ALIGNMENT BETWEEN CORPORATE STRATEGY AND SOCIAL RESPONSIBILITY IN THE BANKING SECTOR

Applied Research Project

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Wits Business School [Feb 2018]

Project format:	Research article
Nominated journal:	South African Journal of Business Management
Total Word count:	11 476 words

DECLARATION

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

Keshika Naidu

Signed at ……………………………………………………

On the …………………………….. day of ………………………… 20…..

Dedication

To my Parents who always pushed me to believe in my potential and gave me the resources to fulfil those dreams. To my dear husband, Eugasen Reddy, whose belief in me never wavered and helped me every step of the way on my MBA journey and my daughters, Devara and Keera, who I hope one day will be proud to have me as a mother

Abstract

Corporate Social Responsibility programmes stretch into corporate strategy and are becoming pertinent strategic initiatives to which management are paying close attention to. This paper aims to display how the perceptions of the CSR (Corporate Social Responsibility) initiatives are viewed on behalf of the internal and external stakeholders in the banking sector. This paper states that CSR initiatives that are aligned to corporate strategy instil a greater sense of confidence and pride within the internal stakeholders from the directors to the CSR practitioners, to the strategy consultants, and all those who have an interest in the greater good of the community at large. The focus on corporate social responsibility in banking was decided upon to illustrate how CSR fits into a highly capitalised industry .There has been much debate concerning CSR in terms of whether it is a marketing ploy or whether it actually serves its purpose of fulfilling sustainable developmental efforts by improving the society in which it functions. Institutions face what is seen to be a double-edged sword in maximising stakeholder return and the interest of the investors; and responding to the social duties that surrounds them. It is imperative to note how banks decipher which element is more important. This study focuses on the impact of the CSR initiatives on business performance and why companies choose certain programmes to invest in. The theoretical aspects of CSR prove to be very different to CSR in practice. There are a wide range of corporates practising CSR as philanthropy, however there is also a fine line which exists and whether this can be viewed as an act of compliance or a nicety, such as a checklist to comply with regulations is debatable. Findings were reflective in that those CSR programmes that were closely linked to corporate strategy proved to be more fruitful than those that were not associated.

Introduction

"The social responsibility of business is to increase profits" (Friedman, 1970, p. 27). Friedman's article was in response to a much anticipated and growing concept of corporate social responsibility. One of the questions to be considered throughout this study is "should corporations engage in philanthropy at all?" (Porter & Kramer, 2002). Ultimately, CSR can be described as an outlook where a business takes into consideration the interests of the underprivileged, the environment, employees and consumers and is not only obliged to increase the wealth maximisations of the stockholders (Shen& Chang, 2009). Society demands greater responsibility from businesses. Community engagement and development should be part of the very fabric of corporate strategy, especially those in the financial institutions. The purpose of this article is to determine how companies utilise and integrate their Corporate Social Responsibility (CSR) initiatives into their corporate strategy within the banking industry. Porter and Kramer (2011) were of the belief that creating a social value as well as a business value would increase the business' competitive advantage as well as provide a solid footing for the future of that business. This term is known as Creating Shared Value (CSV). The motivation regarding these CSR initiatives is not transparent, however. Those that practice CSR do believe that the effectiveness of the strategies and models can be improved through methods of strategic partnership, best practice sharing and working closely together with NGO's and communities in need.

"The concept of CSR is regarded as a powerful way of achieving sustainable competitive profit and for achieving long-lasting value for the investors, shareholders and stakeholders. Entrepreneurs can use CSR as a win-win strategy or opportunity for businesses, financial investors, and society. Proper implementation of CSR practices can affect the perceptions of stakeholders, customers, investors, local communities, environmental groups, governments, suppliers, and competitors" (Kiran & Sharma, 2011, p. 11)

Porter and Kramer (2002) go on to say that CSR leads to better performance in terms of profitability and risk management. CSR is an ingenious facet that does not just aim to display increased profitability but also social connectivity, but there is also a need to understand how institutions, such as banks, respond to CSR as a business initiative and the level of significance attached to it. There has been a common argument pertaining to whether CSR serves as a marketing tool or whether CSR serves a purpose which focuses on the sustainability of its social initiatives. Sustainability should always be a vital part of the group's strategy involving an amalgamation between the community, economy, society at large and the external environment. Ultimately, businesses and their activities should consider their implications on the sustainability and development towards the social, economic and natural environments in which they operate. Ultimately, we need to examine how banks take the impact of what they perform operationally and apply it in society.

Over the past few years there has been an increasing emphasis of CSR placed on banks. This study looks at Corporate Social Responsibility initiatives that are aligned with corporate strategy which further enables corporate strategy to be strengthened. Cannon (1992) states that there exists, between business and the community in which it operates, an implicit as well as explicit contract. What is also important to note is that apart from creating wealth, generating employment and supplying markets, businesses must contribute to the maintenance of the community in which they operate. What this study would like to probe; is corporate social responsibility used as a marketing tool to boost sales, or is the community's betterment an objective? There are many factors that have arisen to create an increasing interest for banks to engage in CSR. Visser (2005) mentions that the elements considered are that legislation, globalisation, stakeholder pressure, are features that allow banks to integrate their corporate strategies in the following ways: labour, environment, health and safety, social economic development, ethics and governance.

Problem Statement

Main Problem Statement

To determine how South African banks integrate corporate social responsibility initiatives into their overall corporate strategy.

Sub-Problem1: How do banks integrate strategy into corporate social responsibility decision making?

Sub-Problem 2: Has Corporate Social Responsibility been used as a marketing tool or used to achieve sustainable long term growth?

Delimitations and Limitations

The study addresses CSR within banking sectors and is limited to those within South Africa. CSR initiatives of corporates in the non-financial sector are excluded. Face-to-face interviews were conducted with individual managers in the marketing and corporate affairs departments within the banking sector. This study evaluates the relationships between CSR practitioners and CSR initiatives offered by banks. This study focuses on the processes and people involved in the overall business strategy.

The main assumptions that exist include how CSR diverts from the main economic role of the banks; CSR proves to be a superficial window dressing and serves as a tick-box exercise which includes a marketing ploy as opposed to adding long term worth by having a sustainable strategy. A major delimitation is not seeking the opinions of the beneficiaries to discover if they feel banks are committed to CSR and upliftment in society through education, overall wellbeing and health.

2. Literature Review

This study identifies gaps, describes previous studies, and provides an in-depth knowledge review on the existing topic. The first part deals with the definition of CSR, thereafter it deals with the corporate strategy in terms of CSR, followed by successful CSR initiatives and whether they support strategy or not. The final question posed is what banks, as financial institutions, believe CSR to be and what level of effort and resources are put into them.

Banks have a vested interest in their CSR programmes in the hope of improving corporate brands and stakeholder relationships. “Companies do not function in isolation from the society around them” (Porter & Kramer, 2002, p. 59). CSR has been viewed as occasionally imposed due to pressure from suppliers, customers, activist organisations as well as other stakeholders; therefore, the true intentions of CSR can be disputed. (Mittal, Sinha & Singh, 2008).In saying this, true intentions of CSR need to be analysed and due to the many different standpoints of CSR, the many intentions of CSR can be contested.

There are many definitions and viewpoints on CSR, and some of them prove to be rather contradictory. The term CSR has been used interchangeably for corporate philanthropy, however “irrespective of what a business produces or sells, it is socially and environmental connected” (Njenja & Smit, 2007, p. 4). Corporate Social Investment (CSI) ultimately depicts the way in which companies care for the “wellbeing of the social and ecological environment of the communities in which they operate” (Njenja & Smit, 2007: 4). There are other concepts that find themselves intertwined with the concept of CSR and they are; legal compliance, economic performance and ethical conduct.

Njenja and Smit (2007: 5) have tried to distinguish between the concept of Corporate Social Responsibility (CSR) and being a corporate citizen. They state that Corporate Social Responsibility makes reference to the accountability of companies to both stakeholders and shareholders, for the utilisation of resources, for their impact on the social and ecological environment in which they operate, whereas corporate citizenship is primarily concerned with the financial, social and environmental sustainability of business practice although CSI includes beneficial motives which involve the ethical and reputational demands of CSR, the discussion continues and escalates forward thinking for it deals with the fact that considering the future of society at large and that businesses should join forces with those stakeholders in the political, social and environmental arena in paving a way forward towards sustainability. Mattacks (2003) states that businesses should incorporate ethical standards in their corporate strategy if they want to achieve sustainability.

In theory, there are many approaches to CSR; the main theory applied to this research is that of strategic responsibility theory. This theory revolves around economic benefits that CSR can provide which are central to the firm’s mission which are inclusive, are visible and voluntary (Logsdon, 1996). Apart from this theory being strategic and vital for business, it is also important to note how the business positions itself in the current environment. This form of CSR can be associated with building a reputation or the maintenance thereof. Examples can include cause-related marketing which entails a known charity and the corporate itself teaming together to create a dual partnership reflecting a creation of business value and also dealing with a social problem at hand and also include partnerships with NGO’s for the carrying out of projects.

Businesses have a responsibility to make a profit, however, they also need to use their power to promote the social wellbeing in communities around them. Kotler and Lee (2005: 23) go on to discuss the six basic types of corporate social initiatives. These are:

- To cause promotions which involve contributing to increasing awareness about a social cause or concern

- Cause-related marketing where the corporation commits to making a contribution or donating a percentage of revenue to a specific cause, based on a product.

- Corporate social marketing; this is where a corporation supports the development of a behaviour change campaign intended to improve public health/safety or the environment.

- Corporate Philanthropy - a Corporation makes a direct contribution to a charity or cause, most often in the form of cash donations / services.

- Community Volunteering – this is when a corporation volunteers its time to local causes and community organisations and causes.

- Socially Responsible Business Practices - a corporation adopts and conducts discretionary business practices and investments that support social causes to improve community wellbeing.

According to the CSI Handbook (2008) corporate South Africa contributes to poverty alleviation through programmes focused on community upliftment, educational support and economic inclusions. The handbook talks about how the three eras in South Africa, namely, pre-democratic 1970 - 1994, first decade of democracy between 1994 – 2004, and the era of democratic transformation 2004-2007, have influenced and effected how CSR policies and programmes have been implemented. The movement through these eras shows how political and social change has found CSR gaining momentum and corporates becoming more aware of how their actions are viewed internationally as well. (CSI Handbook, 2008). Communities also need to have their own knowledge about their development as CSR cannot be a one-sided notion of giving. When taking is not being resourcefully done it can cause much confusion and mistrust. Corporate programmes need to identify someone in the community who is responsible enough to allocate assets and resources; the person they identify in the community needs to also have a close ear to the community, to allow the community to gain trust in the corporate and their intentions. Examples include development projects; and also assisting communities with health-related aspects such as HIV/AIDS. The CSI handbook (2008) goes on to discuss how CSI funding is crucial in dealing with community-based organisations that see to social and welfare safety.

Carroll (1979), who introduced the concept of “corporate social performance”, also raised the issue of social obligations and specific responses to social issues. These obligations include the legal, ethical and discretionary categories that are mentioned in the ‘Pyramid of Corporate Social Responsibility’ (Carroll, 1991) In South Africa, Fig (2005) states that the idea of CSR is not one of favour, instead companies are choosing to opt for connotations such as corporate social investment and corporate citizenship, as these concepts do not reflect

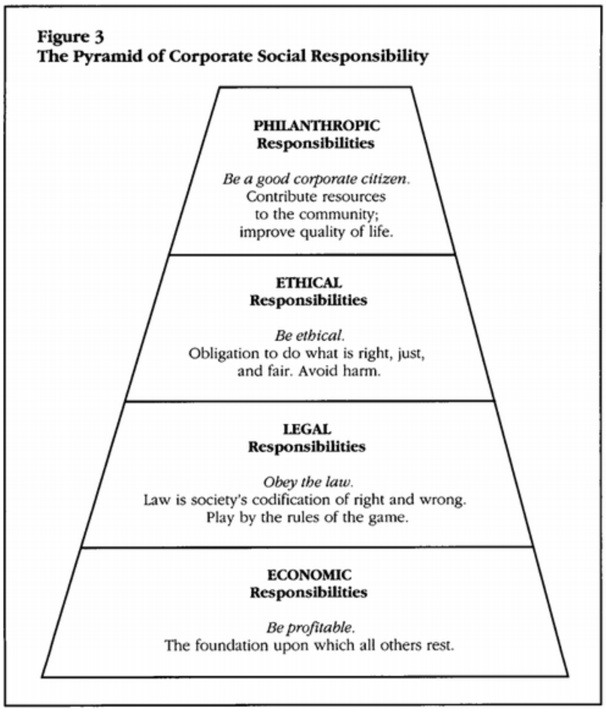

Figure 1: Pyramid of Corporate Social Responsibility (Carroll, 1991:42)

responsibility”. These four components depict how CSR is supposed to work but in no means portrays an ideal. They are not mutually exclusive but at the same time are required to work together to create a whole. CSR has allowed businesses to adapt themselves to the ever-changing dynamics of globalisation and have brought attention to consumers about issues that really matter. Visser (2005) mentions that due to globalisation, it has allowed South African banks to expand towards global standards, ultimately aligning corporate standards to those of international standards. Not only do CSR programmes have to be at international standards but maintain local ones as well. The definite need for CSR in developing countries specifically indicates that the requirement developed due to a lack of government involvement concerning social issues ultimately forcing corporate to step in.

Trialogue (2008:98) states “In South Africa there is a clear role for CSI to play in helping to address poverty alleviation initiatives in line with the aims of the Millenium Development Goals”. Therefore this can be seen in educational support and community upliftment. As mentioned, education can be seen as paving the way to better socio-economic development, due to the fact that apartheid created a huge divide with access to good quality education. (Trialogue, 2008). Education is the one theme that proves to be a sustainable return on investment and a step in reducing the huge disparity. Although the theory is still controversial pertaining to CSI and is a relatively new field, there is still very little consensus regarding strategic motivations and reasons for community upliftment investments.

CSR and South African Banks

In today’s complex markets, consumers are more vigilant than expected and it can be assumed that they are more involved in the initiatives the banks offer, apart from just buying and utilising products. Consumerism has risen to an extent where initiatives and corporate stances are being examined with a fine tooth comb and consumers are becoming more aware of and supporting corporates with values aligned to theirs. According to the Financial Sector Charter (2017), CSI in South Africa is bound to be prevalent in the banking sector in the near future as these institutions are to contribute a mandatory 0.7% per annum of their post-tax operating profits to CSI. The question posed is do business activities have to be sacrificed in order to please one stakeholder? Banks ultimately view their project contribution as an overall strategic contribution to the banks’ value.

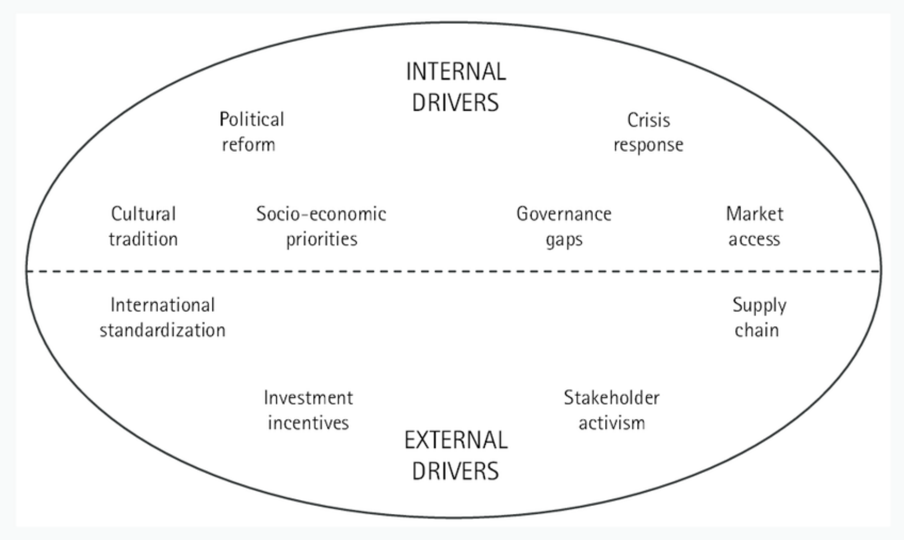

Figure2: Drivers of CSR in developing countries (Visser, 2008:481)

It is imperative to understand how banking strategy is defined and understood before trying to comprehend how CSR fits in. In the current environment, management should focus on implementing the strength in the organisation's strategic plan and goals that relate to the organisation's sustainability. An organisation must be constantly learning and discovering superior ways of adjusting business processes to the dynamic environment it faces and building a competitive advantage. Intangible assets which include trust, brand awareness and brand image are all prospective areas when considering a bank's competitive advantage. KPMG states that CSR actions are utilised to gain trust with consumers and to heighten the level of loyalty (KPMG, 2015).Stakeholders, both internal and external, readily support banks that offer consideration to and undertake projects that lead to the betterment of the society. Hamel and Prahalad (2005) discuss strategic intent as it creates a distinct pathway for the future aspirations, a sense of direction towards goals that seem attainable where competitive advantage is the ultimate expected outcome. It should also challenge the organisation in terms of growth levels. Companies that have chosen to exploit their strengths, respond to opportunities, neutralise threats and avoid weaknesses, have been seen as industry leaders (Barney, 1991). Porter and Kramer (2002) state that CSR has always been a cost-effective way for a company to improve competitive ability

,through the leveraging of corporate capabilities which add value to donors, through which a competitive ability can be gained.

From these definitions, it is important to view how CSR fits into applied strategy in the respective banks. The core pillars revolving around the centre of CSR are that of social, economic and environmental upliftment. The banking sector is constantly under scrutiny from the regulatory heads, as well as internal stakeholders to succeed, these two bodies ensure that the lines refrain from getting blurred especially around which is more important: increasing shareholder value or creating sustainable CSR. The alignment should always exist with the core values that the institution is trying to instil. Consumers are also swayed by market conditions; purchasing power has been developed on best value at lowest prices. However, as consumerism is becoming more concerned with preserving the environment and up-skilling communities around us, factors like CSR initiatives are those that should not be lightly glossed over.

Banks that have well-designed and thought-out CSR strategies that

- Encourage sustainable behaviour by customers,
- Provide real benefit for the society at large,
- Allow banks to play a larger and more beneficial role in society and
- Create a positive public image and brand recognition.

Banks also utilise their marketing and human resources departments to gain brand recognition, as well as to create a strategy for the greater good. Corporate social performance provides a competitive advantage in attracting good quality applicants for something that is proving to be a success in an organisation (Turban & Greening, 1997). Ways in how strategy is displayed in CSR include

- developing financial literacy and awareness
- Including financial education; these can be provided in ways that include fair and transparent financial services,
- volunteering to create a sustainable living environment,

- providing ongoing support to social groups that were previously disadvantaged, and lastly
- supporting local groups in the field of NGO's and arts and culture.

Ways of measuring CSR benefits can be seen as a framework called Corporate Social Performance (CSP) allowing it to be more quantifiable. This monitoring unit is tied to financial performance. (Ruf, Muralidhar, Brown, Janney & Paul (2002). Although CSR can prove difficult to measure, a, other methods developed that can measure CSP. Whether the strategy of an institution proves to be reactive or proactive, this will be revealed in the CSP. Stakeholders include: shareholders and analysts who facilitate CSR by positioning the bank as a sound investment choice and engage with investor relations; Government who provides support and advisory services for CSR programmes in locations required and provide input into legislative developments; the local community who participates in creating partnerships that best coordinate the CSR programmes of banks; lastly, the employees who provide information regarding activities and strategies, therefore, ultimately provide the manpower behind any successful CSR initiative. Employee volunteer initiatives have created a positive impact in allowing employees to make a difference in the social development sector, allowing to possible supplement, with existing corporate CSI contributions, from the respective banks. Engagement with all the stakeholders can prove rather a daunting task as each stakeholder takes out different benefits and interactions. With such a wide diversity of stakeholders, including that of the Regulatory bodies, it is expected that there are many difference in opinions on how funds are utilised and managed. "

Although banks are aware of CSR, not all banks are aware of its strategic importance; this study looks at the gaps where CSR could be better incorporated into company strategy, as opposed to just being a tactical role and tick-box exercise. CSR allows banks to be more selective in acquiring employees as CSR initiatives can be used as a filter to draw out employees that are fond of the bank's attitude towards a certain CSR initiative, therefore these programmes can be seen more than just a firm practising a level of philanthropy (De Gilder, Schuyt and Breedijk, 2005b).

Porter and Kramer (2002) relate the management of CSR with other activities where the management team leads the strategic context. Porter and Kramer (2002) suggest the following five steps to the CSR integration process:

- Interrogate the competitive context in each of the company's important geographic locations,
- Review the existing CSR programme to assess its relevance in a new paradigm,
- Assess current and future CSR initiatives against the four elements of competitive context, namely, availability of factors of production, demand conditions, the context of strategy and rivalry and related and supporting activities,
- Look for collaborative opportunities within a cluster or with other partners,
- Evaluate rigorously and track results.

Apart from the CSR programmes initiated by the banks for community upliftment, within banking processes and operations there exist certain methods to contribute towards CSR. Respondents mentioned that consumers with disabilities should be provided with special loans, charging a minimum interest against loans involving funding of CSR initiatives.

Apart from these programmes, Banks would be well served by investing in building up their Human resources division to include training on employment generation and internship programmes.

How successful corporate social responsibility initiatives have supported strategy

This study considers that banks that are selecting strategic CSR initiatives align with corporate values are in fact, increasing market share, building market penetration and working on stakeholder relations. The CSR sector has developed “best practice” strategies, however due to increasing innovation, it remains difficult to demonstrate its systemic report on the impact of social ills in South Africa. Corporate strategy is considered an important element with constituents in sustainable development, therefore allowing the CSR, should allow the business to contribute to society as a corporate citizen.

As much as CSR should be aligned with company strategy, these can also include the following by helping disadvantaged clients using banking services, creating products for clients with special needs, providing financial advice support to social enterprises, financing environmental protection investments, combating money laundering, corruption and terrorism. By trying to reconcile profit making incentives together by creating plans to uplift society, this can be seen as connecting business to a socially charged goal (Smith, 1994). He goes on to say that large corporations should amalgamate immediate and surrounding social issues that appeal to their values to display actual business importance. Banks have now moved from funding any social initiative to putting much thought and clarity into the initiate they choose to ensure it aligns with what they stand for and to ensure business objectives can be clearly viewed through these initiatives. The South African Financial Services Charter (2017) state each financial institution will have a target of directing 0.7% per annum of post-tax operating profits to corporate social investment (CSI) between the effective date of the charter and 2014. What is also important to consider is that CSR in developed countries is different to that of developing countries as the social ills the two face vary. Hence, multinationals should not have a forced-upon approach of CSR across the board. Although the issues may be similar, they differ to varying degrees, examples such as poverty and education levels.

Section 13 of the charter explains that CSI means projects aimed primarily at black groups, communities and individuals that have a strong developmental approach and contribute towards transformation. CSI projects may include, but will not be limited to –

- Education: support for community education facilities; programmes at secondary and tertiary education level aimed at promoting the industry; bursaries and scholarships, which are oriented towards the hard sciences;
- Training: community training; skills development for the unemployed; adult basic education and training in communities; financial literacy programmes in communities;
- Development Programmes for youth and other target groups; Environment: support of conservation projects; community clean-up projects; food garden initiatives;
- Job Creation: job creation projects external to the workplace or any commitments contained in empowerment financing;
- Arts & Culture: support of development programmes; development of new talent;
- Health: support of community clinics; health programmes in the community; and
- Sport: support of developmental programmes

(The Financial Sector Charter,2003)

Research questions

Research question 1

How do Banks integrate their CSR strategies within their overall business strategy?

Sub-Question A

What elements are considered when deciding what CSR initiative to invest in?

Sub-Question B

What resources, in terms of people, processes, and operations, are put to use to amalgamate CSR strategy into the overall business strategy?

Sub-Question C

Who are the main stakeholders involved in decision-making concerning CSR strategies?

RESEARCH METHODOLOGY

Qualitative Research Method

Qualitative research is recommended. Creswell (1994) notes that there are two paradigms widely discussed in the literature, namely, qualitative and quantitative paradigms. In selecting a research design, it is important to be aware of the assumptions that can be created, the relationships the researcher forms and the roles of the values in the study. Creswell (1994) goes on to say that a qualitative study is defined as an inquiry process of understanding a social or a human problem by detailed interviews conducted in a natural setting. Due to the fact that the field of CSR is relatively new, reality is relatively subjective, therefore qualitative is proposed. The nature of the research problem is largely exploratory.

Research Design

Firms understand CSR in different contexts. The qualitative paradigm chosen for this study focuses on understanding the social context and phenomena. There are many limitations to qualitative research as, according to Creswell (2003), it does not provide the researcher with certainty and cannot make claims regarding trends, regularities or distributions in a population. One must also bear in mind that there are many aspects that influence the interpretation of the findings and those being interviewed may exert some caution pertaining to confidentiality, thereby influencing answers and behaviour.

For this kind of study, interviews are used as a source of data. Interviews are open-ended questions; there is a greater interest in the interviewee's point of view and it is often more flexible than quantitative surveys. Responses can be personal and be related to perceptions and opinions (Bryman, 2015). Open-ended questions are the proposed way of conducting research.

Semi-structured interviews were decided upon as a method of data collection because of their flexibility.

This population sample included the banking sector in South Africa, with specific detail focused on local banks. The specific population chosen describes the group of factors from which a research sample can be taken. These factors have to be specific in order for findings to be generalised. For general results of comparison, this study only made use of four local banks in South Africa. "The validity, meaningfulness and insights generated from qualitative inquiry have more to do with information richness of the cases selected and the observation / analytical capabilities of the researcher than with the sample size" (Perry, 2001: 314). The population included, in this research, CSR practitioners and any employee interested in the outcome.

The basic idea behind sampling is that it is difficult to measure the entire population; therefore, it has to be narrowed down to gain more useful and accurate information. For this study, a convenience sample of four local banks was used, including CSR practitioners from those institutions. Investec, First Rand Group, ABSA Limited and

Standard Bank are the banks chosen for this study. All these institutions have conducted a CSR initiative in some form or another and this is displayed in their corporate strategies.

The research instrument

Questions asked of the respondents:

Question 1

What area does your company support as part of its CSI Initiative? Educational, economic inclusion or community upliftment?

Question 2

How does your company integrate its CSR programs into the overall business strategy?

Question 3:

How do you feel your bank influences the social responsibility in the financial services sector? And what various factors are taken into account when considering CSR strategies

Question 4

When considering CSR strategies, are there organisational processes and controls used to integrate CSR strategies with overall business strategy? Please provide examples.

Question 5

Who are the key personnel involved in influencing and making decisions about your companies CSR strategies?

Question 6

Which do you feel are primary drivers for your company involvement in corporate social investment programmes and why?

Ethical considerations

Economic considerations

Strategic considerations

Other (please specify)

Procedure for data collection

Interviews were conducted face-to-face and one-on-one. Semi-structured interviews revolving around central questions at the respondent's locations in the above-mentioned banks. The participants were all involved or provided some form of project management, either as CSR practitioners, or CSR strategy consultants; these participants all showed an interest in how CSR initiatives affected the community at large. Each individual interview lasted between 45 (forty-five) minutes to an hour.

Each interview was recorded, then transcribed and then reviewed by the researcher. During the interview, the respondents and researcher discussed high matters with levels of confidentiality. To ensure the protection of the respondents, there interviews were anonymised as far possible, as well as respondents being offered a final copy of the applied research report. Bank employees were all provided with a soft copy letter of non-disclosure from the Business School and after the interview was conducted, each respondent was thanked for participating in the study. All respondents were comfortable with the inclusion of their responses in the study.

Data analysis and interpretation

According to Hussey and Hussey (1997), there are three main aspects involved when utilising qualitative data; these involved “reducing the data, structuring the data and de-textualising the data”. The study involved looking for common consistencies amongst responses, as well as anomalies. Critical analysis was needed for identifying patterns and themes. The disadvantage that could occur with content analysis is that if conclusions are drawn too early, large portions of data could be ignored. The researcher attempted to draw valuable data for analysis and interpretation, in addition to drawing out value from the responses supplied by the respondents.

Limitations of the study

The majority of CSI respondents are based in Head Offices and located in Johannesburg; therefore geographical location was an issue as the researcher is based in Durban, therefore the generalisability of the findings is limited to four of the organisations within the industry, based in sub-offices in Durban. It proved difficult to solicit information from business leaders who potentially influence CSR within their financial institutions.

Reliability and Validity

Based on the fact that there was only one researcher conducting all the interviews, there was a level of consistency in questioning and the level of moderation was controlled for all interviews, including data gathering. Another level of reliability involved the ability to seek out key players in banks who were actively involved in the CSR initiatives and those who were project managers. With regard to validity, the findings needed to illustrate if corporate strategy includes CSR planning, and the alignment between the two therefore required the views of CSR project managers: those managers who controlled stakeholders money.

There are 8 respondents representing four banks in South Africa, The above companies (Investec, ABSA, First Rand Bank Limited and Standard Bank) had a combined market capitalisation of R832 billion on the 2 July 2017 (Business Tech, 2017).

Findings and implications

Findings are broken down in terms of how the respondents view their companies integrating CSR programmes into company strategy, if any. The respondents brought about unique responses as each of their organisations had alternative views on how CSR initiatives were influenced by corporate strategy. The key people involved in decision making, and influencing CSR strategies, were discussed as well. Ultimately, a large number of respondents noted that the CSR strategy was not in fact, linked with corporate strategy, since CSR is a relatively new concept; what was noted is that it was associated as a form of competitive advantage and involvement with building the brand.

The connection formed by associating CSR with uplifting the brand is quite noticeable. CSR activities varied from volunteering options where staff felt attending CSR initiatives were linked to key performance indicators and would be measured as such, and some CSR activities seemed to be truly aimed at uplifting the overall betterment of society and the sustainability of society. Many companies had different definitions of what they viewed CSR to be, some felt that it was a side-lined project managed by people in their spare time, and some felt that it was an initiative worthy of its own department, alongside the support of the marketing team.

What can be seen is that companies do work closely together with the notion of building CSR initiatives that capitalise on branding, making themselves more familiar with consumers, allowing employees to believe they are contributing towards a cause, therefore providing purpose at the workplace as well as increasing employee production and creating a feeling of togetherness amongst business units. The findings mentioned above are discussed below.

There were a few organisations who viewed an unparalleled alignment between the corporate strategy of the bank and the CSR schemes that were developed. CSR schemes offer an interesting viewpoint and some of the questions asked prompted thought and inner queries as to why their CSR initiatives were not aligned with corporate strategy as it would prove to make a bigger difference if it was. Ultimately it can be assumed that all stakeholders care about is increased dividends, so the question arose should financial institutes be wary of donating money and looking at sustainable betterment schemes? Some organisations made sure that CSR was done by employees who volunteered their own resources, such as time, effort and money as opposed to the organisation itself contributing. Most respondents failed to make a valid connection between corporate strategy and CSR initiatives, but stated that it is "guided by corporate strategy but not prescribed by it" and another respondent mentioned what made their CSR initiatives thrive was "that it was aligned to the core values of the bank itself" therefore allowing for its on-going sustainability.

"Shared growth" is also a theme made prevalent. This is theme which applies to both the bank and the community at large and it encompasses an evolution of the citizenship agenda. It can be seen as neither direct corporate social investment nor philanthropy, but rather how the bank's collective assets can be applied to generate value for society and the bank's business at large. These are accomplished through deliberate efforts towards the following outcomes, such as increased employment opportunities; sustainable livelihoods by enabling increased access to and better quality education; enhanced formation which includes the growth and inclusion of small and medium enterprises within the economy; and lastly, more convenient access to appropriate financial services.

CSR Alignment with Corporate Strategy in Banks

Some of the respondents maintained that CSR is part of the company's core business and ought to be approached as seriously as any other business activity, where decisions should be guided by a development criterion and not a passing fancy. Most of the banks felt that as strategic corporate giving, they have moved away from ad-hoc decisions by outlining clear decision making principles and guidelines that align who they are as a business. Banking is in a business of creating, growing and managing wealth for some professionals and entrepreneurs, therefore some of the CSI programmes have a budget focused on sustainable education and entrepreneurship that can ensure better alignment to their business strategy and approach. Banks have been noted to having faced skills shortages, specifically in the fields of information technology and commerce. The head of a CSI at one of the banks mentioned that “in education we prefer to sponsor students in maths and science due to the fact that we have to employ local people because of Employee Equity obligations”. Whilst conducting the interviews it is quite clear that CSR currently is embarking on fulfilling internal corporate strategy and objectives; this can be viewed through elements of compliance, public relations and philanthropy and at the same time, development of the communities are implicated in corporate action. What was noted was that in the past, CSR was about giving back to the communities, which was considered peripheral and not core to the business. Hence, it was often side-lined as irrelevant to mainstream business operations. Organisations that made CSR central to business require the backing and participation of a firm’s leadership as without this, CSR strategies have little chance of success. A bank made special mention of creating positive perceptions through strategic project partnerships thereby enhancing brand image and the achievement of economic empowerment by the community at large, “Ultimately ensuring alignment with the overall Group vision and beliefs” (Respondant A)

One bank made special mention of their senior business leadership, in the form of the board and executive management, who have chosen to make a genuine and firm commitment to strategic social investment and engage in it personally. Respondant B mentioned “There was a group CEO who personally attended award and bursary ceremonies and engaged with the selected youth for mentorship and guidance”. This has given momentum to the cause and ensures a closer alignment to the business. This also reveals that the higher CSR reports in the organisational structure, the better the chances of impact and success. As a result, many CSR departments report directly to the Group CEO, who is able to keep a close eye on the extent of alignment with the broader business strategy. What can be noted is that some banks mentioned that shareholders were more interested in dividends and the financial security of the bank as opposed to CSR activities such as education, poverty elimination and development of communities surrounding them.

A theme emerged where the majority of respondents feel that their institutions have made enormous strides in the empowerment of locals through these programmes and have enabled developing strategies for future community development on how they are selected, implemented and funded. A respondent mentioned that they initiate a programme called “inclusive procurement” where they develop initiatives that are a good example of their commitment to the development of emerging small businesses as they are designed to build a strong pipeline of SME’s to support corporate supply chains. Any good CSR programme has to execute proper monitoring and control of its activities; this is fundamental in allowing for steps to be taken in amending what could have gone wrong. Due to the fact that CSR also includes reporting from a compliance point of view, it is essential to have controls in place to make the necessary reporting possible. Due to transformation that has occurred in South Africa, many corporate boards are paying much attention to compliance in terms of BEE and the codes of conduct associated with it. Most boards also require CSR activities to be discussed during meetings to ensure board members play a fruitful role in the development of CSR strategies. This has a twofold effect as board members are able to view how monies have been spent as well as for an audit function is completed to ensure compliance. The head of CSI for banks should maintain responsibility in overseeing that review processes take place annually and ensure they are actively involved in strategy setting not only to ensure objectives are met but to make sure that strategies are adjusted to updated trends . Monitoring and control provide the basis for responsibility and transparency.

Recognising the fundamental differences between traditional philanthropic and CSR approaches and the philosophy of creating a shared value has been seen to be a critical success for many banks’ citizenship journeys. Understanding that business success depends on the individuals and communities who need and want products/ services, banks aim to create value across a range of stakeholders. Shared growth approaches are premised on addressing relevant social problems with banking solutions. Overall, CSR, aligned with corporate strategy, allows the company to support their long term plans strategically, allowing them to be more sustainable in order to do this; there should be a clear definition of CSR on mission statements across the company so there is no confusion amongst employees. Employees may develop a misrepresentation if this is not done adequately, hence possibly leading to a higher turnover of staff, however turnover may not be due to the CSR activities that the company pursues. Most respondents stated that the CSR activities do not appear to inform the employee retention. When employees believe they are working towards a cause, they develop a sense of loyalty, loyalty ultimately affects their productivity and employees volunteering reflect institutions that care about society and the environment at large.(Respondant C) “Many banks focus on ‘going green’ by supporting environment conservation and “green” initiatives. Small initiatives such as printing double-sided, recycling paper, motion controlled sensors controlling electricity usage and limiting water usage, are all preached and practised in banks”.

Routine meetings should be at MANCO level, allowing updates pertaining to innovation and commercial updates with regards to CSR. What can also be noted is if the notion of external consulting has a place within the corporation for their CSR strategy. Some respondents mentioned it to be worthwhile and most said stated that it may prove difficult as outsourcing may not quite understand the company’s culture pertaining to CSR. It was quite clear during discussion that there are defined business imperatives when engaging in CSR.

Bank Influences on Social Responsibility in the Financial Services sector

More often than not, a bank that has embedded CSR in the core of its business is called upon to share not only good news stories, but to give lessons where they feel they have learnt. In this way, their appearances at conferences and various publications continue to influence the sector positively. The influence is further enhanced by the independent recognition often bestowed upon them in the form of awards and accolades, raising the admiration of many in the banking sector and aspirations to emulate these. This can be seen in some banks where corporate strategy is closely aligned with their CSR initiatives. What can be noted is that of the limitations due to how the shareholder capital is spent, as a financial institution, one organisation can only do so much to benefit all the stakeholders involved and to the same extent.

Banks do recognise a responsibility to the broader socio-economic goals of education improvement, poverty relief, health and general social upliftment, but obviously cannot dabble in every field, but rather chose a field they identify with and that can align with their core values therefore creating a mutually beneficial relationship between the two. Many banks believe that they should support economic inclusion in that it seeks to create as many opportunities as possible that enable people to become active economic participants in society. As a result, many banks focus on education and entrepreneurship as it is undeniable that education remains a key way to enable people to become active in the economy. Education endeavours have the ability to bring together strategic partnerships to allow targeted groups to have access to educational tools and resources, therefore linked to socio-economic upliftment and wealth creation.

Respondents mentioned that education was seen to benefit the employees and community, but not the shareholders, who were seen to have benefitted from legislative changes brought on by CSR activities. Equally so, there is a clear recognition of the value of entrepreneurship in enabling people to become more active economic participants in society, for in the growth of these two areas lies the growth of many others, economically and socially. Enterprise development programmes focus on offering affordable innovative finance solutions and business development support services to small and medium enterprises (SME's) to nurture entrepreneurs of tomorrow and support and optimise the supply chains of our corporate clients. By supporting aspirant and emerging entrepreneurs as well as existing start-ups, banks are contributing to the development of a robust and diverse small business sector that enables economic growth in a meaningful way for the communities they serve.

The banks provide aspiring students with bursaries, ultimately investing in their talent, then they provide them with employment, develop and enhance their skills and possibly provide mentorship and therefore benefit from them in their institution and the society in which they operate. Two respondents mentioned that there is a programme called “Colleague engagement” where they seek to engage colleagues’ workplace skills, life perspectives, and professional experiences, as well as the capacity to inspire, motivate and coach the next generation, many of them are professionals and entrepreneurs in Africa.

The main themes that arose with banks involved CSR programmes were that of youth development and enhancement thereof, and leadership, as leadership projects are found in all areas of business and societal factors, including the empowerment of women in disadvantaged areas. Many of the employees chose previously disadvantaged communities to support, therefore CSR initiatives were drawn from areas in which certain staff resided and were part of their history. Social demography plays a vital role in deciding on what initiative to focus and how much banks decided to invest. Most respondents came back saying that CSR initiatives, whether closely linked to corporate strategy or not, sponsored by these institutions will not solve all social tribulations. External funders who sponsor public private partnerships also can incur running a reputational risk if initiatives and funding is not done appropriately, therefore there always needs to be a transparent plan in which initiatives are planned and executed.

One respondent mentioned “certain programmes can offer short term assistance such as feeding schemes and environmental clean ups, however others should have a level of sustainability in them to make them a strong foundation for a corporate such as our bank to follow through and reap benefits by bettering society and this can be done by clear strategic planning and alignment to what the company depicts a passion about”. Banks embrace a shared value philosophy as they deliberately seek to apply substantial resources, both assets and expertise, by unlocking solutions to social challenges though innovative products, services and partnerships that allow the bank new ways of thinking of itself, in relation to its customers, clients and communities it serves.

Banks choose by tackling social challenges through commercial business models, they are able to offer self-sustaining and scalable solutions that increase access to employment opportunities through skill building, supporting of small to medium enterprises (SME’s) that help grow the economy, and provide wider, more convenient access to financial services. Respondents did however, mention that some of the CSR initiatives were not sustainable and there was too much focus on education as well, that welfare and development are areas that also need to be grown and nurtured to help fight poverty. Respondents stated that even though the primary focus was on education, focus should be on one element as opposed to trying to be a saviour to every social ill, allowing the corporate to concentrate on a focused issue to make a difference. Education proves to be the key to unlocking knowledge about other social problems such as unemployment, crime, poverty and other such issues. Women's empowerment also proved to be a theme exerted by the banks in South Africa, leadership programmes for women, as well as supporting communities where women are the head of the household, taking care of entire families; programmes are developed to enable these women to build themselves up in matriarchal communities as well as community development initiatives that hold women at the forefront. Many banks have a “bring a school girl to work” day whereby a young school girl can visit a corporate and view a day in the life of a corporate professional and focusing on maths and science education . Other initiatives that revolve around women are the collection of feminine sanitary wear to assist young women who are unable to attend school due to monthly menstruation.

Financial inclusion interventions focus on enabling digital and non-digital access to underserved consumers through real banking and value added products to promote wider, more convenient, access to financial services. As an integral element to lasting economic development and inclusive growth, banks have been seen to focus on supporting initiatives that provide relevant financial literacy to empower consumers and developing value added products and services to meet their evolving needs.

Organisational Processes and Controls used to integrate CSR strategy into overall business strategy

Whilst the CSI team has the overall responsibility of formulating CSR strategy, it is debated on various platforms and at forums and has to be tested by a Group Management Forum, CEO and Social and Ethics Committee in most banks. Approvals at these levels are not automatic, and more often than not, the CSI teams are sent back to the drawing board to refine and ensure greater alignment with business purpose, vision and mission. The answers were mixed from respondents, in some cases, organisation's processes were not taken seriously, resulting in weaker non-sustainable CSR initiatives. Processes varied between meetings with management to meetings with employee volunteers. A theme emerging though, was that internal members, such as executives, senior managers, staff who are in the broader network, and external stakeholders, such as the community, should be involved in decision making. Senior executives have the necessary skills to generate profit and should be willing and able to adjust to the increasing level of globalisation by developing CSR initiatives that reflect high ethical standards. In saying this, the unintended consequences that relate to CSR should be researched as far as possible and mitigated , stakeholders need to ensure that CSR initiatives are sustainable enough to prevent future damaging impact on reputation and realise the potential impacts of CSR Initiatives where no long term plans have been created . An important part of CSR actually involves scrutinizing the long term decisions and effects have on communities at large. Questions that can be asked can include

- Is this CSR initiative involved / assisting in creating sustainable change?
- Is this the best way to make an impact on the community whilst also ensuring the reputation of our brand is protected and upheld

All respondents mentioned ways in which volunteerism was promoted by staff, some during working hours and some in their own time. The attitudes and dedication of volunteers determine the success of these programmes which, looking at social issues such as education, healthcare and poverty; affect every citizen in some way or the other. CSR plays a vital role in how banking culture develops and the attitude towards it. The resources they provide include their knowledge about their specific background, pertaining to offering guidance in the form of mentorship, or resources in the sense of time, energy and effort from their corporate lives. Many banks encouraged staff to utilise their skills and give of their best in assisting communities around them, this also allows them to be active in the areas around them and build upon a sense of creating an impact and participating in something worthwhile. What are most important to notice are that staff members and all those who volunteer, associate themselves with that notion that CSR is not a sponsorship ideal, but rather about development in the disadvantaged communities.

An issue that many respondents spoke about is that they feel that CSR should be associated in performance areas, making it part of their deliverables, therefore managing their contribution. Most banks agree that CSR is not a marketing ploy, that although the marketing department is involved in CSR initiatives, it is not a driving force behind how initiatives are chosen. As mentioned above, one respondent mentioned that “there can be a thin line between marketing and CSR if not aligned to business strategy, that’s why we need to ensure that CSR represents core values and is not misleading as a ‘branding event’ or else we would lose credibility from our customers” (Respondant D). Statements like this reiterate that CSR cannot be taken lightly as it can also be associated with reputational and trust issues from the consumer side. Core to shared growth notions is the driving of the agenda that is central to business by creating economic and social value relative to cost. Most banks had a shared aim of developing products, services and partnerships that improve the lives of people in the communities they serve while delivering commercial returns to their stakeholders.

One interview mentioned that foundations were formed to drive CSR vehicles, and overall contributions are undertaken through the foundation. In terms of how the banks deal with the logistical issues, since there are projects and branches across the province, many of the CSR foundations split budgets across the province, ultimately ensuring there is a footprint across the province where these banks operate. Each province has a CSR champion who is aware of what each community is in need of and how best to work with them. Some institutions have been provided grants; they are ultimately required to provide accountability for the allocation of resources. Most respondents reached a conclusion that CSR was a process and that there was a continuous level of striving towards full integration.

Education and skills development interventions focus on providing skill building platforms to support employability and self-employability as well as facilitating access to quality education by university scholarships, by creating platforms to address knowledge gaps, and supporting educational institutions and agencies with the capacity building to improve the delivery of quality education that they believe is contributing to systemic structural change in education eco system.

Profitability vs. Responsibility

Many CSR projects focus on employees volunteering their own resources as opposed to the institution providing financial assistance. Not only does it enhances goodwill amongst the internal environment, such as employees, but also brings about good corporate reputation, ultimately strengthening the economic functioning of the institution by enhancing the public image. Employees are encouraged to form teams to identify projects which they foresee could be deserving of CSR; the CSR champion initiates networking; this is done by enabling staff to share their experience and talent in the service of those in need. Socio-economic upliftment and strategic alignment which ensures sustainability of the initiatives leads to the benefit of all the stakeholders. CSR varies from simple day-to-day workplace philanthropic donations to larger more sustainable corporate programmes. Responsibility is shared between the two. There will always be times where executives will be faced with pressure on increasing CSR budgets, but also having to ensure this does not interfere with maximising profitability. What banks have considered is to adopt a more strategic approach to how they address the needs of social incentives, and if done properly, they can amend the way CSR potential is used (Porter & Kramer, 2002). One of the respondents mentioned there is a tendency for CSI programmes to offer a once-off donation, this created extreme pressure on communities, the corporate and also created the impression that the bank involved was using the CSR programme as a publicity element; to avoid situations like this corporate should consider offering monthly contributions towards a cause, therefore committing to the sustainability of these projects and the well-being thereof. In saying this, there has to be a level of awareness from both communities and the corporate alike to enable the general public to be more aware of CSR programmes, enabling them to be more effective.

As mentioned above, CSR has been pushed from department to department in the past trying to work out where it fits exactly. However, what emerged from research is that most banks take CSR very seriously and ensure that CSR does not lie outside the core business, but rather it is a business-led imperative that cuts across all aspects of the bank's operations; this philosophy maintains alignment with business strategy and each business unit actively participates and contributes towards implementation and delivery. For many banks, CSR is driven both top–down and bottom-up, ensuring that most executive leadership to the front line staff have the ability to influence and suggest their own social impact interventions. Delivery of their CSR initiatives should be grounded in the principle of co-creation whereby each business unit (retail, business banking, corporate investment banking, wealth management, insurance teams, and Operations/Technology/HR/Risk and other functional units) actively participates and contributes to the implementation and delivery, therefore allowing for a shared level of responsibility. When considering CSR strategies, elements should be considered, such as social priorities, areas where the corporate can add value as well as linking social needs to align with corporate strategy. The various studies conducted illustrate that business strategy and CSI strategy integration is imperative for the survival of businesses in and around South Africa, and the corporations should find a consensus or middle ground to execute both strategies in alignment of one another, both inside and outside the corporation. Corporates should be in constant liaison with government departments to ensure key stakeholders are engaged at the right levels and implementation is not delayed. Accountability is something worth noting as key themes that evolved from respondents were that of people involvement and the mention of senior executives, such as the CEO, all play a vital role in the decisions affecting CSR. Those institutions where CEO's were involved, reflected strong CSR programmes and showed best practise activities. What was seen was that once senior executives, including key decision makers, invest time, money and effort, then CSR programmes are taken seriously. Consumers and employees alike develop a level of trust in senior management in that the workplace is not all about profitability, but also about playing a role in building up surrounding communities. Consumers can now be “associated” with a good brand and socioeconomic upliftment, which leads to a better overall society. Lastly, consumers can know that the institution with valuable CSR initiatives allows for sustainability to occur, knowing that the institution displays a level of solvency and consumers can gain comfort in knowing that their investments are well taken care of.

Members of the Board should play a vital role in ensuring that senior executives are involved as much as they can as leadership roles also enable reflection for the greater good of others and not only the up-skilling of oneself. Although the majority of responsibility is placed upon the corporate to be socially responsible, customers also hold a high level of responsibility. Customers are driven by different motives, especially when it comes to banking, as there are external factors that come into play such as interest rates, banking fees and other fiduciary elements that are beyond the control of the consumer. The question posed is whether the consumer believes “that the financial institution they choose to invest in behaves in an ethical and responsible manner” (Creyer, 1997). Ultimately it is the managers who need to live by example and create a good relationship between profitability and responsibility, although all stakeholders play a vital role in creating this equilibrium. According to Matten, Crane and Chapple (2003), both terms of “Business Ethics” and “Corporate Social Responsibility” imply that levels of “Ethics and Responsibility” are the concepts that are not present in business, or even worse, which are opposed to business. In saying this, CSR can try to meet all the expectations of all the stakeholders, but may feel that this is an insurmountable task as is seen in campaigns such as Nike and British Petroleum (BP) where elements of initiatives have been abused. . A respondent brought to the researcher’s attention that banks should be encouraged to report CSR matters in press conferences, annual reports and social media to establish global reporting guidelines as most consumers are not aware of the bank’s contribution towards employees, the general public, economic development and the local communities surrounding them and they should also make known that the bank plays no part in pollution, be it water, noise, environmental or any form thereof.

As mentioned above, marketing cannot be a driving force of CSR initiatives but should work parallel to campaigns, a synergy needs to exist between them to ensure the banking brands contribute to facilitating returns to shareholders. CSR should never be seen as a marketing ploy with a twist. What needs to be clarified is that CSR should not be the only method of implementation to reduce poverty and be responsible for reducing the levels of inequality in South Africa. Government should work closely with corporates in bridging the gap of inequality in South Africa.

Suggestions for further research

Due to the fact that CSR is a very broad topic and brings about many controversies to the table, it offers a wide spectrum to be researched. The following areas can be suggested for further research

- CSR analysed in developing countries in the African continent, to see if social issues are comparative and dependant on the diverse economic structures and other challenges other African countries face.
- How sustainable is CSR as a financial element in analysing return on investment (ROI)?
- CSR as a form of gaining a competitive edge, how do corporates stand out from the rest in terms of CSR?
- A look at CSR over a specific timeline in South African corporates or specific sectors such as banking, manufacturing or supply chain management.
- An investigation as to whether CSR initiatives lead to greater financial performance?
- The role of public private partnerships in uplifting South African Society through CSR.
- Investigation of unintended consequences of CSR initiatives in South African communities .

Conclusion

The importance noted in this study is that CSR should be aligned to core beliefs and values with corporate strategy in order to be sustainable and to provide a benefit to most of the stakeholders. What should be interesting is that of the perceived value/ benefit for the different stakeholders involved as each stakeholder can gain different aspects out of the initiatives as stakeholders do bear different intentions in relation to the CSR process. What is also worth researching is that how much banks spend of the groups post-tax profits goes to CSR initiative funding to indicate just how much banks are exceeding what was quoted in the financial sector charter. Research indicates how financial services view CSR and how it comes into existence without being forced onto them by legislation. Banks can be noted to have used CSR to work their way back into society, their intentions may appear to be skew, and however there will always be at least one stakeholder that benefits from these investments. The double-edged sword applies when CSR benefits towards community upliftment but with questionable intentions. A common misconception is that all the stakeholders have the same plan of how funds should be utilised, although a common agreement is that CSR should uplift and CSR policy should bring about change. Therefore, during implementation, the community, corporate and NGO's have their own perspective as they overlap each other where the process proves to be common although they are not mutually exclusive to each other.

The study noted that CSR initiatives put into practice efficiently are indicative of alignment to corporate strategy. Many banks have no choice but to comply with legal and policy requirements of the banking sector. Good CSR practices are essential for sustainable business. Well identified commitments over a long term can be recommended to provide stability and sustainability to stakeholders alike. Currently, although CSR models show that when aligned to corporate strategy they are more successful in the long run, banks do not leverage business-wide resources to create an impact on the high levels of social ills South Africa faces as a country.

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