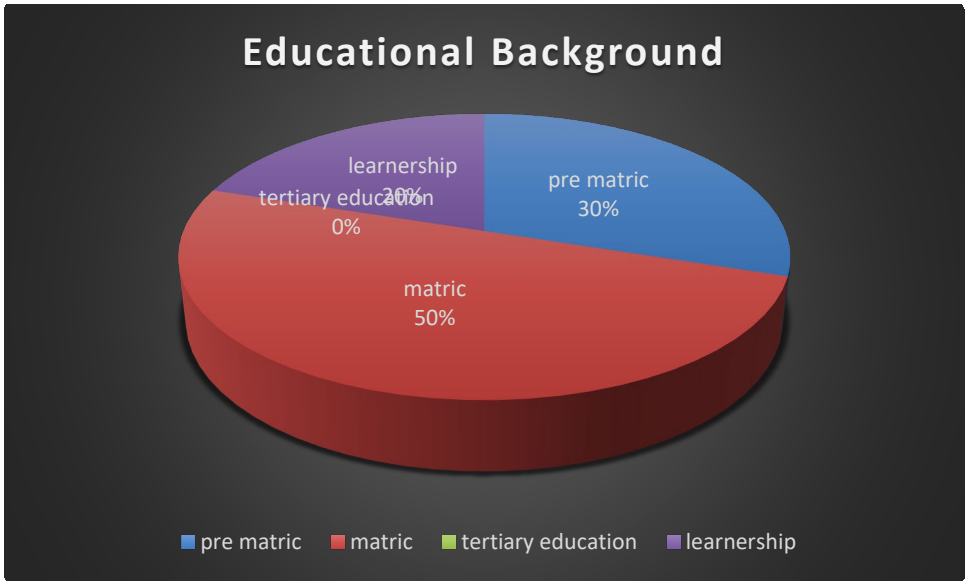
Part C: Data collected through questionnaires with SMME Contractors

The following section presents the data collected from the SMME contractors participating in the university project. The data was collected through structured questionnaires comprising of both open ended and closed questions. The questionnaires were distributed to 40 SMME contractors who participated in the university construction programme. The SMME contractors comprised of both the building contractors and suppliers. A total of 34 questionnaires were completed and returned to the researcher, making a response rate of 85% with a total of 3 being spoilt and thus making a valid and reliable total response rate of 78%. The response rate is considered a good response rate.

Question 1

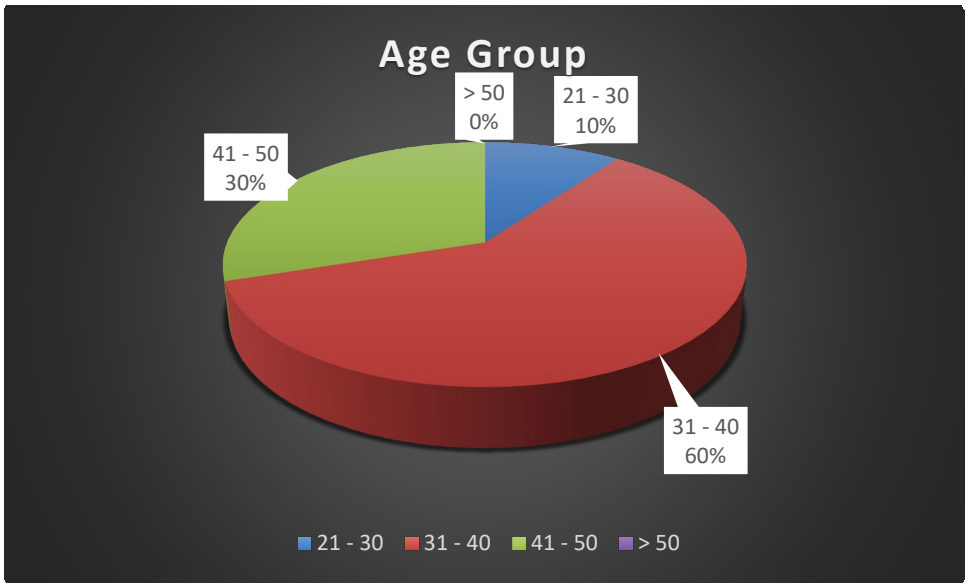
What is your educational background?

Question one sought to establish the educational background of the SMME contractors. The study established that half of the respondents only had a Matric qualification while 30% had pre-matric qualification. None of the respondents had any form of tertiary with only 20% having had exposure to learnership.



Question 2

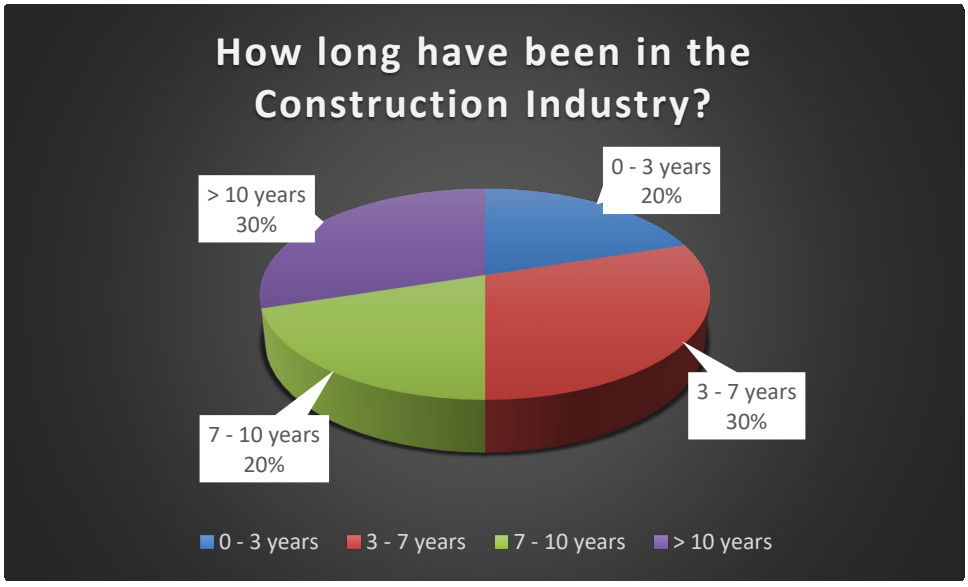
What is your Age Group?



The majority of the respondents were between the age group of 31 – 40 contributing to 60% of the SMME contractors. 30% of the respondents were between 41 – 50 and only 10% being between 21 – 30.

Question 3

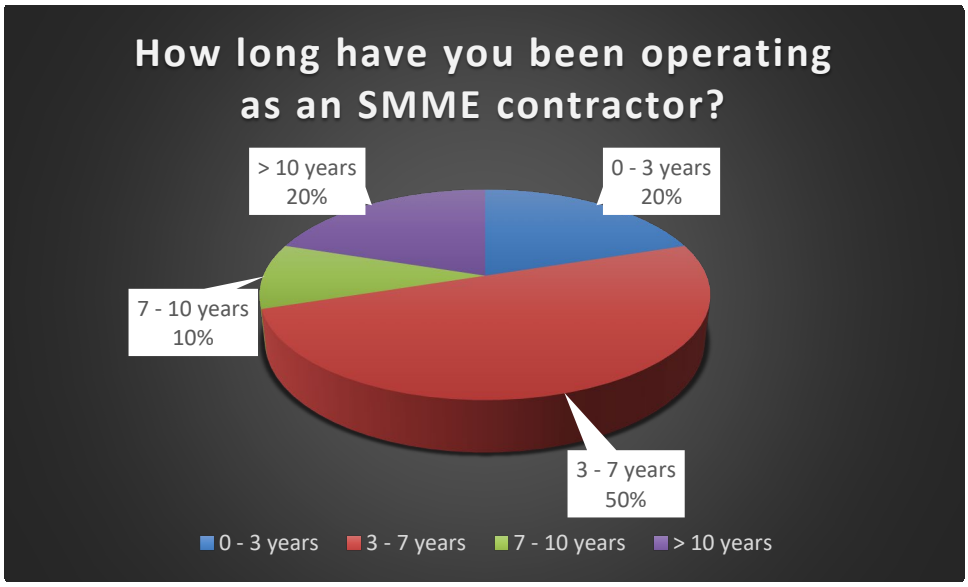
How long have you been in the Construction Industry?



The SMME contractors participating in the study portray that 30% of the respondents had an experience level of between 3 – 7 years and greater than 10 years, while the other half comprised 20% between 0 – 3 years and 7 – 10 years.

Question 4

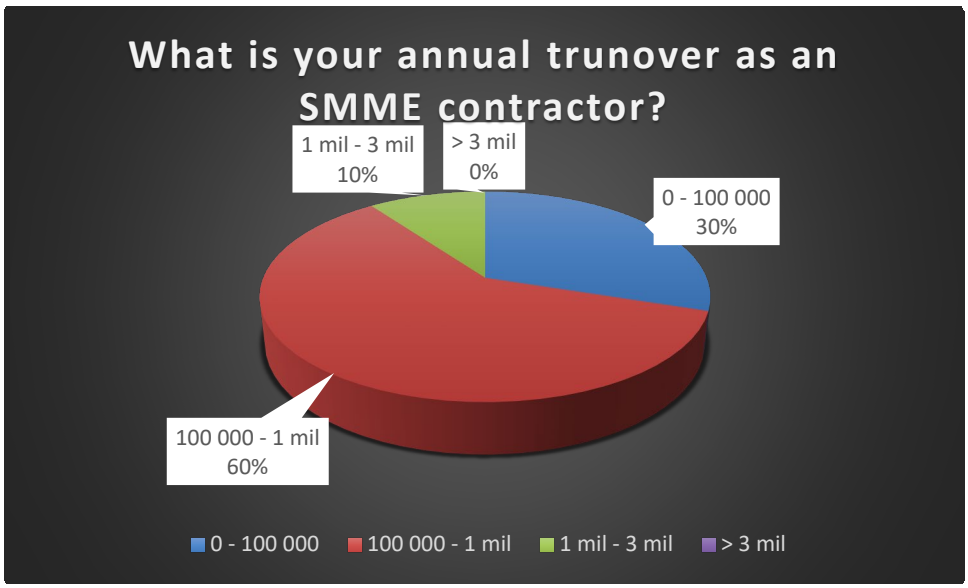
How long have you been operating as an SMME contractor?



50% of the respondents had been operating between 3 – 7 years while 20% had been operational between 0 – 3 years, having very recently started up. Only 10% of the respondents had been operating as an SMME contractor for a period of between 7 – 10 years. The other 20% constituted SMME contractors who had been operational for more than 10 years.

Question 5

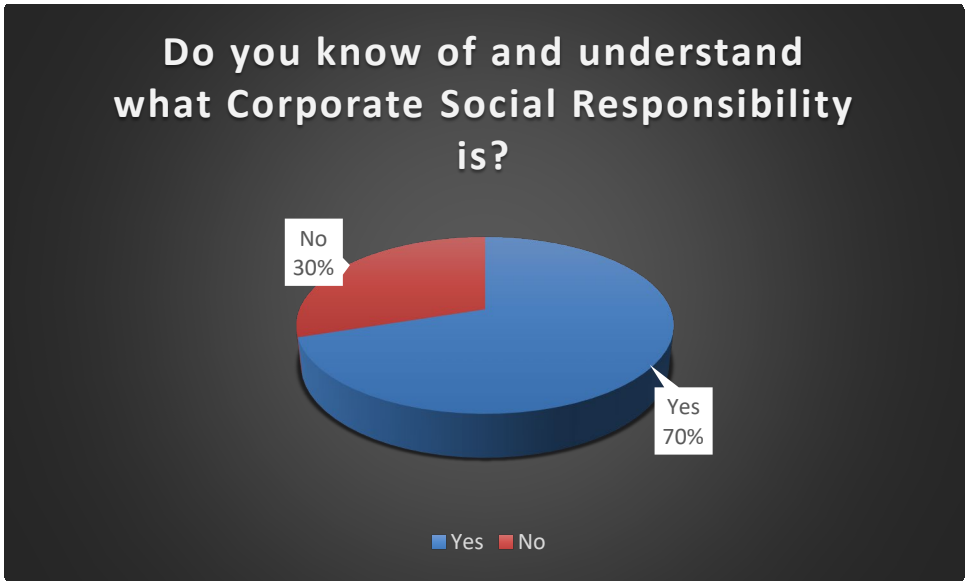
What is your annual turnover as an SMME contractor?



The analysis presents that 60% of the Respondents to the study earned between R 100 000 and R 1 million, with only 30% earning between R 0 and R 100 000. Only 10% of the respondents earned between R 1 million and R 3 million.

Question 6

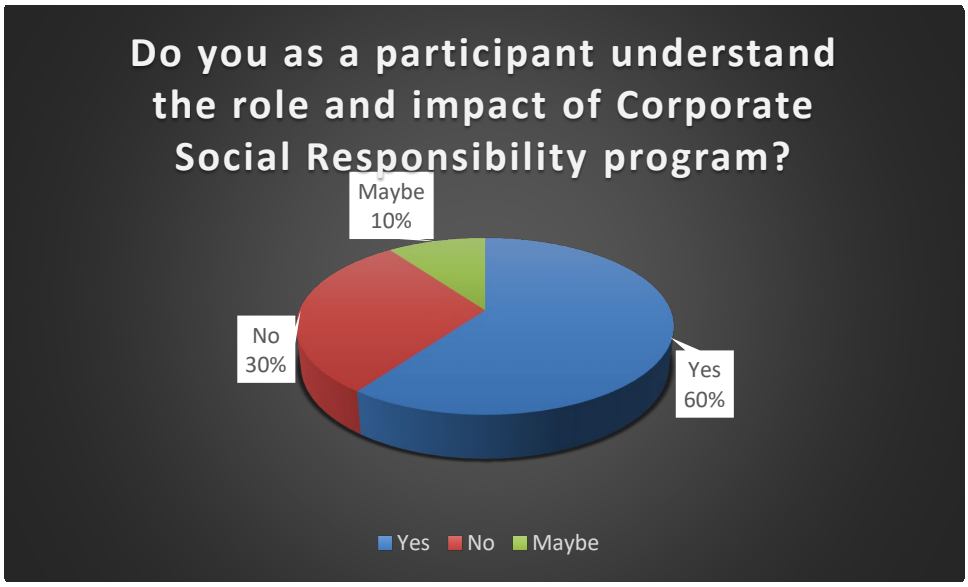
Do you know of and understand what Corporate Social Responsibility is?



70% of the Respondents explained having knowledge of the what Corporate Social Responsibility (CSR) is with only 30% not knowing what CSR is.

Question 7

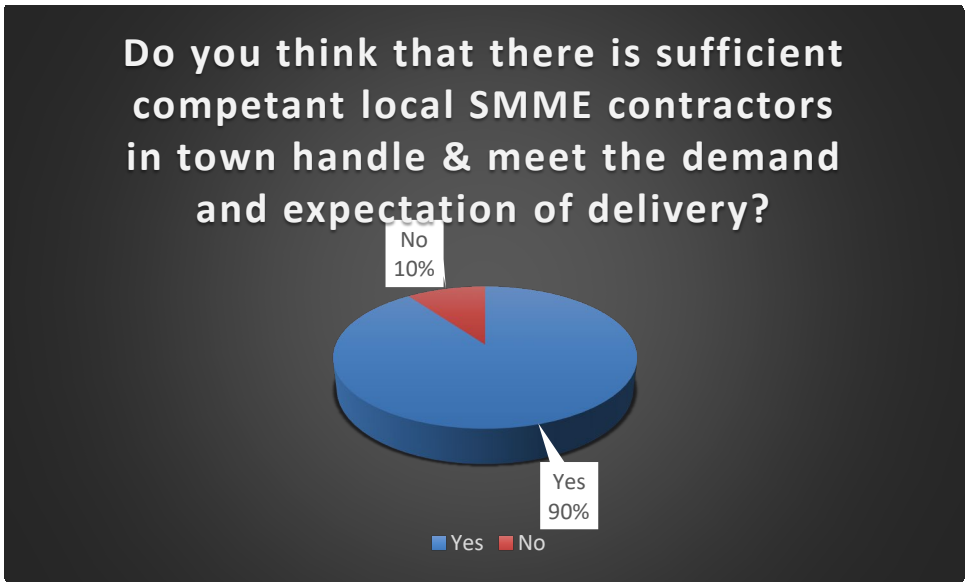
Do you as a participant understand the role and impact of Corporate Social Responsibility in the program?



60% of the respondents expressed having the knowledge and impact of CSR to their enterprises in their participation as an SMME contractor, while only 30% explained that they did not understand with only 10% who were not sure whether their understanding of the term is in actual fact the correct explanation.

Question 8

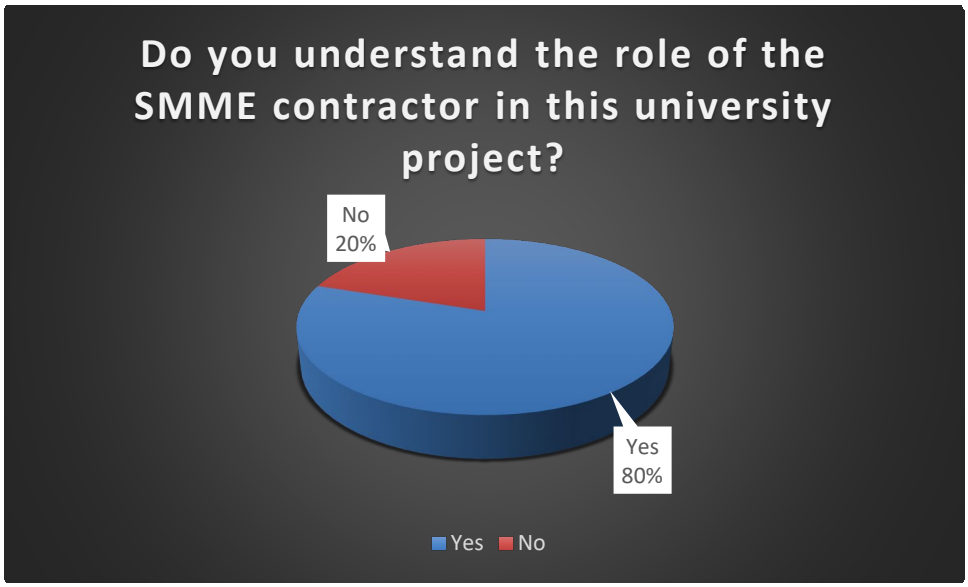
Do you think that there is sufficient competant local SMME contractors in town to handle and meet the demand and expectation of delivery?



90% of the Respondents attest that Kimberley and the Northern Cape have sufficient local SMME contractors who can and will meet the expectation of delivery. Only 10% of the respondents expressed that Kimberley doesn't have sufficient local SMME contractors who could meet the required level of delivery according to expectation.

Question 9

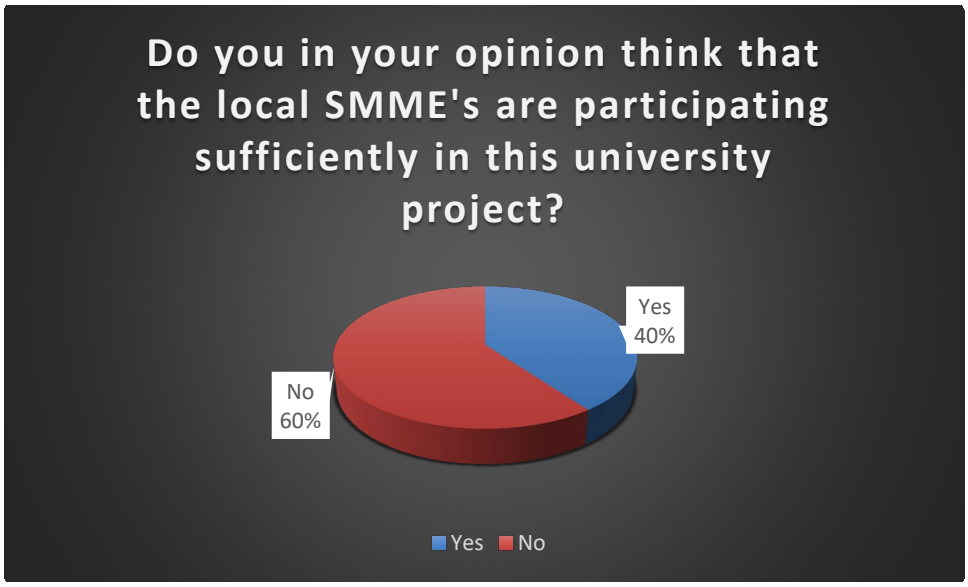
Do you as understand the role of the SMME contractor in this university project?



80% of the SMME contractors who were participating in the university project had an understanding of their role in the university project, while only 20% saying that it was not quite clear.

Question 10

Do you in your opinion think that the local SMME contractors are participating sufficiently in this university project?



60% of the respondents in the study expressed a great dissatisfaction that there is not sufficient and adequate participation of local SMME contractors in the project. only 40% of the respondents expressed a level of satisfaction with SMME contractor participation in the project.

Question 11

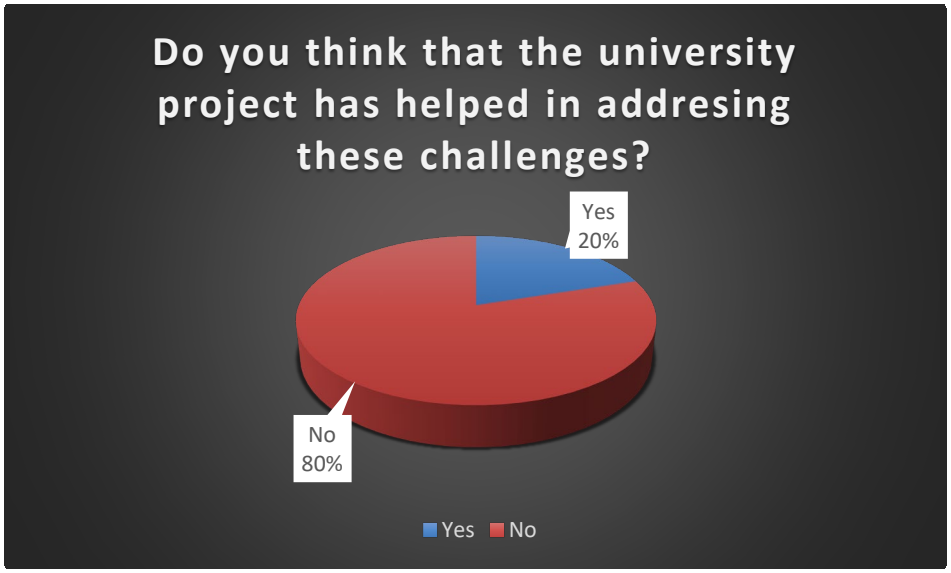
What are some of the challenges you experienced as an SMME contractor prior to participating in this university project?

The SMME contractors expressed the following as their challenges:

- Lack of knowledge of business accounting and pricing for jobs
- Inability to maintain constant labour resource
- Lack of constant/steady income flow
- Lack of operational space(offices) and transportation to reach work

Question 12

Do you think that the university project has helped in addressing these challenges?

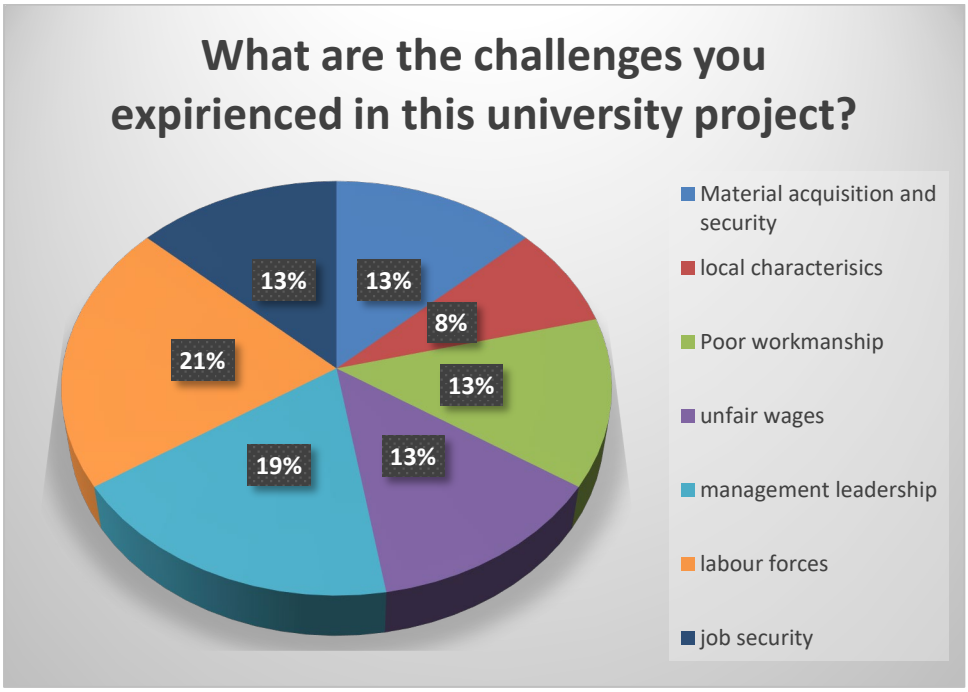


The majority of the SMME contractors (80%) expressed that their participation in the university project actually resulted in the program not aiding much to addressing the

challenges they faced. Only 20% alluded to the fact that they have received aid from their participation as it helped to address the challenges they face as SMME contractors.

Question 13

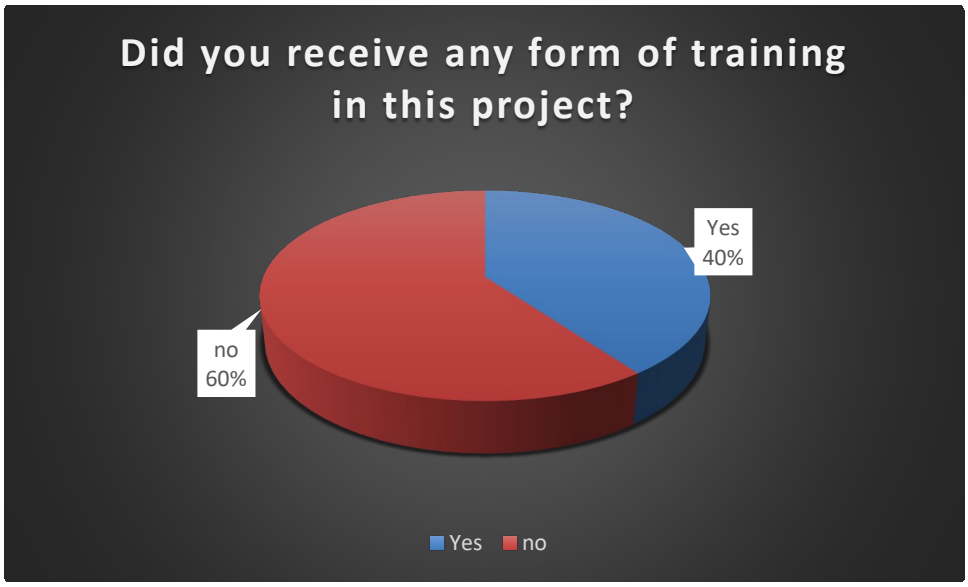
What are some of the challenges you experienced in this university project?



The participating SMME contractors highlighted that labour forces (21%) was the biggest challenge experienced in the project with managerial leadership being the second largest factor at 19%. The acquisition and securing of materials, unfair wages and job security, all represented the third greatest challenge at 13%. Local characteristics contributed to 8% of the challenges faced by local SMME contractors.

Question 14

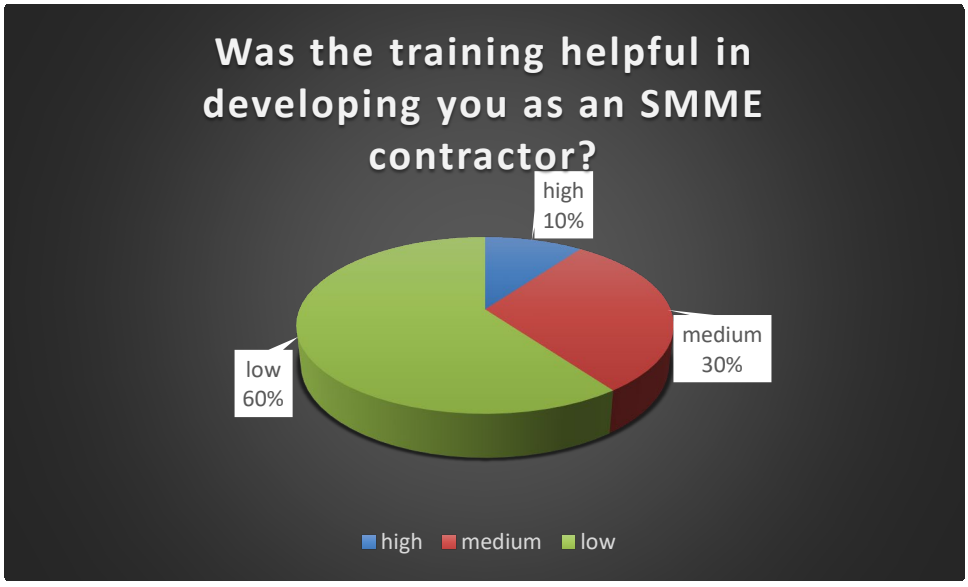
Did you receive any form of training in this project?



The data presented portrays that 60% of the respondents expressed not having received training from the program. Only 40% of the respondents expressed having received training in the project.

Question 15

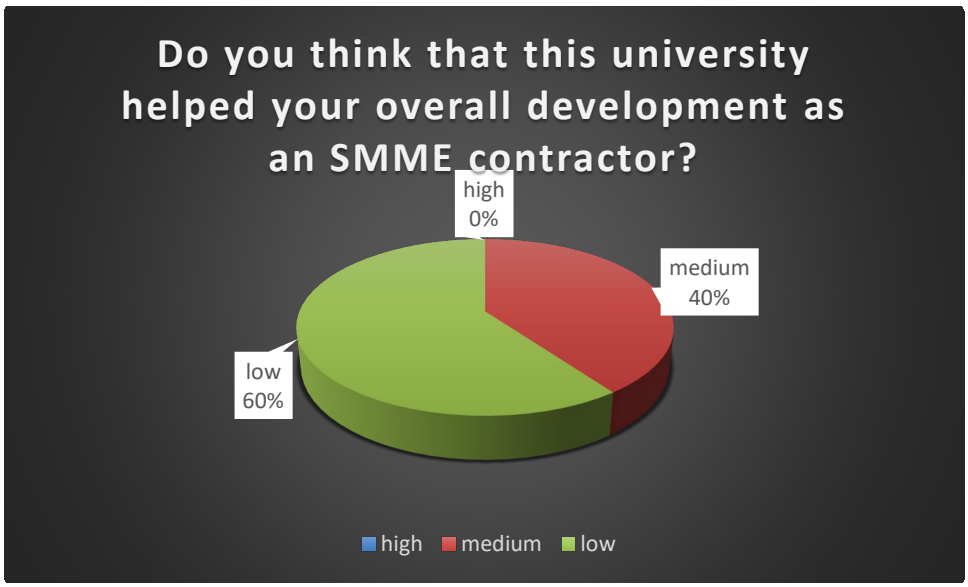
Was this training helpful in developing you as an SMME contractor?



60% of the respondents expressed a very low rating to whether the training received was helpful in development with 30% expressing partial benefit and only 10% stating that it was helpful. It should be noted however that the respondents that highlighted that the training received was helpful expressed that the real reward in the training received would be realised in some to come not necessarily addressing current need and challenge.

Question 16

Do you think that this university project helped in your overall development as an SMME contractor?



A larger portion of the respondents portrayed very low levels of confidence in the ability of the program to provide overall development to their enterprises. 60% of the SMME contractors responded to low confidence levels of possible development of the study while none of the SMME contractors had high expectation levels of possibility of growth in the development of the university. While 10% of the respondents in Question 15 expressed that the training received did help in their development, none of those respondents believe that the program will help in their overall development.

4.3 Analysis of Data

Part A: Analysis of data Collected through interviews with Community Liaison Officer, Project Management Team, Business Forum and Local Employment Division.

Section I: Role players Identification

This section relates to the opening section of the interview section where the researcher aimed to introduce the respondents to the interview by allowing questions related to the role of the respondent in relation to the Sol Plaaje University, length of time working in the project as well as the function of the organisation to the project. The researcher was aiming to have an understanding of the various role players in the construction program, their role as well as the role of their organisation in the construction program. This enabled the researcher to have an understanding of the deliverables connotated to each discipline as outlined. The researcher found that Project Management Team (PMT) role was to plan, guide and facilitate the construction program. The Community Liaison Officer's role was to source then draft a database of local content in terms labour and supply of construction materials and constructions related services, and then monthly manage any issues between the local labourers and local contractors with the main contractors on site. The LED was the link between the integration of local emerging SMME contractors to the larger more established corporations in the province and serving as the link between the community and the PMT. The Business Chamber was the source and supply of local SMME contractors as the supply of services for works completion. The main contractors are the primary agent to the works and the facilitators and mangers to works completion. These are the role players in terms of facilitation of construction works completion of the Sol Plaaje University.

Section II: Stakeholder identification and perceived importance of university project

The second section of the interview guide was to identify from the role players involved who they thought but most importantly knew the stakeholders to be in the university project. Government has identified Kimberly as being the recipient of 10 billion rand over the next 10 years in development through construction with very specific development targets related to this construction. The DHET (2012) identifies key issues such as the transfer of skills to local community members and the development of local SMME's through participation. Furthermore, the construction project aims to allow for the integration of larger more established firms to develop, train and impart knowledge and training on the local economy

with much needed skills and capacity and these mechanisms shall in the long run lead to development, economic distribution and curb the high unemployment levels and reverse the socio-economic conditions in the province through participation.

Views expressed by the respondents in response to the question asked about the perceived importance of the university to its wider area, was that the university project was an important project as it fostered much needed construction activity with the greater prospect of enabling community participation which will lead to employment and economic development more over that it was a stepping stone to allow for the participation of SMME contractors. The respondents expressed how the participation of the SMME contractors in the construction program will yield to the development of the SMME contractors and them (SMME contractors) learning to run successful enterprises. Most importantly it was revealed by the respondents that there was prior engagement prior to the construction taking place, of the role and participation of the various role players in the project. This from the respondents was very key as it enabled the stakeholders to develop a road map to the delivery and achievement of the objectives set out. Dahlsrud (2006) posited that Corporate Social Responsibility encompasses the overall relationship between the cooperation and all stakeholders involved. The knowledge of such stakeholders shall enable the parties involved to attain from each other the necessary training, expertise and experience necessary to run and maintain successful businesses. The DHET (2012) outlines the stakeholders to the project and thus the group/personnel required to be an integral part of this development process and thus benefactors of the project. The respondents in their responses illustrate the knowledge of the key personnel required in the project.

Section III: Knowledge of the role and impact of Corporate Social Responsibility

The third section of the interviews posed questions to the respondents of their knowledge of Corporate Social Responsibility. This was an important aspect to the researcher as it would enable the researcher to draw from the respondents their understanding of the objectives of the construction program, who would facilitate that process, their role in the achievement of the objectives and whether the objectives were actually achieved. Most of the respondents showed knowledge of the concept of Corporate Social Responsibility and expressed it as the responsibility that big corporations have to play in a particular area in the development of that specific area. More over the respondents expressed how one of the biggest objectives of the project was the utilisation of the local community in the employment of local labour, the

participation of small businesses which are integral to the development and transfer of skill. This knowledge is key as it correlates to the primary objective as set out by the DHET (2012) in section one. The respondents from the interview expressed that the objectives were not met to the largest extent as there was not sufficient utilisation of the SMME contractors in the project. Those who expressed the objectives as being met, alluded to the fact that the actual building was delivered and local labour used but not so much the developmental aspect of both local community and SMME contractors.

Falck (2007) argues that CSR is a commitment by enterprises to address social and economic issues which must be planned, supervised and evaluated on a regular basis. The respondents in the above section showed knowledge in the term CSR and thus have expectation of the deliverables necessary for CSR to be achieved. The respondents identified the creation of work opportunities, transfer of skills and growth of businesses as some of the key goals of this project. Migiro (n.d.) posits that the support of SMME's as a developmental strategy to entrepreneurship and acceleration of economic development in South Africa is key. With SMME promotion seeming a key driver and focus for economic development in South Africa, Luiz (2011) argues that the promotion of SMME's in South Africa can be a powerful stimulus for the SMME sector as it will provide for much needed real and steady source of demand. Furthermore, Luiz (2011) posits that in order for this stimulus to be reached, companies have to work closely with SMME's as this enables the SMME's to benefit through the transfer of skills. The respondents however express to this objective having not been met.

Section IV: The integration of local SMME contractors in the construction phase of the university project

The fourth section presents the responses in relation to integration of local SMME contractors and thus their participation into the university construction program. The participation of SMME contractors formed a very key component of the delivery and construction targets. Responses from the PMT, CLO and the Forum have highlighted SMME contractors as one of the key stakeholders in the university project with the availability of jobs for locals through the participation of local SMME contractors as one of the key objectives. The integration of SMME contractors into the programme served as a pedestal of measure and a fundamental aspect into the delivery of the CSR initiatives by the main contractors who serve as the corporates in the university project. The responses from the respondents highlight how there was a lack of participation and integration of SMME contractors in the construction program.

The respondents highlight how there was a lack of drive from the main contractors to use the SMME contractors and how there was no recourse from the Forums in trying to get the main contractors to adhere to the primary mandate of utilising the SMME contractors. The respondents furthermore expressed how the lack of time in terms of delivery target was a challenge in ensuring that the integration objective was not met, the lack of communication, administration and facilitation of targets being met not being in place during the construction process. It can be deduced from the responses above that the role of the PMT as the facilitators of delivery from aspects slipped in administration of the CSR targets being achieved. From the responses it can be seen how the PMT's primary and time-consuming objective was the facilitation of the construction program and process and not so much the delivery targets attached to CSR initiatives. The responses also from the main contractor is contrary to the delivery targets of development through integration by the transfer of skills to SMME contractors as the contractors expresses how there was not sufficient skill and capacity to absorb the demand. This response cannot be deemed valid due to the contractor having known the objectives and targets from the onset.

Small, Medium and Micro Enterprises in South Africa, according to the Department of Trade and Industry (DTI) is seen as the key drivers to economic growth, innovation and job creation. These Enterprises are regarded mainly as the major contributors of employment in South Africa and contribute significantly to the National GDP (DTI, 2008). Luiz (2011) posits that the private sector firms have a very pivotal role to play in addressing the inadequacies faced by SMME's. Furthermore, Luiz (2011) postulates that the role of the private firms in alleviating the inadequacies, is through the promotion and integration of small firms with larger firms. The respondents in this section explain that the program did not yield to much integration as required of SMME's into the construction program, this then yielded to some challenges being experienced but most importantly it portrays how the lack of integration did not adhere to the primary mandate as explained in Chapter 2 through the DHET (2012). The requirement was for the university construction delivery plan, to enable more established construction companies through Corporate Social Responsibility programmes to integrate and impart knowledge and skill to the smaller establishing local SMME contractors and labour force (DHET, 2012). The integration of larger more established construction firms should be able to develop, train and impart on the local economy with much needed skills and capacity. The training and development mechanisms

should in the long-term yield to development, economic distribution and curb the high unemployment levels and reverse the socio-economic conditions in the province. The responses reveal how this was not achieved.

Section V: Development through Participation

The fifth section presents responses in relation to the prospect of development of SMME contractors in the construction program. The section aims to find out what the challenges for the SMME contractors were, the mitigation measures that were in place and any if any training programs were present. The main challenge as expressed by the respondents was the expectation of delivery and integration of SMME contractors in such a constraints time period. The limited time made it difficult for the contractors to have access to a reasonable pool of competent SMME contactors who could be utilised and thus developed. The responses from the contractors were such that the SMME contractors expected to gain automatic qualification into the project without much delivery and this led to the SMME contractors having entitlement over their participation in the project. The continued use of SMME contractors who were reasonably inexperienced led to them initially being given large portions to work which resulted in very poor and sub-standard quality. The respondents further expressed how the SMME contractors showed signs of laziness. This could be attributed to the entitled they felt they had in the project as they failed to plan for resources which led to targets not being achieved, therefore financial obligations not being met and ultimately the reason why the contractor's recourse was to disqualify defaulting contractors from further participation. The responses from above indicate the importance of having adequate structures in place for monitoring purposes but mostly facilitation more especially after it was revealed that the stakeholders were engaged of the requirements and objectives of the project. Furthermore, the respondents expressed how there was lack of adequate training in this program due to the aforementioned challenges.

The arguments discussed in this section, illustrate the importance that industry plays in the social and economic development of SMME's in South Africa. Othman and Abdellatif (2011) citing Bennett and Jayes (1998) postulate that partnering has substantial positive impact on project performance, not only with regard to time, cost and quality but also on general outcomes such as innovation and improved user satisfaction. This partnership allows for joint commitment from both business and SMME contractor in utilising much needed expertise and skills of business to impart knowledge and training to SMME contractor. This

effort, in turn, will jointly enable business and SMME contractor to produce quality results of a common goal and produce profit in the venture quest. The responses from the respondents however highlight the role played by the construction companies in not fully providing a platform that enable the development and growth of SMME contractors through Corporate Social Responsibility initiatives even though there was an incubator program.

Section VI: Evaluating project success in relation to the objectives and targets set thereby mapping the way forward for sustainable SMME development

The final section of the interview posed questions to the respondents in aiming to understand whether the project was a success or not. This question was posed in aiming to ascertain whether the objectives as set out had been achieved. The responses from the respondents were that the project was not a success due to the following reasons:

- Lack of participation of local SMME contractors
- Poor administrative and facilitation processes in the construction program
- Lack of training and development of local community and SMME contractors

The respondents did however state that the program was a success only because the buildings were delivered on time.

Furthermore, the respondents highlighted that the program in its current format could yield to sustainable development, with lessons drawn from the project being that there needs to be:

- Adequate structures in place to report, monitor and facilitate the integration of locals into the programme
- Adequate engagements with the various stakeholders
- for stringent timelines set by government officials to be looked into deeper before committing, especially where local training is pursued, to allow for sufficient time for errors if you know that errors can be expected so as to adequately facilitate the development of business enterprises and skills.
- More incorporation of local suppliers and contractors
- Better training programs and mentorship for SMME contractors

Shakantu and Kajimo-Shakantu (2007) citing Mohammed (2005) validates the importance of SMME's and explains that the promotion of SMME's should be the centre of Government's priorities and focus as it will address socio economic problems. The South African Government is aware of the urgent need to invest in small, medium and micro enterprises (SMME), as investment in this sector is a potential key driver to economic growth and job creation as it addresses problems associated to socio-economic conditions.

Furthermore, the DTI (2013) postulates that the only way to attain sustainable SMME development is through the use of SMME's. Joubert et al. (1999) argues that the use of SMME's tackles the burden of unemployment and results in job creation and economic growth.

Part B: Analysis of data collected through Interviews with Main Contractor

1. From the information provided, respondent G is of higher position, has experience in the construction industry and had worked in the education building construction before. The contractor provides evidence of having the expertise, skill and knowledge to execute the works in terms of the contract agreement.

2. Respondent G portrays the vast skill experience that the company has in the building and construction Industry more over as expressed by Respondent H earlier; the company adheres to some of the requirements for government contracts; being B-BBEE rating which becomes vital in the fulfilment of the terms of the contract in the university project.

3. Respondent G portrays similar views as the previous respondents in the acknowledgment of the university project and the potential impact the project shall have on the local community. Respondent G expresses that the project shall develop the local community in job creation and the gaining of skills. Respondent G also acknowledges the part that corporates like themselves will play in the university project in order to ensure that development is attained.

4. Respondent G earlier highlighted the role that corporates have in order to instil change and develop the community. Respondent G in this question posed, portrays the importance of equal responsibility SMME contractors have in order to ensure that they reap from the initiatives of corporates through CSR initiatives.

5 &6. Respondent G explains just like the Respondents from the project team, the CLO's, and Forums; that the project set had targets and deliverables. Respondent G concedes that part of the deliverables was the utilisation of SMME contractors, to develop and train them in order to deliver a good quality project; delivered on time.

7 & 8. Respondent G in this reply highlights some of the initiatives that the contractor in conjunction with the other stakeholder had in place as part of the initiatives of CSR in the construction program. Respondent G identifies the incubator as being part of the programs designed to help train the SMME contractors however, the respondents previously have expressed the dissatisfaction of the incubator program as it has no tangible reward. Respondent G's views support the views previously expressed by Respondent E; in that the focus of the program was more for the "micro economy" (labour) and not the "macro economy" (SMME contractor). The views presented here suggest that the training mechanisms might not have been sufficient for SMME training and development.

9. Respondent G expresses similar sentiments as the PMT that the level of SMME incorporation was sufficient, Respondent G however highlights just how the circulation, selection and administration of the SMME list via the CLO was a cumbersome task and thus highlights just how and why some of the SMME contractors might have fallen wayside and ended up not participating. The views presented by Respondent G provide insight as to the lack of effectiveness of the contractor to administer some form of training and development to the SMME contractor.

10. Respondent G supports the notion presented earlier by Respondent A in that time was a major challenge and constraint in the ability for the contractor to incorporate the SMME contractor and thereby training and developing the SMME contractor. Respondent G further expresses that the lack of construction knowledge of the SMME contractor was a challenge in administering effective training and development. The response by Respondent G portrays an attitude of lack of effort toward CSR initiatives as the mandate was to train and develop the locals therefore it would be expected that the SMME contractors would have lack of experience and knowledge thereby making it all the more necessary for incorporation and development.

11. Respondent G expresses that the program had mitigation methods but just like the previous respondents who expressed that the mitigation was not effective, Respondent G

expresses that the mitigation efforts on the program were not fruitful. It does seem from the response given by Respondent G, hints of frustration in the actual competency of the local SMME contractors, while Respondent G might have conceded that there was sufficient capacity in the town to meet demand. This particular view portrays that the local SMME contractors might have not been competent enough to handle the pressures of the project. The frustration as a result of this might also be linked to the inability of the contractors to effectively provide adequate training and development as portrayed by the previous respondents.

12. The views presented by Respondent G again suggest that not much can be attested by the contractors and the respondents at large about the incorporation of SMME contractors into the university program and can therefore suggest that the SMME contractors did not benefit from the program

13. Respondent G supports the views presented by Respondent A that there was benefit to the local SMME contractor as those SMME contractors have gained access and are used in the second phase of the program. The views presented however is not supported by the other respondents who expressed that the SMME contractors who benefitted are too few to mention and thus the larger pool of SMME contractors are still on the outskirts and not benefitting.

14. Respondent G expressed that the lessons to be learnt for future consideration would be to use the right SMME contractors who are willing to work and also have the right structures in place. Another lesson would be to utilise 1 contractor who sub contracts 5 or 6 smaller contractors below him and only have 1 point of reference as a main contractor than having 6 different contractors to deal with which takes time away from actual work to more supervising duties.

Part C: Analysis of graphical data presentation of data collected through questionnaires with SMME Contractors

Question 1: The study established that none of the SMME contractors had a tertiary education, with only 20% having a learnership qualification. The study supports the evidence brought in Chapter 3 through Stats SA (2015), that only 10.4% of the Northern Cape had higher education with the majority only having Matric and Pre-Matric education.

Question 2: The South African Regional Poverty Network (SARPN) (2008) define the youth age range as being between 14 and 35 so the study presents evidence that a significant portion

of the SMME contractors did not comprise youth businesses. This evidence further cements the notions brought by Respondent J in the interview as expressing the lack of involvement of youth businesses in the university construction program.

Question 3: It can be concluded from the data collected that 80% of the respondents had an overall experience level of 3 – 10 years. From the data presented, it validates the need as contained in the literature and objectives of the DHET to have experienced more established construction companies to impart knowledge, skill and expertise on the SMME contractors in order from the SMME contractor to develop. The data presented illustrate that the larger pool of SMME contractors are in the start-up phase as they have an experience base of less than 3 years.

Question 4: It can be deduced from the analysis that the SMME contractors participating in the study were not start up enterprises and have been operational for some time. It further cements the notion that the SMME enterprises did not start up due to the announcement that there will be construction of the university in Kimberley. It can also be deduced from Question 3 that the SMME contractors participating in the university program have a reasonable knowledge of the construction industry and therefore practise and adherence to certain construction standards.

Question 5: Seda (2016) portray that the majority of SMME with the South African context are still Survivalist enterprises earning less than 100 000 per annum with Micro Enterprises forming the 2nd largest tier comprising enterprises with an annual turnover of less than R 1 million. The study can conclude that the majority of participating SMME contractors are micro SMME contractors. This knowledge further supports the statement expressed by Respondent E in the interview section; that the challenge to the study and engagement is that the project has attracted a wider pool of contractors who are Micro enterprises and did not facilitate a large number of Macro enterprises.

Question 6: The data presented depict that the SMME contractors partook in the project having an understanding that the corporates would have the duty to contribute to the development of the enterprise to some degree.

Question 7: It can be deduced from the data that the respondents participated in the program having the knowledge that their participation in the program would yield to their development through agencies tasked by the Government to impart that knowledge and skill.

Question 8: The views expressed through this question can validate the data analysed earlier that most of the participating SMME contractors have had previous construction experience and have been operating for a reasonable amount of time in the industry. The opposite can be presented in the previous views by the PMT that the SMME contractors that defaulted, some as due to lack of adequate production rates and quality standards which can attest that the SMME contractors could not handle the demand and expectation of delivery. The evidence brought forward by the CLO's that most of the SMME contractors defaulted could further cement the argument that the views presented by the SMME contractors could not present material fact.

Question 9: As presented in the previous interview section, the respondents expressed that part of the challenge in the project was to manage and integrate the various expectation levels of the various stakeholders and ensure that there are structures in place to monitor, evaluate and resolve the clashes that arise to the difference in expectation levels. The views presented by the respondents in this question suggest that the participants understood what their role was, whether that role was integrated in the problem could be a hindrance and possible contributor to the challenges that arose. The understanding of the role to play by the SMME contractors provided a benchmark to which the corporates should implement CSR initiatives to impart change.

Question 10: While Question 9 brought insight into the SMME contractors' understanding of the role they play in the university project, with the majority stating that the role is understood. The views presented in Question 10 showcase the dissatisfaction of the local SMME contractors whom 60% express that they not participating sufficiently in the project. The views presented in this question support the views presented in the interview section where the similar question was posed. The CLO's, the Forum and a member of the PMT stated that the level and amount of incorporation of the local SMME contractor into the university project was not sufficient. The data presented through this Question can therefore conclude that the initiatives by corporates through CSR did not yield material benefit and reward to a significant majority of the SMME contractor.

Question 11: Ntuli and Allopi (2014) cite that the SMME contractors in South Africa generally tend to be start up and survivalist enterprises and their challenges usually comprise:

- Lack of understanding contracts
- Under pricing
- Lack of financial management
- Lack of managerial and operational skill

The data analysis presented in Question 5 concluded that most of the participating SMME contractors were Survivalist contractors. The SMME contractors highlight similar challenges to those presented by Ntuli and Allopi (2014) and by virtue of most of the SMME contractors being categorised as Survivalist, the challenges presented are those expected. Some of the challenges presented by the SMME contractors were highlighted by members of the various constituencies and thus contributed to their downfall and default thereby leading to their termination of the contract.

Question 12: The Respondents when asked to elaborate, expressed similar sentiments presented by Respondent E and Respondent C in the previous section; that the program did not facilitate the participation of the SMME contractor with very little mitigation methods in place to deal with the challenges. The Respondents further expressed that the general notion was that the contractors only allowed the local SMME contractors to participate due to compliance and not as means of imparting any change and development. This resulted in the local contractors not participating in the program and the main contractors thus resorting to using contractors from out of town, which is contrary to the objective and target of local SMME development through CSR initiatives.

Question 13: The views presented in the previous section to the question posed of what the challenges were in incorporation by Respondent A; was that the SMME contractors showed signs of laziness and there was constant absenteeism. While the SMME contractors citing an inability of maintaining a constant labour force, the possible result of this could be attributed to the lack of adequate financial management, this then leads to labour instability, labour absenteeism and the pressure of meeting production targets with a constant change in labour force will result in substandard quality production as a result of poor workmanship which

then contributes to contractor termination. Material acquisition, management leadership, unfair wages and salaries and job security all presented an equal challenge to the SMME contractors at 13%. These challenges further support the data presented in the previous section as the challenges that SMME contractors faced in the university project and are a testament to the category to which the SMME contractors are categorised.

Question 14: The analysis presented gives further support to the previous question and sentiments presented that the university program provided no means of mitigating challenges and adequately enhancing the livelihood of the SMME contractor. While 40% explained that they did receive training, those that did expressed how the training was either not beneficial in addressing their current needs or that the training was introduced at a point where the benefit was not going to be realised. The respondents also expressed how the training that was received had no form of accreditation and could not complement the development of the enterprise in some form of accreditation. The respondents expressed that the efforts were another compliance mechanism from the contractors and PMT. It can be concluded form this statement presented by the respondents that the notions brought by Respondent I in the previous section about the incubator program, that the program was not presented and that the reward was not tangible. The data analysed further support the idea that the reward of CSR initiatives by the corporates cannot be achieved.

Question 15 & 16: The views presented in this question depict the fundamental disparity in the attempts to try and redress the socio-economic imbalances in the Northern Cape by the construction of this university through CSR initiatives.

The respondents were further asked what form of training they would recommend in the future and the respondents identified from the challenges received the following:

- Project management
- Human resource management
- Competitive tender pricing
- Financial management
- Procurement

The training aspects provided are such that they will affect change in the short-term phase as some of these challenges were listed by the SMME contractors and will address the challenges they face currently leading to effective business administration and thus longevity in the reward received and thus the sustainable growth of the SMME contractor.

4.4 Summary

Chapter 4 presented the data collected in the study. The data collected was presented in two sections organised in themes. The data presented was then analysed taking into consideration the themes presented. The data collected was discussed in support of the literature presented in Chapter 2.

Chapter 4 outlined how the Sol Plaaje project consisted of various expectations from the stakeholders involved. The study further portrayed how these expectations were never addressed and resolved in a common forum. Furthermore, the study outlined how the lack of initial planning as well as the continued monitoring of stakeholder expectations led to further challenges being experienced in the project. The study portrayed the frustrations of the SMME contractors and how these frustrations and grievances were not attended to.

The study further reported how the main contractors were dismissive of the SMME contractors from further participation in their scope of work. The dismissal thereof and non-participation of SMME contractors led to local SMME contractors not benefitting through the program and the resultant frustration of the local SMME contractor.

The study reported how the PMT was focused on the construction of the university rather than the fulfilment of the construction program in conjunction with the set CSR objectives and targets. The set targets were there to ensure that the local SMME contractors were participating and benefitting from the project, which will enable enterprise development and help to redress the socio-economic conditions in Kimberley. The findings are discussed in Chapter Five.

Chapter 5: Conclusions and Recommendations

5.1 Introduction

Chapter Five presents information gathered from the literature review and the data analysed in Chapter Four thereby presenting conclusions and recommendations. The study provided empirical evidence by presenting and examining the historical development of Corporate Social Responsibility. The study further presented the evolution of CSR as a concept. Furthermore, the study examined the challenges faced by SMME contractors as well as the extent to which CSR can aid in addressing SMME challenges and aid to the development of SMME contractors.

The Chapter will re-examine the research questions and research problem and assess whether the study has been able to address the research objectives and aim. The Chapter will then provide conclusions, recommendations and suggestions for future areas of research.

5.2 Re-examining the Research Problem and Research Questions

The high levels of unemployment and low levels of higher education learning in the Northern Cape has arguably resulted in the lack of adequate skilled professionals and a competent skilled labour force. SMME's are seen as the key driver for economic growth and a major contributor to alleviating unemployment in South Africa. The role of the private sector is seen as very important in collaboration with Government efforts through CSR initiatives in training and developing local SMME's. The South African Government through the Department of Higher Education and Training (DHET) aims to achieve this development in the Northern Cape through the construction of the Sol Plaaje University. Part of the main objectives of the construction of the university is to enhance Corporate Social Responsibility programs of larger more experienced construction firms to smaller local SMME contractors through participation. There is however, a perceived challenge in the commitment of larger construction companies in the implementation of CSR initiatives and programs and the participation and integration of smaller local SMME contractors into the construction programme. The absence of this participation and integration of local SMME contractors negates the mandate and primary objective of the Government; which is to enable the development, training, transfer of skills and knowledge gaining of SMME contractors by larger participating contractors through CSR initiatives in order to develop SMME contractors.

5.2.1 Research Question

Does the Sol Plaaje University construction program allow for the adequate level of participation and integration of local SMME contractors through the roll out and implementation of CSR programs by larger construction companies in order to yield to sustainable development of SMME contractors?

5.3 Research Objectives

5.3.1 Evaluation of challenges faced by SMME Contractors

To highlight and evaluate the challenges in the implementation of CSR programs in the Sol Plaaje University project

The aim of the study was to assess the impact of CSR programmes with regard to sustainable development of SMME's in the construction of the Sol Plaaje University project.

The literature study explored the challenges faced by SMME contractors as documented by the Department of Trade and Industry. The study then investigated the current challenges faced by SMME contractors participating in the Sol Plaaje construction program. Furthermore, the study explored the implementation and roll-out of CSR programmes with the integration of SMME's into the construction program. SMME development provided the benchmark on which to assess the impact of those CSR programmes for the continued improvement and sustainable growth of local SMME's, in order to yield competent and profitable SMME entrepreneurs in the construction sector.

5.3.2 How CSR contributes to Sustainable development

To evaluate the roll out and impact to which Corporate Social Responsibility (CSR) programs contribute to the long-term sustainable development of SMME's

The study presented empirical evidence through the literature study of the evolution of CSR as a concept. Furthermore, the study provided evidence of the impact of Corporate Social Responsibility of firms within operating communities. The study presented literature of the impact and advantages of having construction firms implement Corporate Social Responsibility within communities. The study then explored the CSR initiatives as documented by the Department of Higher Education and Training in Kimberley, the implementation and the impact of such initiatives.

5.4 Key Findings

Section I: Role and Stakeholder identification

The participants to the study were requested to identify who the perceived stakeholders to the project were. The request was done in an effort to ascertain whether there was knowledge that the SMME contractor was a stakeholder and whether the programs and objectives designed catered for the local SMME contractor. That knowledge would enable the researcher to answer the research question posed. The respondents to the study generally presented the stakeholders to be:

- Local SMME contractor
- Local labour
- Local youth (business & education)
- Graduates and professionals

The analysis to the study presented findings that the local community was the largest beneficiary as the project would provide much needed employment opportunities to the local community. The study found that the expectation was for the local community more over local SMME enterprises to participate in the construction program and thereby gaining skills and yielding enterprise development.

Section II: Perceived Importance of the University Project

Caroll and Shabana (2008) provide evidence in the literature review that the principles of CSR provide justification for the value of CSR, not only for business but also for society. Findings of the present study portray that the respondents regard the university project very highly with the impact being attributed to redressing the socio-economic conditions in the town. Table 3.3 in Chapter 3 provided information on the unemployment rate, the dependency ratio and the higher education threshold percentages. The study revealed how the respondents expressed how the university program will impact on economic value of the town. That the project and money generated through the project will be a catalyst to bolstering the economy in Kimberley. The economic value will be attained through employment opportunities of the “lay-man” in labour force, employment opportunities for businesses like SMME involvement and participation.

The study further established that the university program will redress the inability and lack of higher education access in the province thereby contributing to much needed skills shortage. The overall reward and impact of the university will, according to the respondents yield development.

Section III: Knowledge of and Impact of CSR on local SMME contractors

The literature in Chapter two examined the concept of CSR and the developments made to the principles of CSR. The literature portrayed that CSR is a long-term commitment by business and corporations to address business needs and cater for social expectations and problems. The literature further portrays that the strategies business undertakes in the delivery of CSR have to be varied based on the domains in which the business operates.

From the data analysed, the study provides evidence that a reasonable amount of the respondents understands the concept of CSR and what CSR initiatives are necessary in this university project to impact change. The contractors as the administrators of the CSR initiatives expressed having knowledge of CSR and the potential impact CSR initiatives would have in Kimberley through the construction of the university. The contractor also explained the various plans in place to address the CSR targets and objectives. The study also provided insight at how the local SMME contractors felt that the initiatives and plans by the contractors and the PMT were futile in addressing the key issues of CSR in the university program. The majority of the respondents expressed that the initial objectives and targets through CSR execution were not met.

The study presented evidence that the objectives and thus the initiatives of CSR by corporates were futile as there was unavailability of job opportunities to local SMME contractors and the local community through participation and thereby no transfer of skills in order to develop the local SMME contractor. Falck (2008) portrayed the importance of continuously monitoring and evaluating the CSR initiatives to assess the impact of CSR initiatives. The study revealed that there was no such structure in place in the university program. The respondents further presented evidence that there were no mitigation efforts in place to address the difficulties encountered.

Section IV: Integration of Local SMME contractors into the program

Jones et al (2006) posits in Chapter two that companies that operate within towns have a subliminal responsibility in that town. Jones et al (2006) further posits that this responsibility is achieved through the involvement of the local community and planning authorities. The study established that there was very little integration and participation of the local SMME in the university construction program. The study highlighted the challenges faced by the SMME contractor and cited how the SMME contractor would have an inability to address the challenges already faced. The study further established that the program had challenges and the respondents presented the challenges to participation and integration as being:

- Lack of initial and continuous stakeholder engagement
- Lack of an adequate structure in place to deal with and mitigate the arising challenges
- Lack of adequate monitoring and evaluating procedures in place in relation to CSR initiatives
- Stringent time lines that don't facilitate training, development and growth

The study overall presented data that suggest that the current university program, given the challenges cited, did not facilitate the adequate integration of SMME contractors and there was therefore not an adequate amount of integration and participation of the of the local SMME contractors into the program.

Section V: Development through participation

The study explored whether the SMME contractors have been developed in the university project through participation as well as establishing whether this contributes to their overall development and will ultimately yield sustainable SMME development over time. The study provided evidence through the data analysed that there was not sufficient participation of local SMME contractors and how the SMME contractors were not provided with adequate training to which they would reap tangible reward. The study further portrayed how the few participating SMME contractors who did receive training, expressed how the training did not yield to their immediate need and challenges being addressed. The study provided evidence from the respondents that the focus of the project was on the physical construction of the university and not so much on attaining and implementing CSR initiatives.

The respondents expressed that because the focus was on the construction, the immediate recourse for the contractors to the SMME Contractors in terms of non-compliance was dismissal. The study also highlighted how the respondents attested to stringent timelines being a further hurdle to ensuring that the SMME contractors are being developed.

The study also found that most of the SMME contractors and other bodies, do not believe the program will yield to sustainable development of the SMME.

5.5 Conclusion

Seda (2016) posit that Small, Medium and Micro Enterprises (SMME) play an important role in the economy. Seda (2016) further postulate that the evolution of economies also changes the landscape and dynamics of the SMME sector. South Africa as an emerging economy and a country with large levels of unemployment, it becomes more vital for the SMME to play a part in alleviating the strain and contributing to job creation and growth of the country. It becomes vital that the SMME contractors are trained to attain skill such that they become competent and competitive.

The study has revealed that the Sol Plaatje project in Kimberley, which has been undertaken by the government to create job opportunities, transfer skills, through corporates via CSR initiatives to SMME's as recipients does not result in reward to the SMME contractor. The study revealed that the program does not aid the necessary implementation and roll out of CSR programs necessary to sufficiently allow for the participation and integration of local SMME contractors. This in turn does not allow for adequate training, transfer of skills and knowledge gaining by the SMME contractors and thus does not develop or grow the local SMME contractors. The study further revealed that the current structure as it exists in phase 1 of the construction phase will not yield to the sustainable development of the SMME contractors in Kimberley.

5.6 Recommendations for Future Research

The study presented in Chapter 1 that the research is undertaken in the inception year of the 10-year construction plan of the university in Kimberley. The study focused on whether the university program through CSR initiatives will yield sustainable development of the local SMME contractor. Further research should be undertaken given about 3 to 5 years into the program to assess whether with time the findings will be different to the ones provided in this study.

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APPENDICES

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APPENDIX A: Cover letter for Interviews

Participant Information Document for Interviews

To whom it may concern

Good day. My name is Selatswa Dikgale, I am a student registered at the University of the Witwatersrand. I am registered part time for the year 2016 for the degree MSc (Building/Project Management) in the School of Construction Economics & Management.

I am conducting research in partial fulfilment of a Research Report. My research title is "The Implementation of Corporate Social Responsibility programs of Construction Firms with regard to Sustainable SMME development: The Case for Kimberley". I will be using the Sol Plaatje University project as the basis of my research. The research assesses the impact of Corporate Social Responsibility programs in aiding the sustainable development of SMME's in Kimberley.

In order to do this research, I humbly ask that I interview you. The participation in this research interview is completely voluntary and you are assured that all the information gathered will be treated in full confidentiality and you will remain anonymous. The information gathered will solely be used for this research and not for any other purpose.

This research project will contribute toward the year mark and towards the requirements of the degree and your participation shall not result in any compensation, benefit or any adverse effect to you. Your assistance in this regard would be greatly appreciated and below is the consent form.

Yours Sincerely

Selatswa Dikgale

0616033E

084 619 4258

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APPENDIX B: Consent Form for Interviews

Consent Form

I _____ hereby give my consent to partake in the above mentioned study and I understand that my participation is completely voluntary. I also understand that I all information shall be confidential and that I will remain anonymous.

Signature: _____

I_____ hereby give my consent that the interviewer in embarking in the interview, record the interview and use the information gathered for the purposes of compiling the Research Report only.

Signature: _____

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APPENDIX C: Interview Schedule

Interview Schedule

1. Tell me briefly about yourself. (who you are and what you do)
2. Tell me briefly about your organization and the role of the organization daily.
3. What is the function and role of your organization within the context of the university project?
4. How you see this university project in relation to its surrounding areas? Its relationship to the wider environment
5. Who do you, in your opinion think the project is aimed at/ who are the stakeholders of the project?
6. What kind of engagements were had with these stakeholders?
7. What are the objectives of this university project?
8. Do you think that these objectives have been met? Why?
9. Do you know what Corporate Social Responsibility is?
10. Do you understand the impact of Corporate Social Responsibility in this university project?
11. Could you tell me briefly about the funding/financial considerations made in this university project?
12. What were some of the challenges and dynamics experienced in this university project?
13. What methods were applied to mitigate these challenges?
14. What were some of the benefits of local SMME incorporation in this university project?

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15. Do you think that there was sufficient incorporation of local SMME contractors in this university project?
16. Please elaborate
17. What were some of the challenges in local SMME incorporation in this university project?
18. What methods were applied to mitigate these challenges?
19. Do you think that there was sufficient level of training and development to local SMME contractors in this university project?
20. Please elaborate…
21. Was this project a success in your opinion and Why?
22. What lessons can be learnt in this current project for future consideration and incorporation?
23. Do you think that this university project will yield to sustainable development of local SMME contractors over time?

Thank you for your time

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APPENDIX D: Interview Schedule for Contractors

1. What is your educational background?
2. What is your age group?
3. How long have you been in the Construction Industry?
4. How long have you been with the company?
5. Tell me briefly about the company? (work it does, Grading, BEE level etc.)
6. What in your opinion is the importance of this university project?
7. Do you know of and understand what Corporate Social Responsibility is?
8. Do you understand the impact of Corporate Social Responsibility in this university project?
9. How you see this university project in relation to its surrounding areas? Its relationship to the wider environment
10. Do you think that there is sufficient competent local SMME contractors in town to handle and meet the demand and expectation of delivery?
11. Please elaborate…
12. Could you tell me about the financial considerations made in this project?
13. What were the objectives set to you as the Main Contractor?
14. My understanding is that there were objectives set to local SMME development, did any of the objectives focus to local SMME development?
15. What were some of the programs that were put in place to develop and impart skill and knowledge to the local SMME contractor?
16. Do think that the objectives set have been met? Why?
17. Do you think that there was sufficient level of incorporation and participation of local SMME contractors in this university project?
18. What were some of the challenges experienced in relation to SMME incorporation in this university project?
19. What methods were applied in mitigating these challenges faced?
20. What are some of the benefits of local SMME incorporation in this project?
21. Do you think that the programs in place are sufficient to yield to the sustainable development of contractors over time?

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22. What lessons can be learnt in this current project for future consideration and incorporation?

Thank you for your time…

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APPENDIX E: Cover letter for Questionnaires

Participant Information Document for Questionnaires

To whom it may concern

Good day. My name is Selatswa Dikgale, I am a student registered at the University of the Witwatersrand. I am registered part time for the year 2016 for the degree MSc (Building/Project Management) in the School of Construction Economics & Management.

I am conducting research in partial fulfilment of a Research Report. My research title is "The Implementation of Corporate Social Responsibility programs of Construction Firms with regard to Sustainable SMME development: The Case for Kimberley". I will be using the Sol Plaatje University project as the basis of my research. The research assesses the impact of Corporate Social Responsibility programs in aiding the sustainable development of SMME's in Kimberley.

In order to do this research, I humbly ask that you partake in the completion of the questionnaire. The participation in this research questionnaire is completely voluntary and you are assured that all the information gathered will be treated in full confidentiality and you will remain anonymous. The information gathered will solely be used for this research and not for any other purpose.

This research project will contribute toward the year mark and towards the requirements of the degree and your participation shall not result in any compensation, benefit or any adverse effect to you. Your assistance in this regard would be greatly appreciated and below is the consent form.

Yours Sincerely

Selatswa Dikgale

0616033E

084 619 4258
Supervisor Contact Details
Dr Elizabeth Heron
School of Economics & Management
011 717 7669

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APPENDIX F: Questionnaire Guide

Questionnaire Schedule

1. What is your educational background?

   Pre-Matric ☐ Matric ☐ Tertiary Education ☐ Learnership ☐

2. What is your age group?

   21 – 30 ☐ 31 – 40 ☐ 41 – 50 ☐ > 50 ☐

3. How long have you been in the Construction Industry?

   0 – 3 years ☐ 3 – 7 years ☐ 7 – 10 years ☐ > 10 years ☐

4. How long have you had the SMME company?

   0 – 3 years ☐ 3 – 7 years ☐ 7 – 10 years ☐ > 10 years ☐

5. What is your annual turnover as an SMME contractor?

   0 – 100 000 ☐ 100 – 1 mil ☐ 1 mil – 3 mil ☐ > 3 mil ☐

6. Do you know of and understand what Corporate Social Responsibility is?

   YES ☐ NO ☐

7. Do you as a participant understand the role and impact of Corporate Social Responsibility program?

   YES ☐ NO ☐ MAYBE ☐

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8. Do you think that there is sufficient competent local SMME contractors in town to handle and meet the demand and expectation of delivery?

   YES ☐ NO ☐

9. Do you understand the role of the SMME contractor in this university project?

   YES ☐ NO ☐

10. Do you in your opinion think that the local SMME's are participating in this university project?

    YES ☐ NO ☐

11. Do you think that the level of incorporation and participation of the local SMME contractor is sufficient?

    YES ☐ NO ☐

12. What are some of the challenges you experienced as an SMME contractor prior to participating in this university project?

    _____

    _____

    _____

    _____

    _____

13. Do you think that the university project has helped in addressing these challenges?

    YES ☐ NO ☐

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14. Please elaborate

_____

_____

_____

_____

_____

15. What are some of the challenges you experienced in this university project? Please mark with an "X" in the appropriate column in each of the rows.

FACTORS	HIGH	MODERATE	LOW
Material acquisition and security			
Local characteristics			
Poor Workmanship			
Unfair wages			
Management leadership			
Labour force security			
Job Complexity			
Other (Please Specity _____ _____ _____ _____			

16. Did you receive any form of training in this project?

YES ☐ NO ☐

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17. Was this training helpful in developing you as an SMME contractor?

HIGH ☐ MEDIUM ☐ LOW ☐

18. Do you think that this university project helped in your overall development as an SMME contractor?

HIGH ☐ MEDIUM ☐ LOW ☐

19. What form of training do you think will be appropriate and helpful in the future?

_____

_____

_____

_____

20. What lessons can be learnt in this current project for future consideration and incorporation?

_____

_____

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_____

_____

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APPENDIX G: Schedule of Interviews

	Position	Place	Time	Date	Duration
Respondent A	CLO for Contractor A	Kimberley, Site Office	11:00	30 Sep 16	1 hour 30min
Respondent B	CLO for Contractor B	Kimberley, Office	13:00	30 Sep 16	1 hour 15min
Respondent C	Client CLO	Kimberley, Home Study	17:00	30 Sep 16	2 hours
Respondent D	Project Manager for PMT	Pretoria main Office	17:30	29 Sep 16	1 hour 45min
Respondent E	Junior Project Manager for PMT	Kimberley, Coffee Shop	09:00	02 Oct 16	2.5 hours
Respondent F	Contracts Manager for PMT	Kimberley, Office	10:00	01 Oct 16	1 hour 20min
Respondent G	Project Manager for Contactor A	Kimberley, Office	14:30	01 Oct 16	2 hour 45min
Respondent H	President of Business Forum	Kimberley, Office Boardroom	11:00	01 Oct 16	3 hours
Respondent I	Vice President of Youth & Business Chamber	Kimberley, Office	12:30	02 Oct 16	2.5 hours