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Entrepreneurial orientation and corporate social responsibility: a focus on South African firm performance

A research report submitted to the Faculty of Commerce, Law and Management, University of the Witwatersrand, in partial fulfilment of the requirements for the degree of Master of Management in Entrepreneurship and New Venture Creation

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ABSTRACT

Entrepreneurial Orientation incorporates firm-level processes, practices, and decision-making styles reflective of entrepreneurial behavioural involving the combination of innovativeness, risk taking, and proactiveness. CSR is defined, as a holistic set of activities and initiatives that primarily meet the economic, social and environmental triple bottom line needs of relevant stakeholders. The study looked at firms in South Africa participating in CSR projects and initiatives to exploring the relationship between a firm's level of entrepreneurial orientation (EO), its CSR Activity, management performance and firm business performance. The study applied a quantitative method to analyze the relationship between the Entrepreneurial Orientation and the independent variables of management performance, business performance and CSR among 170 respondents. The empirical findings of the study revealed that EO had a positive effect on CSR activity and business performance indicators. The study finds that entrepreneurs, managers and CSR practitioners can configure CSR as a business tool that can contribute to the competitiveness of an enterprise as well as positively contribute to the developmental agenda of the environments enterprises operate in.

Keywords: Entrepreneurial Orientation, CSR Activity, Management Performance, and Business Performance.

DECLARATION

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

Mwila Saini

Signed at: Wits Business School

On the 2 day of April 2019.

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CHAPTER 1: INTRODUCTION

This chapter introduces and provides background to the research study by explaining the purpose of the study, discussing the theoretical background as well as the context of the study. The problem statement and objectives the study addresses are discussed in this chapter prior to concluding through discussing the significance of the study and key definitions.

1.1 Purpose of the study

The purpose of this study is to investigate the relationship between Entrepreneurial Orientation (EO) and business performance among South African firms undertaking in Corporate Social Responsibility (CSR). Research has documented that opportunity focused firms are innovative and creative in their product and service offerings and firms with broader development agendas are able to adopt business-like strategies to empower societies and increase their chances of having a sustainable social impact (Dees and Anderson, 2003; Kuratko & Audretsch, 2009). The study seeks to investigate business performance through the exploration of performance measures that are in place that allow for companies to gain competitive advantage in light of their entrepreneurial orientation and CSR activity (Jenkins, 2009).

A change has occurred in the academic field in which scholars have begun looking at businesses as not only having an economic purpose but also examining the social role they play within societies (Urban & George, 2018; Porter & Kramer, 2011). Corporate Social Responsibility (CSR) has emanated from the shared value school of thought and positive effects have been shown to exist within firms with an entrepreneurial orientation undertaking in CSR and impact investment activity (Urban & George, 2018; Yun, 2012).

Furthermore this relationship has brought forward the attention of entrepreneurship and CSR with regards to management performance as the findings imply that CSR activity

is not a cost but rather an investment that can enhance a firm's management performance and competitiveness (Yun, 2012).

Grayson & Hodges (2004) state that the driver for business success is entrepreneurialism, a competitive instinct and a willingness to look for innovation from non-traditional areas such as those increasingly found within the corporate social responsibility agenda.

Seeking innovation and opportunity in non-traditional areas is important particularly to firms in developing economies as they attempt to adapt to transitioning institutional environments as well as maintain competitiveness, critical components to a firms profitability and survival as they pursue an entrepreneurial transformation (Antoncic & Hisrich, 2001; Urban & George, 2018). This paper seeks to investigate the relationship between the EO dimensions of innovativeness, risk taking and proactiveness and business performance among firms in South Africa undertaking in CSR (Jenkins, 2009; Yun, 2012; Molokwu, Barreira & Urban, 2013).

1.2 Context of the study

Corporate Social Responsibility is defined as that of context-specific organizational actions and policies that take into account stakeholders' expectations and the triple bottom line of economic, social, and environmental performance criteria (Giannarakis, Konteos, Zafeiriou and Partalidou, 2016).

Corporate Social Responsibility has thus been seen as business way of contributing positively to society outside of profit making. This has over the years developed into Corporate Social Investment (CSI) that encompasses external projects not related to core business functions undertaken without the primary purpose of profit making. In South Africa CSI, expenditure across sectors was estimated to be worth approximately nine billion rand (R9 billion) spent across sectors such as education, skills training, and research amongst others (CSI Handbook, 2017). The initiatives and areas that have received the largest amount of investment have been that of education (30%), orphans and vulnerable children (19%) and skills training (12%), (CSI Handbook, 2017).

Skinner & Mersham (2008) have stated that combating poverty and addressing sustainable development have been identified as an urgent global imperative. South Africa has a complex past and currently finds itself facing various societal and structural challenges. Business in the country and more specifically those actively engaged with CSR focus their activities to address the triple bottom line of economic sustainability, social sustainability, and environmental sustainability. What has become clear in a globalising world has been that corporate involvement in the development agenda is both necessary and expected (Skinner & Mersham, 2008)

Smith (2003) states that effective Corporate Social Responsibility rests on developing the appropriate CSR strategy, it would be valuable to further explore the effect of such strategies on performance criteria including non-financial and managerial performance. There is a knowledge gap in this area within the South African context and this study will shed light in this under researched area.

Entrepreneurship and EO are considered facilitators of firm growth and drivers of business performance; this connection has been attributed to the relationship of the EO constructs present within a firm (Covin & Slevin, 1986; Wiklund & Shepard, 2004). Inference of this statement may suggest that EO leads to higher business performance in one manner or the other.

This study seeks to understand assertions made by scholars such as Zahra (1991), Yun (2012) and Carrol (1979) that CSR has positive effects on management performance and competitiveness. Furthermore, the paper seeks to investigate whether EO positively enhances business performance as evidence has revealed a positive relationship between EO, CSR, and competitiveness (Turyakira, Venter & Smith, 2013).

1.3 Problem statement

This paper aims to examine the effect that the EO dimensions of innovativeness, risk taking and proactiveness and CSR activity have on the business performance of firms specifically examining their management performance and business performance indicated by their growth and comptitiveness in relation to their competitors. By undertaking in this exploration insight will be shed into the impact that an entrepreneurial orientation may have on CSR activity among firms in South Africa and

its impact on business performance including the ability to identify opportunities that will ultimately serve as an enabler to the engagement of numerous commercial and non commercial viable activities that can advance environmental, social and sustainability causes (Grayson & Hodges 2004: 11).

1.3.1 *Main Problem*

The research questions and hypothesis are founded on the premise of what Jenkins (2009) stated by acknowledging that studies in this area should aim to progress the understanding of both the limitations on and opportunities for, CSR in firms through the exploration of exemplary characteristics in an identified group of companies. Existing theory on EO has shown it to be a prerequisite for organisational success, (Fang, Yuli and Hongzhi, 2009). Furtheremore significant relationships have been revealed to exist between the various EO dimensions and fields such as Corporate Governance Structures and impact investing, (Molokwu, Barreira & Urban, 2013; Urban & George, 2017). However the impact of EO and CSR on business performance among South African firms needs further exploration.

1.3.2 *Research Question*

Main Research Question: What is the relationship between a firm's level of entrepreneurial orientation (EO), its CSR Activity, management performance and firm business performance?

Research Question 1: What effect do entrepreneurial orientation dimensions of innovativeness, risk taking and proactiveness have on CSR activity?

Research Question 2: What effect do entrepreneurial orientation dimensions of innovativeness, risk taking and proactiveness have on firm performance?

Research Question 3: What is the relationship between CSR activity and management performance?

1.4 Significance of the study.

According to Skinner & Mersham (2008), companies are increasingly keen to invest and support effective organisations and projects that are able to deliver measurable development returns. Skinner & Mersham further state that South Africa currently faces a lack of information about which CSR projects perform well as well as tools with agreed national benchmarking standards to measure impact and effectiveness. This study seeks to fill the knowledge gap in this area by investigating entrepreneurship and CSR performance.

Empirical studies on Corporate Social Responsibility in South Africa have looked at the historical, environmental, as well as emerging trends of undertaking in CSR in the country (Skinner & Mersham, 2008; Littlewood & Holt, 2018; Fig, 2005). Academic studies that have looked at CSR reporting are abundantly present predominantly in developed countries whereas in the developing world there has been limited research such as that undertaken by Jamali & Karam (2016). Seeking innovation and opportunity in non-traditional areas is important particularly to firms in developing economies as they attempt to adapt to transitioning institutional environments as well as maintain competitiveness, critical components to a firms profitability and survival as they pursue an entrepreneurial transformation (Antoncic & Hisrich, 2001; Urban & George, 2017).

The current study will contribute to this body of knowledge, as it will investigate EO and CSR in firms in South Africa that may be able to contribute to a wider understanding of the field in the South African context. Littlewood & Holt (2018) call for more quantitate research in this broader area. It is also hoped that this study can add scientific knowledge in the broader area of entrepreneurship. Such a contribution could impact this area of practice and the practitioners in this space including business owners and managers.

1.5 Delimitations of Study

- The study is limited to firms participating in CSR projects and initiatives
- Focused on firms across all sectors of commerce in South Africa
- The study respondents are Owners, managers, entrepreneurs and CSR practitioners

1.6 Definition of terms

1.6.1 *Entrepreneurial Orientation*

A tenant of Entrepreneurship that entails the new combination of new organizations, new ways of producing raw materials, exploitation of new markets, and the creation of new organizations, Shumpeter (1934). Entrepreneurial orientation incorporates firm-level processes, practices, and decision-making styles reflective of entrepreneurial behavioural involving the combination of innovativeness, risk taking, and proactiveness (Yun, 2012; Covin & Slevin, 1991; Lumpkin & Dess, 1996).

1.6.2 *Corporate Social Responsibility*

Specific to the context of this study, CSR is defined as a holistic set of activities and initiatives that meet the needs of relevant stakeholders, includes the activities of measuring and reporting (Giannarakis et al, 2016 & Skinner & Mersham, 2008).

1.6.3 *Business Performance*

The degree to which financial and non-financials goals are achieved in a firm, considering growth and profitability in relation to competitors (Filser & Eggers, 2014 & Frank, Kessler & Fink, 2010).

1.6.4 *Management Performance*

Managements commitment and effectiveness in strategic entreprenerial decisions and leadership so as to ensure innovative growth and sustainability of a firm (Molokwu, Barreira & Urban, 2013).

1.7 Assumptions

The following are assumptions that might influence the research. As a result it is assumed that:

- Respondents will answer with honesty and truthfulness

- Participation is at respondents own will
- Respondents will represent personnel involved in CSR activity and decision making in one specific company

1.8 Conclusion

This chapter has introduced the areas of investigation for this study, that of Entrepreneurial Orientation, business performance and CSR. The chapter discussed the context of the study and the emanating research questions. The significance of the study has been provided as well as an outline and definition of key terms that will be utilized throughout this study.

CHAPTER 2: LITERATURE REVIEW

2.1 Introduction

The following literature review will identify and introduce the key theories that will inform this research and present a discussion on each of them and the evidence surrounding them. The literature review will review past research on CSR and EO to operationalize the constructs under investigation. Thereafter discussion based on the themes of the research question will be undertaken that will fall into the categories of Entrepreneurship and CSR, Business and CSR values and principles and lastly Integration of Business and CSR strategy. The studies conceptual framework is based on the topics discussed in the literature review.

2.2 Entrepreneurship and CSR

Enterprises co-exist and are interconnected with various societies as they deliver value through products and services to constituents within societies. The creation and development of enterprises reflects a process that characterizes enterprises being able to deliver value to their constituents and at the same time embody values that represent their founder's passions in operating visions. Environments vary and the factors influencing and impacting a society at any given point can be due to a range of factors, current and historical.

In delivering a product or service to a customer, enterprises are not only expected to meet a need but also embody the values of the founder. Entrepreneurs' hold and can have a wide range of motivations for starting enterprises. The broader motivations entrepreneurs have can range from individual concerns to broader societal level objectives (Venter & Urban, 2013). The last century has revealed how more is being expected of businesses as societal changes may place demands on enterprises requiring them to adapt.

The development of the sustainable management field has sought to further explore enterprises ability to share various resources with the outside world. Such developments within this field have resulted in companies publishing details pertaining to tenets to sustainable development including ethical management and social responsibility among others (Yun, 2013). Attention as a result has come back to exploring what responsibilities companies have towards sustainable management and society more broadly. Yun (2012) has brought the debate further by raising the question as to whether sustainable management can result in improved enterprise performance.

The process of conceptualising sustainable management entails the consideration and discussion of various related disciplines beginning primarily with social responsibility. Carroll has defined social responsibility as the economic, legal and discretionary expectation society has on a company at a given time (1979). Corporate Social Responsibility has further been defined by Carroll as the incorporation of abstract categories of legal responsibility, charitable responsibility, economic responsibility, and ethical responsibility (1979). The mentioned assertion made by Yun (2012) will be utilized in this paper that entails sustainable management to encompass both sustainable development and corporate social responsibility. It should be considered that in light of the limitations and range of the various inter relationships with various disciplines there isn't a universally agreed upon definition.

It has been stated that enterprises operate within varying societal contexts, and have as a result their own challenges and success. The South African context has been revealed to have a complex past and the environment that enterprises operate in is not shielded from past historical realities. Enterprises are more often than not impacted by external societal factors that they find themselves facing and have to discover new ways of dealing with these challenges.

The South African environment like many developing countries is characterized by high unemployment and poverty rates, a HIV & AIDS pandemic, massive inequalities in housing and education amongst others (Urban & Gaffurini, 2017). Larger corporations are identified as key role players in the various sectors they operate in. Business, primarily larger enterprises have been identified as drivers of socio economic change. The positions that enterprises find themselves in is strategic as it enables them to be key

players in driving socio economic change and this can best be done through various mechanism such as sustainable management.

The increase of influence and expectation from society on businesses has brought about further responsibilities on business owners and entrepreneurs as the responsibility for the enterprises competitiveness and development rests on them (Venter & Urban, 2015). Through the exertion of entrepreneurship, enterprises are able to dictate activities towards the future (Yun, 2012). This brings the discussion to the confluence of entrepreneurship in light of the aforementioned matters. It is important to note the subsequent emergence of entrepreneurship research that has sought to explore the influence that displays of entrepreneurship have on management performance (Yun, 2012).

In light of the various entrepreneurship characteristics that have been brought forward by scholars, three characteristics have mainly been agreed upon being, risk taking, an enterprising spirit (proactiveness), and innovation seeking (Zahra, 1991; Covin & Slevin, 1991; Yun, 2012). The incorporation of these three characteristics including that of entrepreneurial attitude, strategy and internal organizational variables have been utilized in Covin & Slevin's entrepreneurship model and correlations were established with managerial performance (Yun, 2012).

Research conducted by Yun (2012) explored the effect of CSR and entrepreneurship on business management performance and a number of important findings were discovered. It was revealed that entrepreneurship had a statistically significant positive effect on non-financial performance (C.R.=3.312>t=1.96) as well as financial performance (C.R.=4.321>t=1.96). It was also revealed that CSR activity had significant positive effects on non-financial performance. Furthermore and of critical importance to this study it was revealed that entrepreneurship significantly influenced CSR activity and through regression analysis it was confirmed that entrepreneurship and CSR activity play an important role in an enterprises management performance (Yun, 2012).

The implications from such studies looking at entrepreneurship and CSR activity reveal firstly that CSR activity has positive effects on management performance and as a result, CSR becomes an investment as it can be utilized as a strategic tool in enhancing a company's management performance (Yun, 2012; Zahra, 1991; Carroll, 1979). For

entrepreneurs and CEO's, strategic CSR activity through innovation is vital to strengthen management performance and competitiveness (Yun, 2012).

2.2.1 Overview of CSR and business

Defining Corporate Social Responsibility has been a contested debate over the past several decades (Carroll, 2008). Two general schools encompass the CSR debate. The first school of thought states that business only obligation is to maximize profits in the boundaries of the law and minimal ethical constraints (Carroll & Shabana 2010; Friedman, 1970). The opposing school of thought posits a broader range of obligations towards society (Carroll, 1979). Carroll (1979) put forward a definition that encompassed the various expectations by stating that the social responsibility of business encompasses the economic, legal, ethical, and discretionary expectations that society has of organizations at a given point in time.

Scholars within the Social Issues in Management domain (SIM) have drawn primarily on the work undertaken by Carroll concerning CSR (Schwartz & Carroll, 2003). Carroll (1991) expounded on his work on CSR by stating that it falls within four domains, economic, legal, ethical, and philanthropic. These domains have been graphically depicted in what is now commonly known as Carroll's Pyramid of Corporate Social Responsibility (Schwartz & Carroll, 2003).

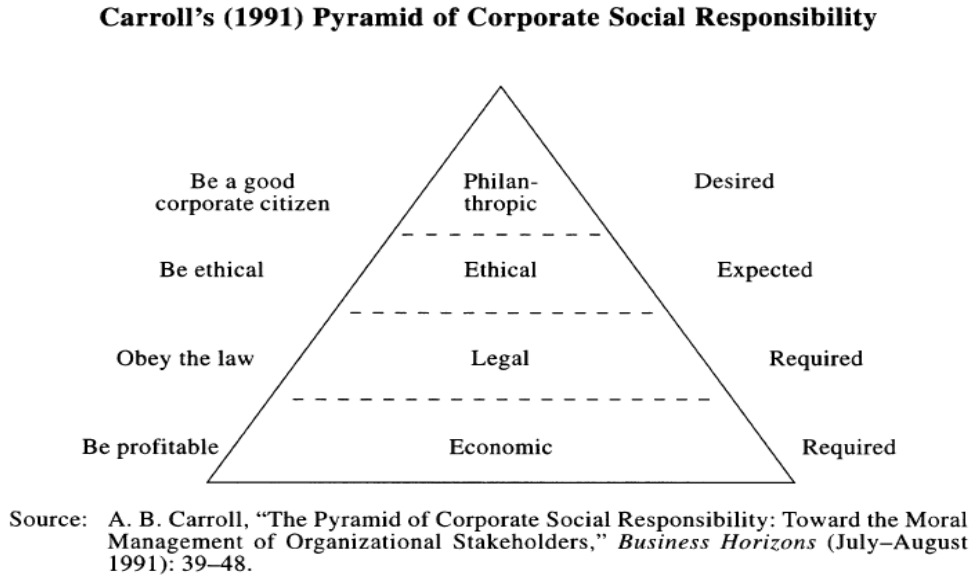


Figure 1: The Pyramid of Corporate Social Responsibility (Carroll, 1991)

The Pyramid of Corporate Social Responsibility has been reviewed by Schwartz & Carroll (2003). The pyramid has served considerable value in discussion and research in the field, there are however, matters that are important to consider when reviewing and interpreting the model. Schwartz & Carroll (2003) state that it in avoiding misinterpretation, the hierarchy of the domains do not reflect an actual enterprise value set that posit the expense or esteem of other domains and vice versa.

Misconceptions and wayward interpretations have lead to re-examining the pyramid. One widely accepted model has been that which acknowledged the interconnectedness of the various domains. The Three Domain Approach was thus developed by Schwartz & Carroll (2003) to provide an alternative means of describing CSR activity and orientations within the business community.

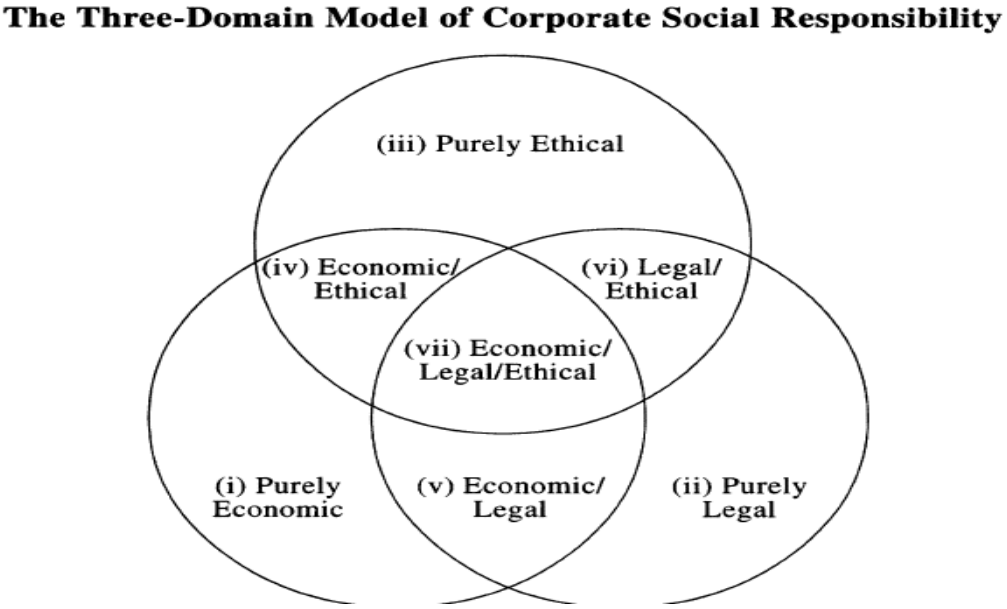


Figure 2: Three-Domain Model (Schwartz & Carroll, 2003).

2.2.2 CSR in South Africa

Corporate South Africa has shared a complex relationship with matters relating to CSR and society that date back to the Apartheid years. During the Apartheid years, scholars and writers have argued that business contributed and benefitted from the policies of the government and actions taken by business such as racial division of labour, racially discriminatory salaries, migrant labour, and single-sex hostels benefitted enterprises (Fig, 2005). On the contrary liberal writers and scholars have stated the active role

business played in the downfall of the regime by stating that business took an active part in the removal of workplace segregation and the admission of black workers in various semi skilled positions (Fig, 2005).

Currently among scholars there have been questions that have been raised seeking to understand under what circumstances do firms within the country act to improve the socio economic and social order and to what extent do these actions reveal to us about the transformation process aimed at eradicating past racial inequality (Fig, 2005 & Jamali & Karam, 2016).

The changes have firstly occurred by the redefining of responsibility. Fig (2005) states that business in South Africa eschew the view of Corporate Social Responsibility for that of Corporate Social Investment and Corporate Citizenship as it avoids the notion and responsibility of having to take responsibility for the past. The view of good corporate citizenship that permeate various discourse have a definition that encompass various policies and practice within business that enable it to make decisions and conduct operations ethically, meet legal requirements as well as show consideration for society, communities and the environment (Fig, 2005). This view encompasses the overlapping nature and interconnectedness of Schwartz & Carroll's Three Domain Model.

2.2.3 Governmental Policies and Environmental Factors

Post 1994 there has been legislation and policies that have been passed that have placed societal matters on the corporate agenda primarily through the Broad Based Black Economic Empowerment Act (RSA, 2011 & Skinner & Mersham, 2008). The department of Trade and Industry incorporated explanatory codes of practice on BEE that later included Corporate Social Investments. As a result, having set targets and expenditure requirements CSI has become a performance driven pursuit among businesses seeking to improve their overall BEE scorecard (Skinner & Mersham, 2008).

South African policy such as that of BEE emanated as a result of a number of contextual factors. Business and primarily larger enterprises have been revealed as drivers of socio economic change. The positions that enterprises find themselves have been identified as being strategic as it enables them to be key players in driving socio economic change. The South African government enacted legislation and policy to drive

the empowerment narrative that business can play through adhering to the Black Economic Empowerment (BEE) legislation and now the Broad Based Black Economic Empowerment Policy (BBBEE).

The BEE & BBBEE legislative frameworks were and are intended to address the legacy of apartheid policies and enhance the economic participation of previously disadvantaged people in South Africa through the promotion of economic transformation and meaningfully participation in the economy. Empowerment through policy is aimed to be achieved through the increase in economic activities, infrastructure, and skills training, increase in ownership and management of existing and new enterprises, Venter & Urban (2015). Beneficiaries of this form of empowerment are meant include among others women, rural and local communities through enabling them access to economic activities, land, and infrastructure. Businesses are evaluated according to the scores they receive based on their scorecard and their compliance is vital to supplier chain development, (Venter & Urban, 2015).

South Africa has numerous developmental challenges that it is facing that include high poverty levels, chronic unemployment, high HIV/Aids prevalence rates estimated at 19.1%, high crime rates and limitations to basic service provision (Littlewood & Holt, 2018). These structural conditions and the limitations government has in addressing them provide various opportunities according to Littlewood & Holt (2008). Key players in addressing these challenges include business through CSR activities and social enterprises that combine economic and social objectives in their operating model (RSA, 2011 & Littlewood & Holt, 2008). This has opened up space for social entrepreneurship and innovation within South African CSI participation as mechanisms for addressing these complex developmental challenges (Littlewood & Holt, 2008).

2.3 Entrepreneurship as firm behaviour

One of the influencing factors for the growing interest in entrepreneurship is the belief that entrepreneurial activity can stimulate economic performance of firms as well as provide competitive advantage (Covin & Slevin, 1991). The entrepreneurship paradigm has acknowledged that enterprises are able to behave in an entrepreneurial manner (Jennings & Lumpkin, 1989). This ability is a reflection of top managements intentional and effective management practices. Entrepreneurial posture is primarily reflected

through the following three characteristics of being innovative, risk taking and proactive (Covin & Slevin, 1991).

Traditional entrepreneurship models have the individual as the centre of analysis, when the organisation is the focus of analysis firm performance can be seen as being a function of organizational and individual behaviour. Behaviors rather than attributes give meaning to the entrepreneurial process. An organizations action makes it entrepreneurial and thus behavior becomes an essential element in the entrepreneurial process (Covin & Slevin, 1991).

Covin & Slevin further state that a behavioral model of entrepreneurship is advantageous as behavior is overt and demonstrable and can be reliably and objectively measured. Thus behavior can be manageable through the creation of organizational strategies, structures, systems and cultures by managerial intervention. In order to foster an entrepreneurial posture the following are suggested behaviors that need to be present within a firm.

Top management need to be inclined to risk taking that can be reflected through growth strategies for example. Secondly firms need to have intentional extensiveness and frequency of technological leadership as opposed to being late adopters and lastly firms need to aggressively and proactively compete with rivals so as to bring new products and services to market (Covin & Slevin, 1991; Arora, Fosfuri, and Gambardella (2001).

TABLE 1: Summary of entrepreneurial phenomena in established organizations

Author	Focal entrepreneurial phenomenon	Locus of entrepreneurship	Relationship between entrepreneurship phenomenon and strategy	Causally adjacent antecedents of the entrepreneurial phenomenon	Causally adjacent outcomes of the entrepreneurial phenomenon
Yun (2012)	Corporate Entrepreneurship (CE)	CEO and Top Level Management	Entrepreneurship through innovativeness, risk taking and proactiveness have significant positive effects on non financial performance and strategic CSR activity	Individual and Organizational variables-innovativeness of CEO and management	Positive non-financial and financial performance, strengthening of management performance and competitiveness, enhancement of CSR activity

Author	Focal entrepreneurial phenomenon	Locus of entrepreneurship	Relationship between entrepreneurship phenomenon and strategy	Causally adjacent antecedents of the entrepreneurial phenomenon	Causally adjacent outcomes of the entrepreneurial phenomenon
Covin and Slevin (1991)	Entrepreneurial orientation (EO)	Not specified	Reciprocal relationship between EO and strategy	Firm performance, strategic variables, managerial and organizational variables	Firm performance, strategic variables, environmental variables, managerial and organizational variables
Filser and Eggers. (2014)	Entrepreneurial Orientation	CEO and Top level management	Not specified	Geographic environment, social environment	Increase in firm performance primarily as a result of innovativeness and risk taking
Lumpkin and Dess (1996)	Entrepreneurial Orientation	Not specified	Strategy and EO are distinct, non-casually related phenomena	Not specified	Firm performance

Author	Focal entrepreneurial phenomenon	Locus of entrepreneurship	Relationship between entrepreneurship phenomenon and strategy	Causally adjacent antecedents of the entrepreneurial phenomenon	Causally adjacent outcomes of the entrepreneurial phenomenon
Urban & Barreira (2010)	Entrepreneurial Orientation	Top level management serving as a proxy for firms	Reciprocal relationships between EO and technology orientation	Firm performance, individual and organizational variables	Firm performance and competitive capability of firms
Wiklund & Shepard (2004)	Entrepreneurial Orientation	Small business management	Not specified	Financial Variables and access to capital	Improved firm performance

Source: Adapted from Ireland, Covin and Kuratko (2009:22) & Molokwu, Barreria and Urban (2013:5).

2.4 Entrepreneurial Orientation

Entrepreneurial orientation entails processes, practices, and decision-making that is reflective of entrepreneurial behaviour. This area was operationalized by Miller (1983) who identified the tenets of risk taking, proactiveness, and innovation as central to EO. Covin & Slevin (1986) generated the first measurable scales in this domain. Various research in this domain generally agrees that entrepreneurial orientation reflects a firms willingness to innovate, rejuvenate market offerings, take risks by trying out uncertain products, markets and services as well as being more proactive towards marketplace opportunities (Wiklund & Shepard, 2004; Covin & Slevin, 1986).

Entrepreneurship and EO are considered facilitators of firm growth and performance, this connection has been attributed to the relationship of the EO constructs (Covin & Slevin, 1986; Wiklund & Shepard, 2004). As a result of the various definitions and views of performance, Filser & Eggers (2014) conceptualised performance as being the extent that financial and non financial goals are achieved based on the perception and views of business owners, managers and CEO's.

Performance can be identified through various EO tenant indicators. Innovativeness will be reflected by the inclination to support new ideas, experimentation, novelty and creative practices and this will be reflected in a high rate of technological and/or market innovation, (Lumpkin & Dees, 1996; Filser & Eggers, 2014).

Proactiveness is stated as being a posture that reflects a firm's ability of anticipating and acting on future wants and needs of the marketplace, creating an advantage over competitiors. It is further stated that proactive firms open pathways with regards to products and services that competitors react to, (Filser & Eggers, 2014; Wiklund & Shepard, 2004).

Risk taking has been conceptualised as referring to assessable and controlled risk endeavours and is associated with a willingness to commit resources to projects where risk of failure is high, (Wiklund & Shepard, 2004). This is however mitigated by the learning effects from risk propensity as it increases the entrepreneur's ability and willingness to handle risky situations, (Filser & Eggers, 2014).

It has been observed that innovative companies with the above mentioned characteristics are able to generate extraordinary economic performance and are pioneers of economic growth, furthermore these firms can influence and create their own environments, (Filser & Eggers, 2014).

Therefore, the research question is formulated to reflect relationship of EO dimensions as it relates to CSR and is stated below with the corresponding hypothesis.

Research Question 1: *What effect does EO have on CSR activity?*

H_1: EO dimensions of innovativeness, risk taking, and proactiveness are positively related to CSR activity.

2.5 Opportunity seeking as a business performance measure

Opportunities within the social sphere are intrinsically different to that in other areas and identifying them is somewhat a multifaceted task. Despite the overlap, scholars maintain that social entrepreneurship (SE) opportunities are different from their commercial counterparts (Corner and Ho, 2010).

First, SE opportunities are focused on social problems; they involve attempts to create social value (Thompson, 2002). This results in social value creation being about engaging with social problems and trying to generate solutions for these problems (Thompson, 2002).

A lens in which opportunities in the social sphere can be distinguished from others concerns the context in which these opportunities surface, get recognized, and get exploited (Corner and Ho, 2010). Scholars have asked questions regarding social opportunities wondering if they are found or created, however these questions do not have conclusive answers (Mair, 2006).

Two approaches to opportunity recognition have been studied by scholars recently. The first approach is that of the rational/economic approach. This approach posits that entrepreneurs notice or discover a tangible opportunity such as a new product or venture and follow a normative decision-making process to implement a precise idea. Normative choices involve gathering all relevant information, generating and systematically evaluating all possible alternatives, and choosing the alternative that

enhances the entrepreneur's personal wealth (Alvarez & Barney, 2007).

As such, the rational/economic view tends to see opportunities as objective phenomenon with an existence separate from human perception waiting to be discovered or noticed by alert individuals (Alvarez & Barney). According to this rational/economic approach, the entrepreneur addressing a social issue would begin with a desired outcome in mind, a particular kind of social enterprise, for example, and then assemble the resources necessary to achieve that particular outcome. Found or discovered opportunities exist independently from prospective entrepreneurs, waiting to be noticed and exploited.

Recently, a view of entrepreneurship has emerged that provides an important alternative approach to the rational/economic model that has dominated the literature. It is called effectuation and considers entrepreneurship as a series of decisions made in the absence of any structure that would make normative techniques possible, decisions such as how and who to hire for an organization that does not yet exist (Sarasvathy, 2001).

A key principle of effectuation is that an entrepreneur begins not with a precise product, service, or venture in mind, but with a set of means that can be used to address a good idea (Sarasvathy, 2001). Means are idiosyncratic to the entrepreneur and encompass his or her skills, resources, and people who could help address the area of interest. For example, a person interested in a social issue would begin by considering the means he or she had available to do something about the issue (Carner & Ho, 2010).

In further contrast to the economic model, effectuating entrepreneurs are molders and creators of their immediate environment rather than predictors of and reactors to events in the world (Sarasvathy, 2001). Entrepreneurs, thus, attempt to shape and create a workable solution to a perceived need rather than a normatively ideal way to meet the need (Sarasvathy, 2001). In the case of social value creation, effectuating entrepreneurs would try to shape and create a solution to a social need based on resources at hand rather than trying to predict what the ideal solution would be and assemble resources to manifest it. Effectuation processes thus seem to include the very creation of entrepreneurial opportunities since the entrepreneur combines means to enact one of many outcomes made possible by the unique combination of means at his or her disposal at a given point in time (Sarasvathy, 2001).

Also, effectuation highlights interactive processes that can involve intense negotiation between the entrepreneur and various stakeholders within the effectuation approach (Sarasvathy, Dew, Velamouri and Venkataraman, 2001). Who comes on board to join the venture determines what its goals and outcomes will be (Sarasvathy & Dew, 2008). Again, we see an implicit reflection of effectuation in SE research when authors describe how a social entrepreneur must enact an opportunity through championing it (Thompson, 2002) and how SE opportunities are a function of the idiosyncrasies of the entrepreneur, especially his or her relationships (Robinson, 2006).

In yet another contrast with the rational/economic approach to entrepreneurship, effectuation envisions the entrepreneurial process as actor-dependent not outcome dependent. It is within this actor dependent framework that enterprises can play an overt role. In effectuation, outcomes do not hover independently from the entrepreneur out there in society waiting to be found or discovered. Instead, outcomes are shaped and enacted by entrepreneurs through imagination and aspiration and this can be fostered within enterprises (Sarasvathy, 2001).

Due to there not being a widely agreed upon identified way that entrepreneurs can create opportunities through effectuation, the process of opportunity recognition becomes important. As opportunities drive strategy, almost any opportunity is relevant to the firm. The identification of an opportunity requires resources to exploit it and an entrepreneurial firm attempts to maximize value creation by exploiting opportunities while minimizing the resources required supporting such entrepreneurial initiatives, (Molokwu, Barreira & Urban, 2013)

2.6 CSR Business Integration

It has been stated that it is important for firms to integrate ethics into their organisational structures, the process of integration is dependant on the size of the firm and this raises the importance of utilizing strategies and instruments (Graafland, van de Ven & Stoffele (2003). One of the reasons driving large firms to engage in the use of various instruments and strategies is due to the fact that their size exposes them to more visibility to the public and media and thus the need for instruments to facilitate the communication of values and norms. Whereas small firms have personal contact with customers and employees (Graafland, van de Ven & Stoffele, 2003).

It is useful to discuss matters pertaining to instruments or tools that are utilized in the broader field of social responsibility also referred to as sustainability management tools. It has been stated that these tools enable business managers to operationalize strategies as well as coordinate activities throughout an enterprise (Johnson & Schaltegger, 2016). Practical decision support is offered by these tools to facilitate the design and selection of products, processes and programs, it has also been stated that they support managers and entrepreneurs in exploring the negative environmental and social impacts so as to reduce them and simultaneously aid in exploiting positive impacts so as to stay competitive and economically successful (Johnson & Schaltegger, 2016). There are three broad categories these tools fall under; tools for analysis, evaluation and communication. There is a broad range of stakeholder categories that these tools address. Perrin (2007) summarized them as being employees, shareholders/members of the financial community, clients, suppliers, financial partners, local authorities and government, community and environment.

With this foundation in mind the view that will be taken on strategies is that posited by Perrini that states CSR strategies as being tools and activities utilized by firms to promote responsible behaviour to internal and external stakeholders (2007). This premise has been taken forward and researched further with the view that the size of the firm is a predictor that influences the implementation of CSR strategies and this explains the differences of firms willingness to define and implement CSR strategies (Perrini, 2007).

A company's accountability to stakeholders including the environment, its employees, and community at large should according to Chakravatry, Das, Sen & Sengupta be seen as a CSR opportunity and treated as a business goal (2006).

Therefore, the research question is formulated to reflect relationship of EO dimensions and non-financial management performance indicators that reflect the firms CSR posture through a defined vision and mission statement, policy and reflective managerial behaviour as discussed and is stated below with the corresponding hypothesis.

Research Question 2: *What effect does EO have on firm performance?*

H_2: EO dimensions of innovativeness, risk taking, and proactiveness are positively related to firm management performance indicators.

2.7 Performance Management

Matters pertaining to the value that can be derived from the exploitation of tangible assets have been well documented however the management of intangible assets play an equally important role. Lord Kelvin articulated the view that when you cannot measure something, or express it in numbers your knowledge of it is meagre and unsatisfactory (1883). This notion has been adapted and Kaplan (2009) has gone on to state that if companies would improve the management of intangible assets it would become vital to integrate the management of intangible assets in management systems.

Intangible assets it is stated may derive value indirectly and seldom have value by themselves. It is the coupling with other tangible or intangible assets that create value (Kaplan, 2009). Investments in employee training lead to improvements in service quality, better service quality leads to better customer satisfaction, higher customer satisfaction leads to increased customer loyalty and increased customer loyalty generates increased revenues and margins for example (Kaplan, 2009).

There is a merge between performance management and stakeholder theory that was previously introduced that is worth briefly discussing. The five notable stakeholder groups can be divided into two groups, the first group generally define the expectations of a companies performance (shareholders, customers and communities), the second participate in the firms plan to implement and deliver products and services to customers (suppliers and employees) (Atkinson, Waterhouse and Wells, 1997).

The debate arises from scholars that state that performance management begins once implicit and explicit stakeholder expectations are considered and then the firm defines a strategy to meet and fulfil those expectations whereas the other view states that strategy precedes stakeholders (Kaplan, 2009). What can be derived from the stakeholder debate is the value that can be derived from nurturing multiple relationships that drive long-term sustainable value creation.

Therefore, the research question is formulated to reflect relationship of CSR activity and management performance as discussed and is stated below with the corresponding hypothesis.

Research Question 3: *What is the relationship between CSR activity and management performance?*

H_3: There is a positive relationship between CSR activity and management performance.

2.8 Conceptual framework of hypotheses

This study's conceptual framework is illustrated below. The framework illustrates the relationship between the independent variables including CSR activity, management performance, and firm performance. The dependent variable is based on EO dimensions of innovation, risk taking and innovativeness of a firm. This framework is informed by various bodies of literature (Jenkins, 2009; Corner and Ho, 2010; Kaplan, 2009; Russo & Tencati, 2009; Sing et al 2017).

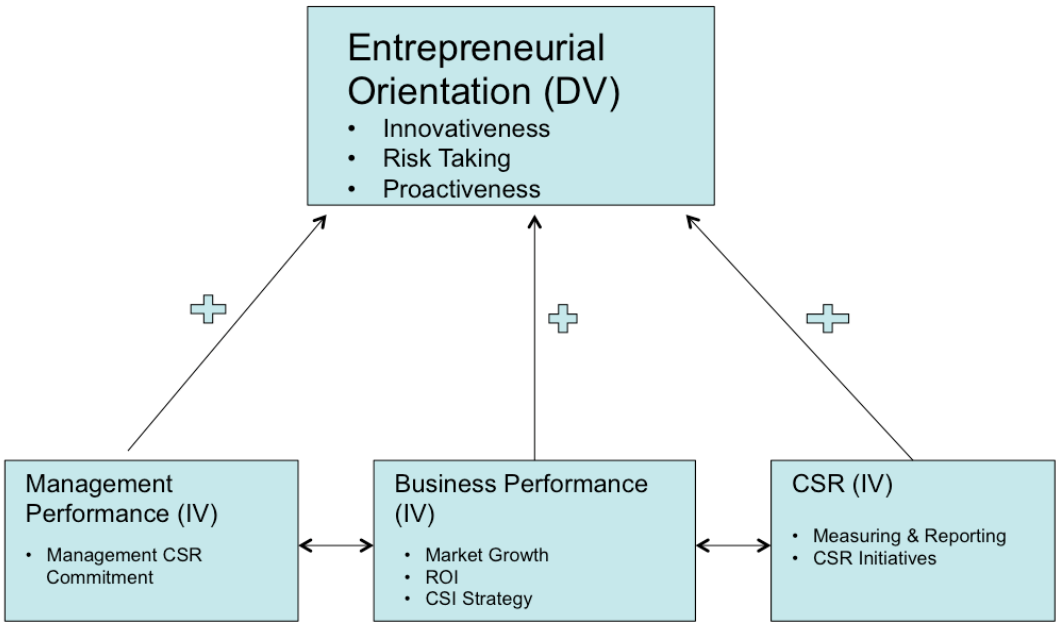


Figure 3: Conceptual Framework

2.9 Conclusion of Literature Review

This chapter has introduced the broader topic of entrepreneurship and brought about the discussion of the entrepreneurship as a vital factor in the strategic direction that enterprises are steered towards. There has been a further unpacking of the impact of entrepreneurial posture and how this relates to management performance. The relationship and expectations that societies have on enterprises has been established and this has served as the foundation to the discussion of the emergence of CSR.

Evidence has been brought forward that supports the notion that with regards to management performance, the adequate fostering of entrepreneurship and CSR activity can become an investment that can enhance a firm's management performance and competitiveness. These topics have been introduced and their centrality and areas of importance have been emphasised as they play important roles in the rest of this study. The research questions formulated in this study are restated below and have been formulated to explore the associations of the various constructs.

Main Research Question: *What is the relationship between a firm's level of entrepreneurial orientation (EO), its CSR Activity, management performance and firm performance?*

Research Question 1: *What effect does EO have on CSR activity?*

H1: EO dimensions of innovativeness, risk taking, and proactiveness are positively related to CSR activity.

Research Question 2: *What effect does EO have on firm performance?*

H2: EO dimensions of innovativeness, risk taking, and proactiveness are positively related to firm performance indicators.

Research Question 3: *What is the relationship between CSR activity and management performance?*

H3: There is a positive relationship between CSR activity and management performance.

CHAPTER 3: RESEARCH METHODOLOGY

This chapter will seek to discuss matters pertaining to that of the research methodology. In doing so, the chapter will introduce and discuss the research question, the research's aim and objectives. An in-depth discussion with regards to the research approach and design, the population, sample and sampling procedure and the research instrument, as well as the methods of data collection and analysis will be undertaken. Reliability and validity will be discussed and the chapter will lastly discuss ethical considerations as well as limitations.

3.1 Research Methodology/ Paradigm

In undertaking this study, a position embedded in the positivist paradigm will be assumed. The positivist paradigm takes a deductive technique to analysis and makes use of quantitative study methods to check hypotheses and theory (Guba, 1990). The reasoning for this is to predict reality in the social world through the utilization of predetermined variables and constructs. The positivist paradigm esteems the independence of the researcher, the research topic, and the research participant through the adherence to rigorous procedures and objectivism (Ponterotto, 2005).

The positivist paradigm focuses on modelling the selected research area so that it may be expected and managed, in pursuing obvious facts and or producing causal laws (Guba, 1990). The primary motive of quantitative studies is to establish relationships between variables informed through various concepts (Kirkwood & Campbell-Hunt, 2007). The utilization of quantitative research methods is applied when conducting research embedded in the positivist paradigm as the world is considered to be made up of observable measurable facts that have an objective reality and thus variables can be identified and measured (Glesne & Peshkin, 1992).

In line with similar research conducted by Filser & Eggers (2014); Covin & Slevin (1991); Yun (2012); Molokwu, Barreira and Urban (2013) this study used a structured research instrument to evaluate the relationship between EO as the dependent variable (DV), CSR Activity as the independent variable (IV), Management Performance (IV) and Firm Performance (IV) as highlighted in the literature review.

The use of a quantitative method to test theory and answer questions pertaining to the variables was deemed appropriate as the various hypotheses were developed from existing literature on EO, CSR, Management Performance and Firm Performance.

3.2 Research Design

For the purpose of this research, a quantitative research design will be utilized undertaken through a cross sectional approach. This approach sanctions for the engagement of topics and issues through testable hypotheses that can corroborate or confute research questions (Creswell, 2009).

Gobo & Mauceri (2014, p. 27) define survey research as "the investigation of the existence and intensity of relations among variables in specific socially diffuse forms of action and attitude". This design process is appropriate as it allows for the collection of data from a sizeable number and this data can be aggregated to identify frequencies, trends, and patterns.

3.3 Population and Sample

3.3.1 Population

The population for the study will be companies that undertake in CSR initiatives and programs in South Africa. It is stated that sampling a set of a population is intended to give an idea into what can be expected from the total population (de Vos et al, 2011).

The unit of analysis being corporate respondents and entrepreneurs, it is worth mentioning that they come from vast backgrounds namely, financial services, retail and wholesale, mining & quarrying, information technology and telecommunications, agriculture forestry and fisheries, oil and petroleum, media and entertainment, pharmaceutical and health, building and construction as well as motor vehicle manufactures and assemblers (Trialogue, 2017). The above-mentioned sectors with companies and entrepreneurs participating in CSR related activities without explicitly mentioning names for anonymity purposes will thus form part of the research study population.

3.3.2 Sample and Sampling Method

The sampling method used in this study is that of convenience sampling through a non-probability sample technique. The sample that will be drawn from the population should be representative of the population. De Vos et al (2011). As such the sampling criteria for qualifying firms was based on whether the specific firm was currently undertaking in any form of CSR activity, secondly the firm was required to have an individual or department delegated with CSR related responsibility as well as having clear objectives for their role.

A targeted total sample of 150 completed research questionnaires was expected to be gathered and used for analysis. The targeted respondents were planned to be reached through either the questionnaire being distributed via email or in person. The various entrepreneurs, managers and practitioners were contacted via email and this proved challenging as not all organizations and respondents were willing to participate. Mitchell and Carson (1989) reflect on this by stating that mail surveys are prone to error due to non-response. As such effort was put into follow up emails and phone calls as well as directly dropping off surveys with respondents.

The response rate was initially lower than anticipated from the emails sent over Qualtrics and the researcher had to make use of personal networks to bolster the sample. Eventually a total of 170 completed questionnaires were obtained and formed the unit of analysis.

Table 1: Summary of Survey

Variable	**Description**
Target Population	CSR participating companies
Geographical survey	South Africa
Target sample size	150 Entrepreneurs/Managers/Practitioners
Sampling Unit	Enterprise
Sampling Error	95%

Respondents	Founders, CEO's, CSR Managers and practitioners

3.4 The Research Instrument

Primary data will be collected using a structured research instrument (see Appendix A for the full instrument) to be administered to CSR owner and managers of firms in South Africa. The research instrument has been adapted from previous research instruments utilized by Yun (2012); Grayston and Hodges (2004) and Jenkins (2009). A survey questionnaire is defined as being a document that contains questions designed to solicit information appropriate for analysis, (de Vos et al, 2011). Surveys comprise of various statements and questions that have the objective to obtain facts and opinions on a phenomena from people who are informed. This requires that the instrument be formulated and organized in a well-structured manner.

The research instrument is intended to gather data on the EO dimensions, Management Performance, Business Performance and CSR activity (initiatives & measuring and reporting). Matters consisting of the various areas of entrepreneurial orientation, CSR activity, and performance measures were adapted and adjusted from prior research to ensure better reliability of the research instrument. Provision was made to obtain demographic information of the respondents.

The tenets of the instrument have been adapted from research instruments utilized by Molokwu, Barreira & Urban (2013) with regards to business performance; Filser & Egers (2014) with regards to EO dimensions; and Yun (2012) with regards to management performance and CSR measuring and reporting.

The measurement of EO did not require a new conceptualization of EO constructs rather previously operationalized scale items from previous research by Filser & Eggers (2014) and Yun (2012) were utilized. Moreover the EO measures extend further as results from Raunch, Wiklund, Lumpkin and Frese (2009) reveal positive performance implications as developing new products or serving unserved markets for example can have financial consequences.

Scale items designed to replicate management performance were adapted from Molokwu, Barreira and Urban (2013) primarily aimed to reflect the firms' business performance. These measures are meant to embody and encapsulate the firms' performance in relation to its primary competitors. The researcher included an item exploring how the firms CSR strategy relates to others.

The strength of the research instrument is that it allows for the profiling and investigation of company entrepreneurship levels and the relational effect on CSR activity and performance measures. The high standardization of the instrument requires that there is a clear development of the research question, hypothesis and operationalization that are essential components.

An important aspect to be considered is that of the format of the questionnaire. Questionnaires need to be formulated in a logical manner with transitions from one topic to another according to Sarantakos (2013). A funnel format will be utilized, this format entail having questions move from general to specific as well as impersonal to personal (Sarantakos, 2013). A seven point Likert scale was utilized that asked respondents for their perceived ratings on items.

3.5 Procedure for Data Collection

The researcher has established a database of firms and CSR practitioners in various enterprises that will be utilized and accessed in the data collection process. Additionally personal networks were utilized so as to access their larger potential networks of individuals and firms so as to obtain the contact details of representatives from the companies that fit the sample profile.

Data collection was undertaken through the emailing of self-administered questionnaires electronically through Qualtrics as well as directly delivering the surveys to respondents. Permission and consent was addressed through the research instrument instructions and consent form. Follow-ups were undertaken telephonically as well as through email.

3.6 Data Analysis and Interpretation

The analysis process begins once questionnaires are completed, and the following six steps summarize the process. The first step entails that of data preparation. This is the checking, editing and coding of data. This will require firstly that the questionnaires are completed and are readable. The questionnaires will provide for the primary data that will be used for the research. After the questionnaires have been distributed and completed they will be coded, firstly for easy identification as well as the coding of questions into the statistical software that will be used. Coding makes it easier to analyze through the use of statistical software (Neuman, 2011).

The second step is that of data entry. This step entails that of entering the data into a computer. Bryman & Cramer (2006) state that one of the most widely used tool for data analysis is that of SPSS. The statistical analysis methods that will be used include, descriptive statistics, correlational statistics and regression analysis. Mplus 7 will be utilized for the running of Confirmatory Factor Analysis (CFA).

Descriptive statistics are used to describe the distribution of and relationship between variables; this will be a central aspect of the analysis process. Bivariate statistics will also be utilized as this form of statistical analysis is central in exploring the relationship between two variables (Neuman, 2011). Correlational statistics are utilized to identify the relationships between the dependent and independent variables, including relationships between independent variables.

This step as well as the third step of graphic presentation is linked. This is so that the analyzed data can be graphically presented in various forms such as tables and graphs.

The forth step incorporates that of data processing and analysis through various statistical methods that can be done on SPSS as well. This step will entail the analysis of correlation, covariance and regression models in order to determine the predicted relationships between the specified independent and dependent variables (Neuman, 2011). This is vital for the fifth step to occur which is the interpretation of the findings and the explanation of them. The last step is that of the conclusions that can be drawn based on the findings and interpretation thereof. (Sarantakos, 2013).

3.7 Data Analysis and Interpretation

The data transformation progress was undertaken by downloading the raw data from Quatrics (2018) in .csv format. The data was then imported into SPSS prior to cleaning the data. Cleaning of the data entailed checking for missing values and incomplete responses. Two responses were identified and removed from the dataset and a total of 170 responses were used going forward.

The Likert scale questions were coded for ‘strongly agree’ to represent one increasing so that the final option of ‘strongly disagree’ would equal seven. The process of assessing the descriptive properties of the data and presenting the results was done through various graphical presentation options.

The Entrepreneurial Orientation construct (DV) was coded with the following labels for the variables:

- Proactiveness = Proact
- Risk Taking = Risk
- Innovation = Innovation

The Management Performance construct (IV) was coded with the following labels for the variables:

- CSR Commitment = Mgt_C

The Business performance construct (IV) was coded with the following labels for the variables:

- Business Performance = BP

The CSR construct (IV) was coded with the following labels for the variables:

- Measuring and Reporting = M_R
- Sector Initiatives = CSR

Exploratory Factor Analysis was undertaken to establish the loadings of items on factors. Literature confirms the three distinctive factors of EO as well as the three IVs and it was decided to run Confirmatory Factor Analysis (CFA) on the six variables.

Correlation analysis was then undertaken to explore the predictive power of the dependent variable on the independent variables as well as inter correlations. Sector Initiatives of the CSR construct was analyzed separately in both correlation and regression analysis as an additional scale. Correlation coefficients scores indicated the magnitude and direction of the scores. Imputing the predictors and the dependent variable was then done for regression analysis.

3.8 Validity and Reliability

Validity and reliability are stated to ensure that the study is accurate and that its findings and approach are consistent (Cresswell, 2013). In understanding the study's validity it is important to note that the research's face validity refers to whether the appearance of the measure are effective in covering what is supposed to be measured (Maree, 2012).

Content validity on the other hand refers to the extent to which items on the research instrument reflect the different aspects of the particular constructs being studied (Maree, 2012). This research instrument has been adapted off previous research that has been based off work undertaken by Grayston & Hodges (2004). The running of the CFA is one method that is used to measure how variables represent certain constructs and this technique was utilized in this study.

3.9 External validity

It has been stated that external validity is concerned with the causal relationship between constructs across settings, persons and times (Drost, 2011). The results from the causal relationship will be generalized to the population of companies and entrepreneurs running firms that undertake in CSR in South Africa. The sampling of respondents representative of various sectors in the country was undertaken however inferences and generalizations were considered with caution.

3.9.1 Internal validity

Internal validity test whether there is a causal relationship between constructs and whether there are no confounding factors in the study (Cooper & Schindler, 2014; Drost, 2011). Internal validity is considered through a number of factors that include: history, maturation, selection, instrumentation, statistical regression and experimental mortality (Cooper & Schindler, 2014).

3.9.2 Reliability

Reliability tests were undertaken to determine how precise the measurement scales were and how consistent they were with the constructs. The tests used to establish the reliability and consistency included Cronbach's alpha, Root Mean Square Error of Approximation (RMSEA), Comparative Fit Index (CFI) and Tucker-Lewis Index (TLI). The selected scores indicated reliability and are stated below.

- CFI = 0.897
- RMSEA = 0.9
- TLI = 0.880
- Cronbach's alpha: CSR Commitment Scale = .707
  CSR & Business Performance Scale = .932
  Innovation Scale = .536
  Proactiveness Scale = .912
  Risk Taking Scale = .906
  Measuring & Reporting Scale = .763

3.10 Regression Analysis

In the undertaking of the regression analysis the following assumptions needed to be met. Firstly there needed to be a linear relationship between the dependent and independent variables. Secondly the independence of observations needed to be met. The running of regression analysis was done through SPSS and the considered statistics include R-square change, Durbin-Watson statistics and Standardized Coefficients.

3.11 Limitations of the Study

The study has a few limitations that need to be taken into account. Firstly, the study population is only reflective of a fraction of firms and entrepreneurs in the South Africa and will impact limitations towards generalizability. The study respondents were also a small representation of those in the formal economy and in the South African context; the informal economy is much larger than the formal. The proposed conceptual framework is open to investigation and is not intended to be definitive or prescriptive. Further investigation in this regard is actually required in this area.

3.12 Ethical Considerations

The ethical matters considered were that of voluntary participation and confidentiality. Respondents undertook in the study voluntarily and were not coerced. A cover letter and consent form were provided in this regard to all respondents. Secondly, confidentiality was ensured as no identifiable information was collected from respondents.

3.13 Conclusion

This chapter has provided an outline of the research methods utilized during this study. The data collection process has been discussed. The reliability and validity of the instrument has been presented as well. The steps undertaken for the undertaking of data analysis were discussed including the tests run through SPSS and Mplus 7.

CHAPTER 4: PRESENTATION OF RESULTS

This chapter presents the results of the study based on the data and methodology that was discussed in Chapter 3. In order to run statistical analysis of the data SPSS version 25 and Mplus 7 software was utilised. The results are presented with a range of graphs and tables for easier interpretation.

The results are presented by firstly discussing the demographic characteristics of the respondents and the companies they represent. Presentation of the descriptive statistics of the various constructs and their characteristics is undertaken with an evaluation of their properties, reliability, consistency, and validity. The latter part of this chapter presents the results of the correlation and regression analysis of the hypothesized relationships that have been put forward.

4.1 Descriptive Statistics

4.1.1 Sample Characteristics

Questionnaires were distributed through a range of methods. Distribution via email was undertaken with the use of Qualtrics. Secondly questionnaires were directly delivered to individuals who met the criteria previously discussed in Chapter 3, this method proved the most successful.

The descriptive statistics that were obtained for the purposes of this research were that of gender, age, industry, firm size, management level, years experience in CSR and management responsibility of CSR.

4.1.2 Data Completeness

Furthermore, it is important to check for data completeness and sample adequacy. There were 172 questionnaires that were completed and after checking for missing values and incomplete responses, two responses were found to be incomplete and as a result were discarded. 170 usable responses were then used. This is in line with the recommendation by Hair et al. (2010) of the usage of a sample size greater than 100.

4.1.3 Gender

The demographic gender of respondents revealed that 56.5% of the respondents were males and females accounted for 43.5% of the respondents.

Table 2

Q1: Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	96	56.5	56.5	56.5
	Female	74	43.5	43.5	100.0
	Total	170	100.0	100.0	

4.1.4 Age

Demographic ages of the respondents revealed that the largest majority of respondents were between the ages of 35-44 (50).

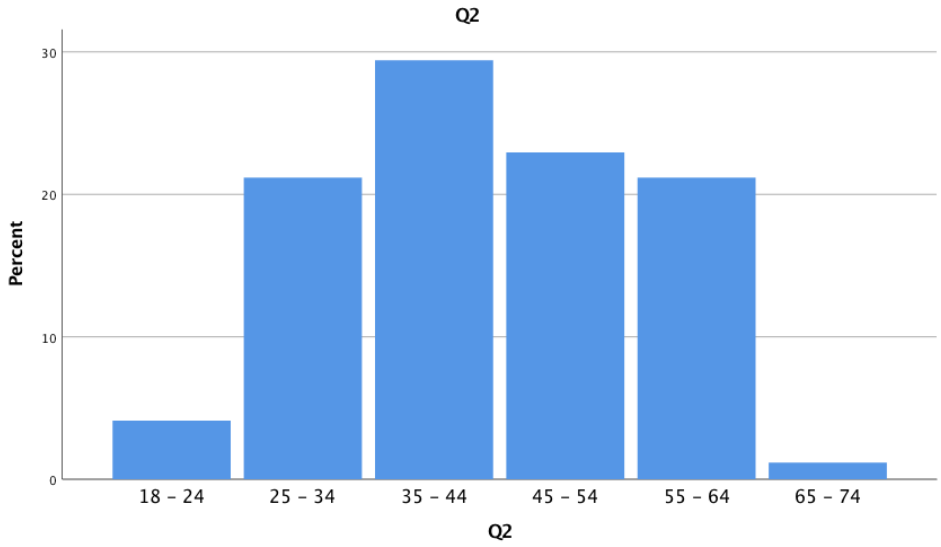


Figure 4

Table 3

Q2: Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18 - 24	7	4.1	4.1	4.1
	25 - 34	36	21.2	21.2	25.3
	35 - 44	50	29.4	29.4	54.7
	45 - 54	39	22.9	22.9	77.6
	55 - 64	36	21.2	21.2	98.8
	65 - 74	2	1.2	1.2	100.0
	Total	170	100.0	100.0	

4.1.5 Sector and Size

Respondents represented an array of sectors with a significant proportion coming from the financial services sector (12.94%), IT and Telecommunications (12.35%) as well as representation from manufacturing (10.59%) and Retail & Wholesale (10%). The rest of the respondents came from other industries and made up the majority (35.88%).

With regards to employee numbers 48 respondents stated that their firm had less than 50 employees, 42 stated to have between 50-100 employees, 31 stated to have approximately more than 300 employees, 26 stated to have between 200-300 employees and 23 had between 100-200 employees. Both Sector and Size are represented in Figures 5 and 6.

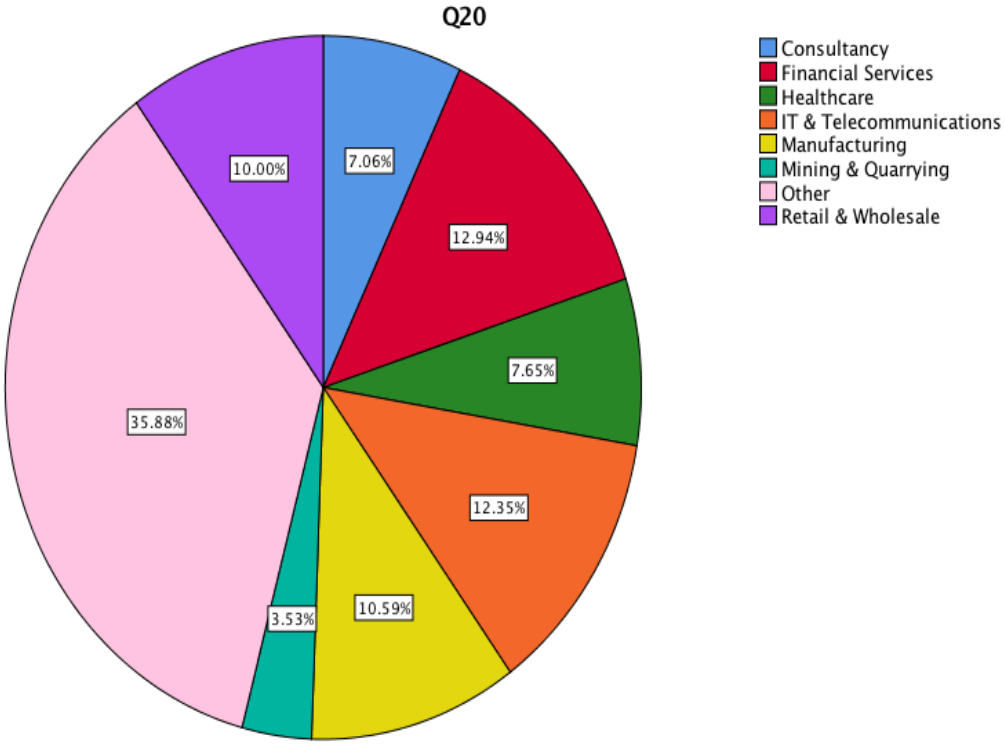


Figure 5

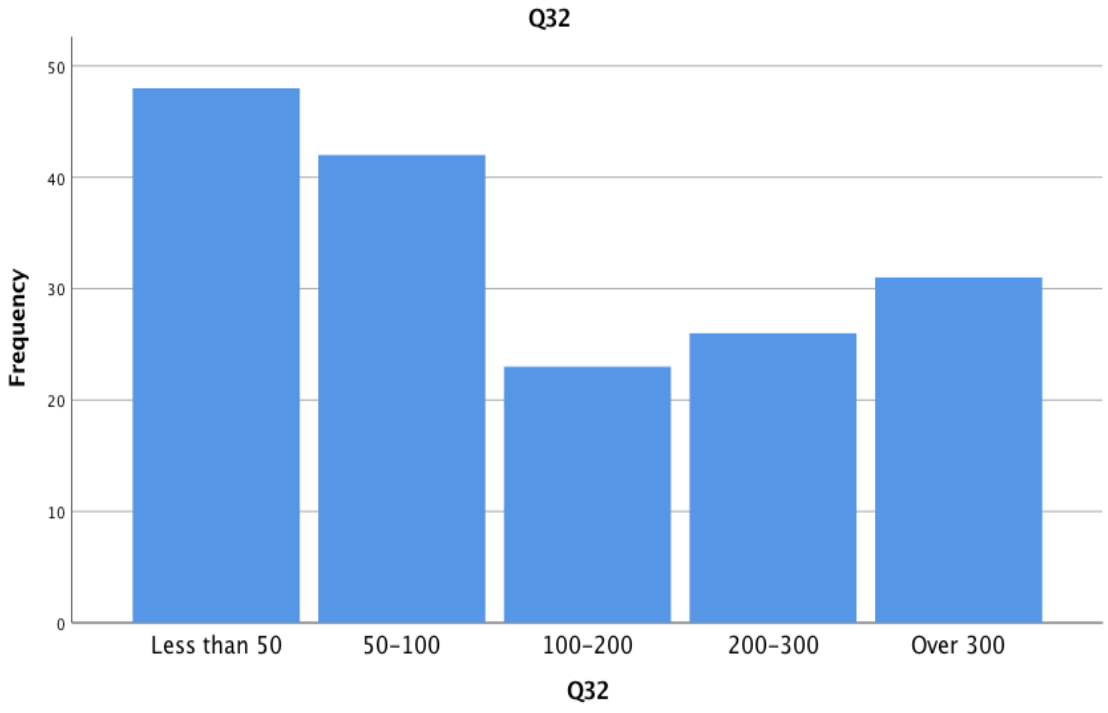


Figure 6

4.1.6 Management Level

Figure 7 shows that majority of respondents were in middle management positions (57) closely followed by senior managers (54) and junior managers (33). Those in executive management positions accounted for the least represented management positions (26).

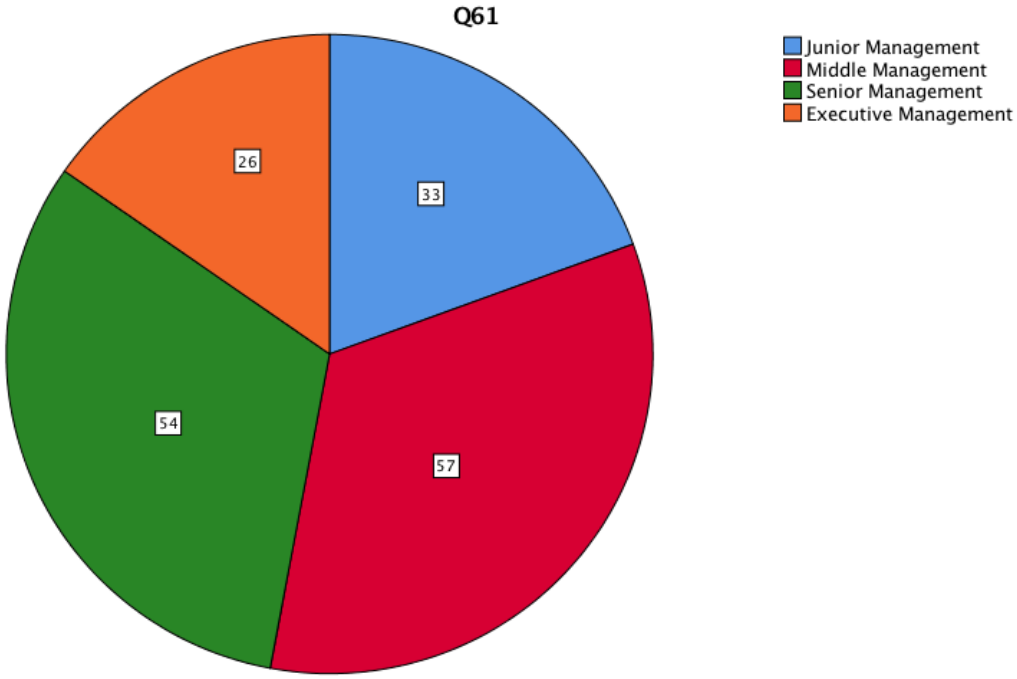


Figure 7

4.1.7 CSR Experience

Table 4 reveals the years firms have been undertaking in CSI projects and initiatives. Results reveal that 92 firms have over 10 years experience in CSI. There were 42 firms with 5-10 year experience and 36 firms with 1-5 year's experience.

Figure 8 below shows that of the firms represented 137 had internal company personnel managing CSI related projects and initiatives and 33 firms had outsourced specialists undertaking in this.

Table 4

Q3: Years firm has been running CSI projects and initiatives

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1-5 Years	36	21.2	21.2	21.2
	5-10 Years	42	24.7	24.7	45.9
	Over 10 Years	92	54.1	54.1	100.0
	Total	170	100.0	100.0	

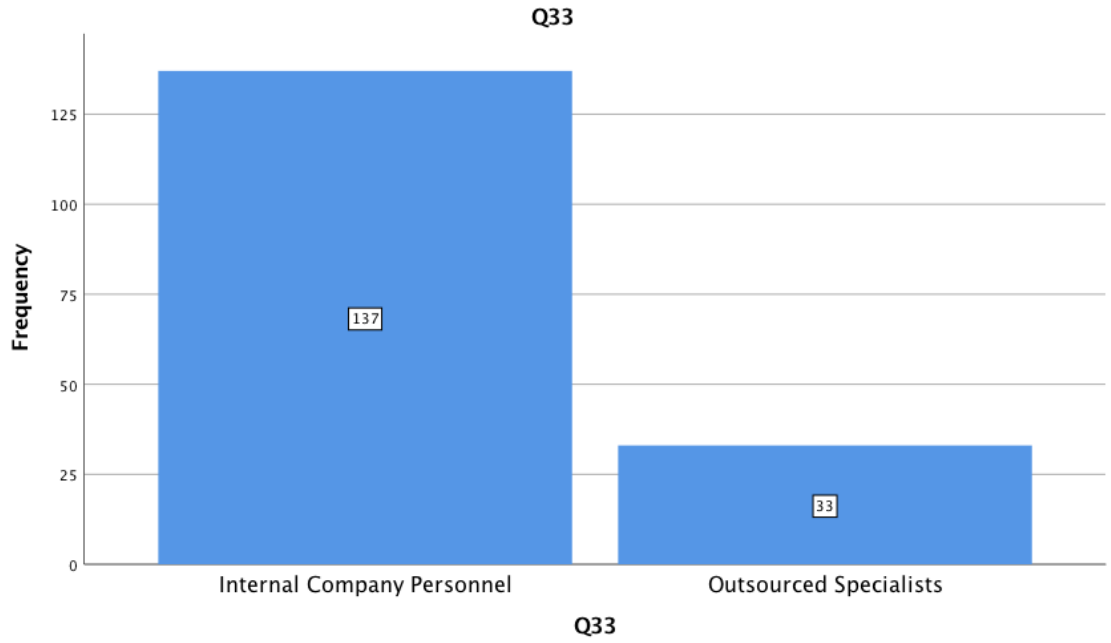


Figure 8

4.1.8 Rationale for undertaking in CSR Activity

Figure 9 shows that the greatest factor driving firms to undertake in CSR projects and initiatives was that of a moral Imperative held that saw CSR as the right thing to do, 72 respondents selected this response. Next were those that indicated their business reputation (25) to be a motivating factor, BBBEE Code compliance (21), Competitive

Advantage (20), Industry Sector Charter (19), Stakeholder Pressure (11), Licence to Operate (2).

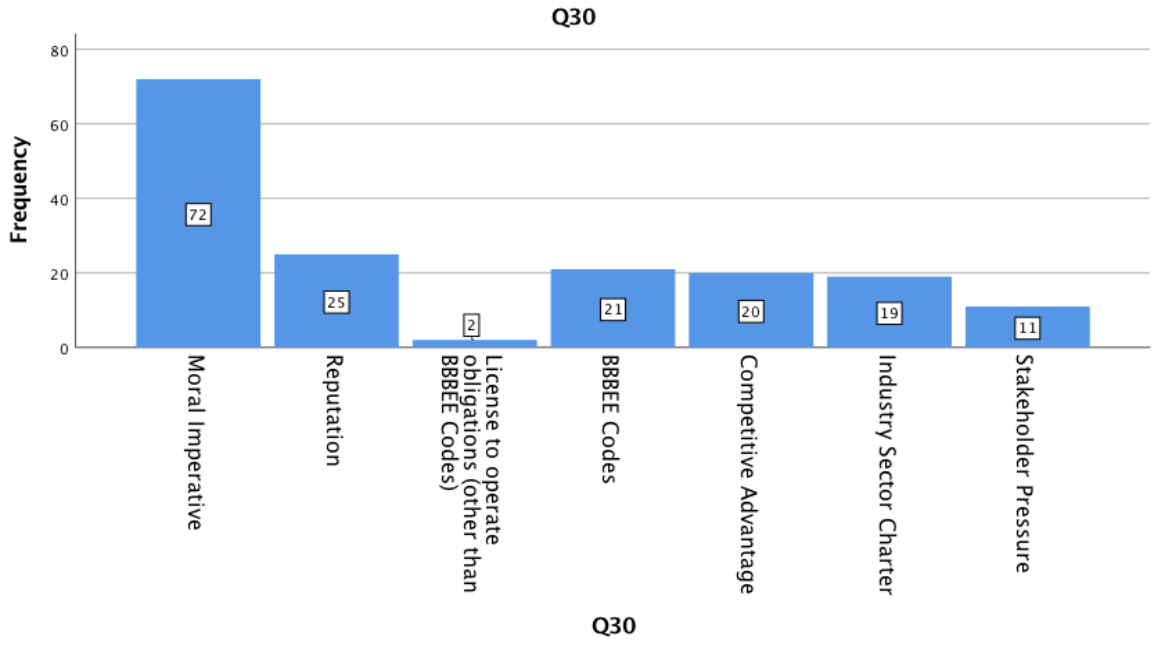


Figure 9

4.2 Descriptive analysis of the scales

The descriptive statistics of the variables and constructs measured have been presented in Table 5 below. The questions for each construct were structured in the following manner. For the EO dimensions of Innovation, Proactiveness and Risk Taking questions were based on a seven point Likert Scale ranging from strongly agree to strongly disagree. For the management performance construct a seven point Likert scale was used that ranged from strongly agree to strongly disagree. For the Firm Performance construct a seven point Likert scale was used that ranged from much better to much worse. The CSR Activity constructs were measured with two sets of multiple-choice questions. Measuring and Reporting variables were measured using a seven point Likert scales that ranged from strongly agree to strongly disagree. The Sector Initiative Construct was measured using a set of 15 multiple-choice items.

The analysis revealed that from all the means of the responses only Innovation had a mean score above the Likert scale midpoint of four (4.1800). The scores of the

following variables were as follows, management commitment (3.6044), Measuring and Reporting (2.9980), Business Performance (2.8494), Proactiveness (2.7706), Risk Taking (2.5897), CSR Activity (1.7618) and Sector Initiatives (.1024). Contributing factors to the low means can be attributed to the sample size as well as the type of questions choice utilised such as multiple choice items used to measure sector initiates as opposed to Likert scales. Innovation had the highest standard deviation (1.73644) comparative to the mean indicating a significant amount of variability.

Table 5

Construct	Variable	Variable Type	Number of items	Valid N	Mean	Std. Dev.
EO						
	Innovation	DV	5	170	4.1800	1.73644
	Proactiveness	DV	5	170	2.7706	1.22666
	Risk Taking	DV	4	170	2.5897	1.29820
Management Performance	Management Commitment	IV	4	170	3.6044	1.90524
Firm Performance	Business Performance	IV	5	170	2.8494	1.28916
CSR Activity		IV	5	170	1.7618	.44920
	Measuring and	IV	3	170	2.9980	1.33210

	Reporting					
	Sector Initiatives	IV	15	170	.1024	.05898

4.3 Graphical Frequency Distributions

The following figures show the variable distributions of EO, Management Performance, Firm Performance, and CSR Activity. Innovation, Proactiveness and Risk Taking were normally distributed however innovation showed a wider spread. Business Performance and Measuring and Reporting were both normally distributed. The descriptive statistics and graphical representations support the conclusion that there was no drastic deviation from normality and the distributions were normal.

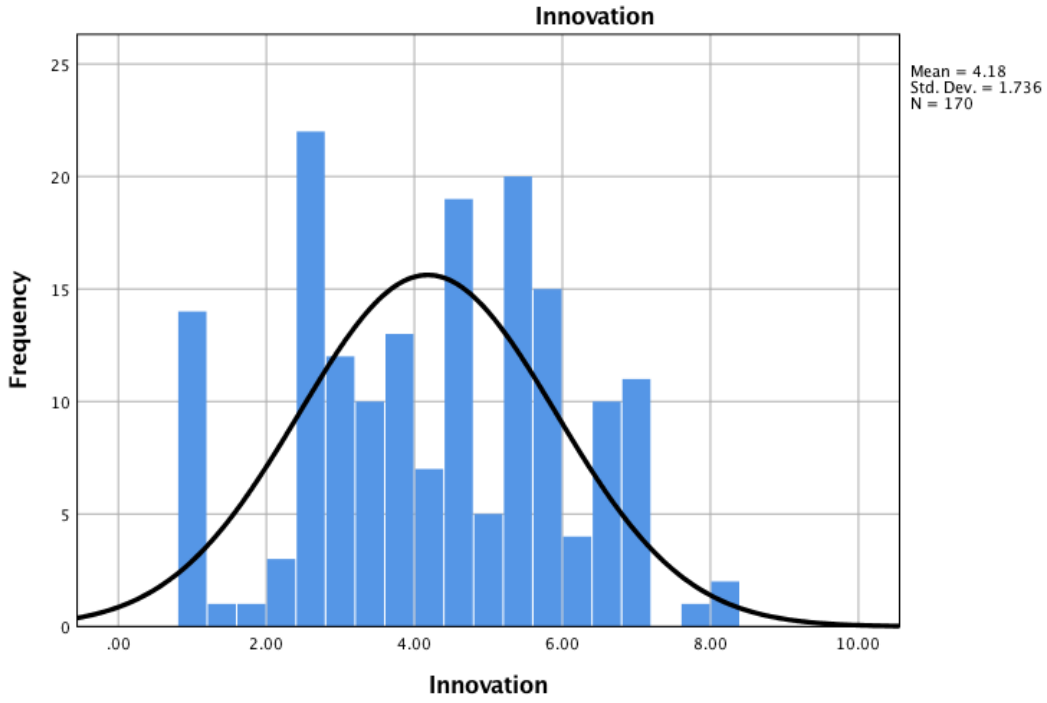


Figure 10

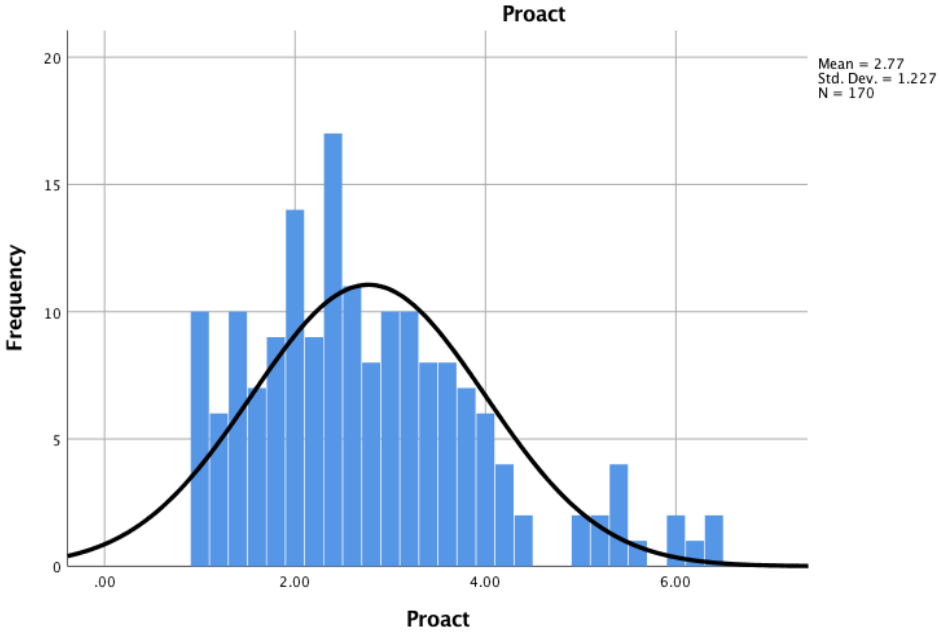


Figure 11

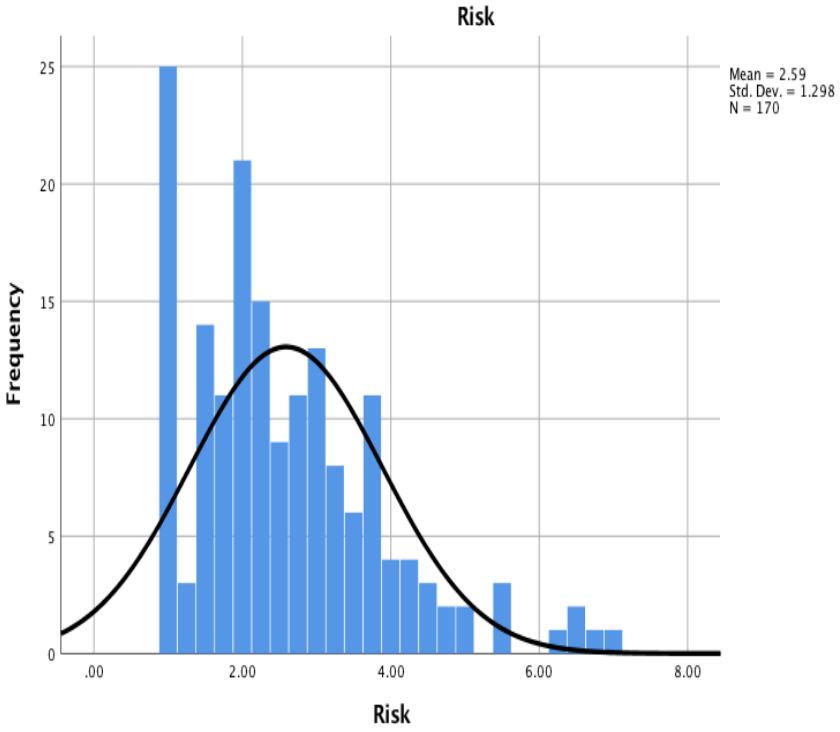


Figure 12

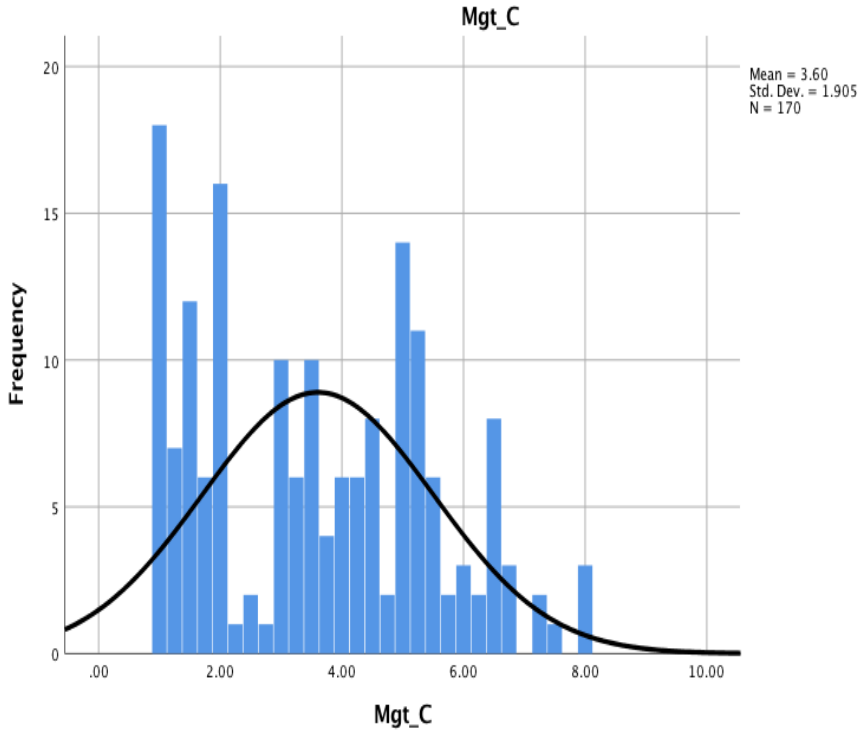


Figure 13

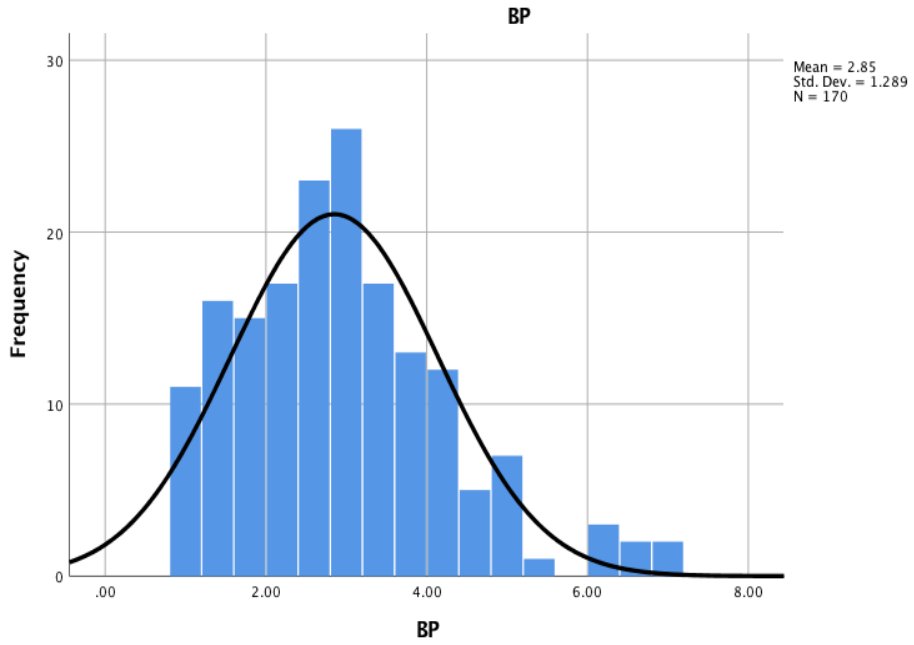


Figure 14

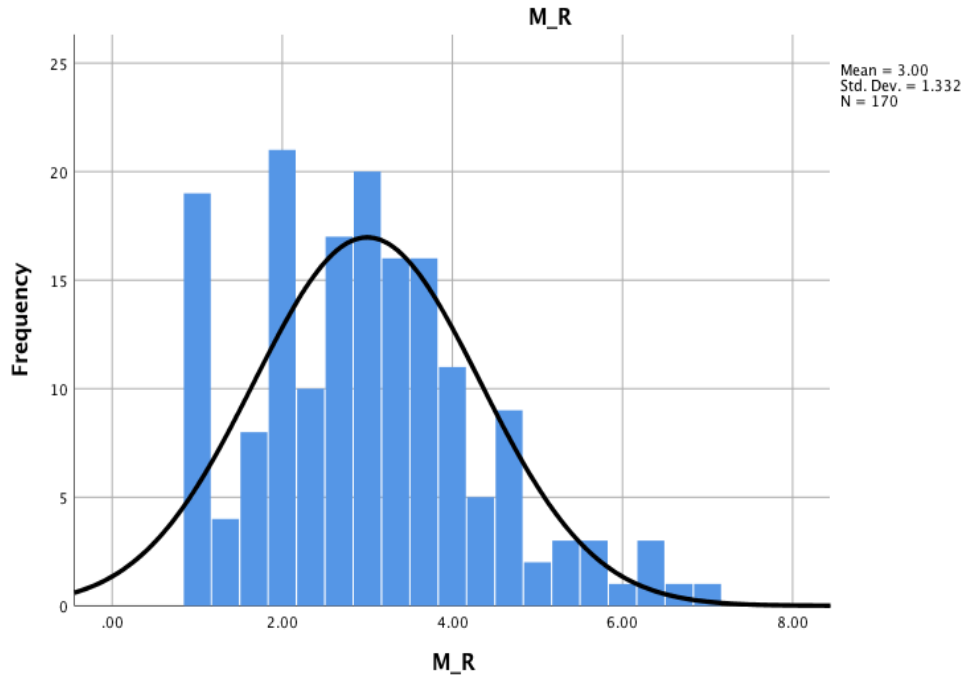


Figure 15

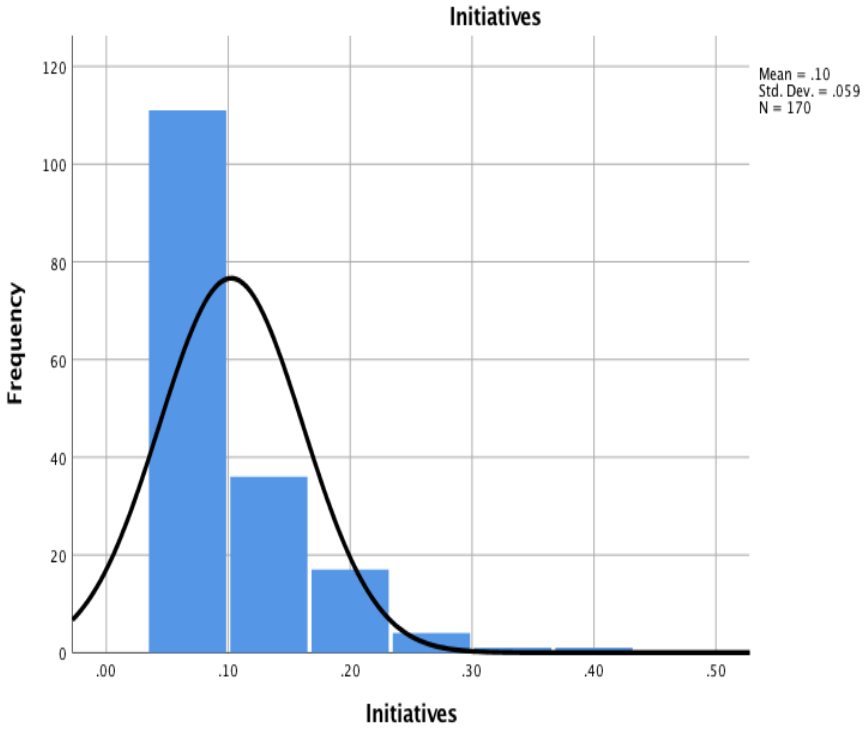


Figure 16

4.4 Exploratory Factor Analysis

4.4.1 *KMO Test*

In order to run Exploratory Factor Analysis it was important to run the Keiser-Meyer-Ollkin (KMO) measure of sampling adequacy. This test is run so as to check whether there is an adequate sample size. The parameters for assessing the results state that results lower than .5 are unacceptable (Field, 2009). Figure 7 reveals the results and show a sampling adequacy result of .912, which is meritorious.

Table 6

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.912
Bartlett's Test of Sphericity	Approx. Chi-Square	3178.508
	df	325
	Sig.	.000

4.4.2 *EFA*

Exploratory factor analysis is undertaken for the purpose of testing and identifying clusters of variables that attempt to reveal constructs from the observed data. Field (2009) has suggested that factors with scores lower than 0.4 can be classified as having a weak relationship, scores between .04 -0.6 have a moderate relationship and scores greater than 0.6 can be classified as having a strong relationship.

In order to gauge the number of factors Exploratory Factor Analysis was run on SPSS. The Scree Plot in Figure 17 reveals five factors with Eigenvalues greater than 1.

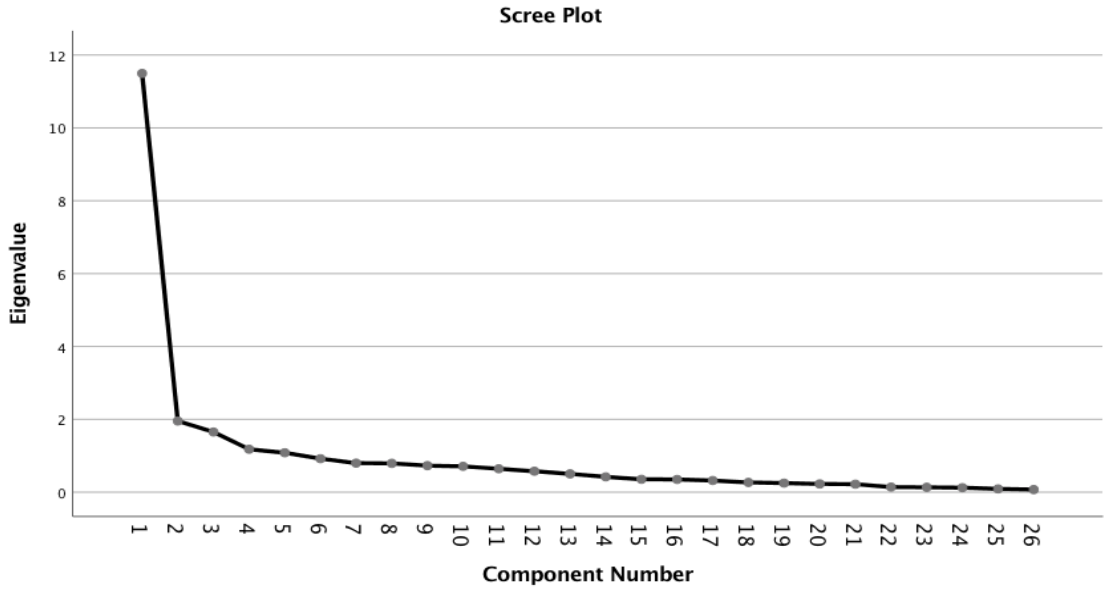


Figure 17

The results from the variance table were also analysed to determine the how much of data variance were explained by it. The results reveal that the five factors explain a 66.78% of the variance as shown in Table 7.

Table 7

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	11.495	44.213	44.213	11.495	44.213	44.213	10.633	40.895	40.895
2	1.954	7.517	51.730	1.954	7.517	51.730	2.509	9.651	50.545
3	1.653	6.357	58.087	1.653	6.357	58.087	1.491	5.736	56.282
4	1.179	4.534	62.621	1.179	4.534	62.621	1.436	5.523	61.805
5	1.082	4.162	66.783	1.082	4.162	66.783	1.294	4.977	66.783
6	.920	3.540	70.322						
7	.798	3.070	73.393						
8	.791	3.042	76.434						
9	.729	2.803	79.237						
10	.710	2.729	81.966						
11	.642	2.468	84.435						
12	.575	2.212	86.647						
13	.503	1.934	88.580						
14	.420	1.617	90.197						
15	.354	1.361	91.558						
16	.350	1.346	92.904						
17	.320	1.230	94.134						
18	.268	1.030	95.164						
19	.250	.961	96.125						
20	.227	.871	96.997						
21	.220	.845	97.841						
22	.141	.543	98.385						
23	.135	.518	98.902						

24	.124	.478	99.381						
25	.090	.344	99.725						
26	.071	.275	100.000						

Extraction Method: Principal Component Analysis.

4.4.3 Varimax Rotation

The rotated factor matrix revealed five factors that had high and distinct loadings. Q67_1 to Q67_3 from the Measuring and Reporting variable had cross-loaded in component 1. This was similar to Q65_1 to Q65_2 (Proactiveness variable) and Q66_1 to Q66_5 (Risk Taking variable). Q64_1 to Q64_5 from the Innovation variable had cross-loaded between components 3 to 6. Table 8 reveals the results.

Table 8

Rotated Component Matrix[a]

	Component				
	1	2	3	4	5
Q68_1		.570			
Q68_2		.709			
Q68_3		.631			
Q68_4		.792			
Q63_1	.791				
Q63_2	.795				
Q63_3	.828				
Q63_4	.847				
Q63_5	.789				
Q64_1				.823	
Q64_2					.801
Q64_3			.656	.345	
Q64_4				.695	
Q64_5			.739		
Q65_1	.605				
Q65_2	.792				
Q65_3	.813				
Q65_4	.787				
Q65_5	.848				
Q66_1	.827				
Q66_2	.868				
Q66_3	.737				
Q66_5	.800				
Q67_1	.759				
Q67_2	.730				
Q67_3	.662		.312		

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 6 iterations.

4.5 Confirmatory Factor Analysis

As a result of the results from the EFA and inability of the results to discriminate due to cross loading it was decided to undertake in running Confirmatory Factor Analysis. This technique is theory driven and is utilized to minimize differences between estimated and observed matrices (Schreiber, Nora, Stage, Barlow & King, 2006). In simpler terms, it tests how well measured variables represent constructs.

Chapter 3 discussed the justification for the construct items backed by theory. The research instrument met criteria of having four constructs with a minimum of three items. The results reveal an acceptable model fit with a TLI result of 0.880 (>.95). Generally, acceptable scores for RMSEA are stated to be < .06, the model produced a result of 0.9. The standardized model results in Table 9 reveal adequate Estimate results.

Table 9

Chi-square Test of Model Fit	
Value	533.584
Degrees of Freedom	258
P-Value	0.0000
Scaling correction factor for MLR	1.0680
Root Mean Square Error of Approximation	
RMSEA	0.9
90 Per cent Confidence Interval	0.070 0.089
Probability RMSEA <=0.05	0.000
User model versus baseline model	

Comparative Fit Index (CFI)	0.897
Tucker-Lewis Index (TLI)	0.880
Standardised Root Mean Square Residual	
SRMR	0.052
$\chi 2$ /df = (533.584/258)	

4.6 Testing Reliability of the Scales

The results for the analysis of the six scales are presented on Table 10 below. The results reveal that all six scales performed reasonably well and their Cronbach Alpha scores are greater than .7 apart from Innovation. The low performance of the Innovation scale item could be due to the sample size. The scale items had the following scores: CSR Commitment Scale .702, CSR & Business Performance Scale .932, EO Dimension: Innovation .536, EO Dimension: Proactiveness .912, EO Dimension: Risk Taking .906, Measuring and Reporting .763.

The alpha scores excluding the Innovation scale item had results greater than .7 indicating that the scale is reliable and there was no need to disregard any items.

Table 10

Measured Items	Factor Loadings	Composite Reliability	**α**
CSR Commitment		0.773	.702
Q68_1: The firms CEO/Managers communicate the firms CSI position to all employees?	.570		
Q68_2: The firms CSI position is reflected through its CSR Vision & Mission?	.709		

Q68_3: Managers/personnel in charge of CSI actively provide insight, advice and support on key decisions	.631		
Q68_4: In general, the top managers of my company believe that owing to the nature of the environment bold, wide-ranging acts are necessary to achieve the firm's CSI objectives	.792		
CSR & Business Performance		0.905	.932
Q63_1: CSI Strategy	.791		
Q63_2: Service/Product Innovation	.795		
Q63_3: Serving Unserved Markets	.828		
Q63_4: Growth in Market Share	.847		
Q63_5: Return on Investment	.789		
EO Dimension: Innovation		0.861	.536
Q64_1: We actively introduce improvements and innovations in our business	.823		
Q64_2: Our business believes in R&D, technological leadership and innovation	.801		
Q64_3: Our business is creative in its methods of operation	.656		
Q64_4: Our business seeks out new ways to do things	.695		
Q64_5: When it comes to problem solving we value creative solutions more than solutions that rely on conventional wisdom	.739		
EO Dimension: Proactiveness		0.880	912
Q65_1: We always try to take the initiative in every situation (e.g. against competitors, in projects when working with others)	.605		
Q65_2: We excel at identifying opportunities in the market or our	.792		

operations			
Q65_3: We initiate actions to which other organizations respond	.813		
Q65_4: Stakeholder engagement and external network utilization are utilized in CSI related activities	.787		
Q65_5: Managers/personnel in charge of CSI seek information related to innovation and advancement in the CSI domain from leaders of other similar organization outside their operating environment.	.848		
EO Dimension: Risk Taking		0.883	.906
Q66_1: The term 'risk taker' is considered a positive attribute for people in our business	.827		
Q66_2: People in our business are encouraged to take calculated risks with new ideas	.868		
Q66_3: Our business emphasizes both exploration and experimentation for opportunities	.737		
Q66_5: We value new strategies/plans even if we are not certain that they will always work	.800		
Measuring and Reporting		0.761	.763
Q67_1: The company emphasizes the measuring, assessment and reporting of CSI projects and initiatives	.759		
Q67_2: Internal performance indicators are used in CSI reporting	.730		
Q67_3: External performance indicators are used in CSI reporting	.662		

4.7 Correlation Analysis

The parameters for analysing results from correlation scores have been summarised as the following: Scores ± 1 = small effect, ± 3 = medium effect and ± 5 = large effect (Field, 2009). In order to undertake in correlation analysis it was decided to add in the separate variables of CSR, Monitoring, and Initiatives. These three variables represent different tenets of CSR activity that did not meet requirements but are vital for the purpose of this study.

Table 11

Correlations

		Proact	Risk	Innovation	M_R	Mgt_C	BP	CSR
Proact	Pearson Correlation	1						
Risk	Pearson Correlation	.793**	1					
Innovation	Pearson Correlation	.150*	.137*	1				
M_R	Pearson Correlation	.820**	.759**	.180**	1			
Mgt_C	Pearson Correlation	.436**	.374**	.162*	.437**	1		
BP	Pearson Correlation	.793**	.791**	.084	.796**	.448**	1	
CSR	Pearson Correlation	-.074	-.081	.080	-.141*	-.085	-.006	1

**. Correlation is significant at the 0.01 level (1-tailed).

*. Correlation is significant at the 0.05 level (1-tailed).

4.7.1 Hypothesis 1- Correlation

H1: EO dimensions of innovativeness, risk taking, and proactiveness are positively related to CSR activity.

H1: EO dimensions of innovativeness, risk taking and proactiveness are negatively related to CSR activity.

Hypothesis 1 predicted a positive relationship between the EO (DV) components of innovation, proactiveness risk taking to CSR activity. Bivariate correlation analysis was run to evaluate the null hypothesis that there was a negative relationship to CSR activity. The bivariate correlation results in Table 10 show a correlation co-efficient of .202 between EO dimension of Innovation and CSR Initiatives. EO dimension of Proactiveness revealed a bivariate correlation co-efficient of .820 with the CSR Activity of Measuring and Reporting. EO dimension of Risk taking revealed a bivariate correlation co-efficient of .759 with CSR Activity of Measuring and Reporting. Therefore, Hypothesis H1 was supported.

4.7.2 Hypothesis 2- Correlation

H2: EO dimensions of innovativeness, risk taking and proactiveness are positively related to firm performance indicators.

H2: EO dimensions of innovativeness, risk taking and proactiveness are negatively related to firm performance indicators.

A positive relationship was predicted in hypothesis H2 between the EO dimensions and firm performance. Bivariate correlation was run with the following results. EO dimension of proactiveness had a correlation co-efficient of .793 with business performance. EO dimension of risk taking revealed a correlation co-efficient of .791 with business performance. Innovation did not have a significant correlation with business performance with a co-efficient of .084. Therefore Hypothesis 2 was supported.

4.7.3 Hypothesis 3- Correlation

H3: There is a positive relationship between CSR activity and management performance.

H3: There is a negative relationship between CSR activity and management performance.

A positive relationship was predicted between CSR activity and management performance. Results after running bivariate correlation revealed that CSR had a correlation coefficient of -.085 with management performance a result that was negative and not significant. Hypothesis 2 was not supported as a result.

4.8 Regression Analysis

In order to formulate the regression models it was decided on computing a single variable to represent the three EO constructs of Innovation, Risk Taking, and Proactiveness. This was done by computing a new variable comprised of the mean scores for the EO constructs. The same steps were undertaken in computing a new variable to represent CSR Activity. This was done by computing a new variable comprised of the mean scores for CSR Activity items including items CSR, Monitoring, Initiative, and M_R. The new variables were then included in the regression models

Regression analysis was run with CSR, Business Performance, and Management Commitment as the predictor variable. Table 12 reveals that predictor variables accounts for 46.7% of the data variance as indicated by the Adjusted R Square. The Durbin Watson statistic is below 2 suggesting a positive correlation. The value of the R^2 is .467 that tells us that CSR, Business Performance, and Management Commitment can account for 46.7% of the variation in EO. Figure 18 shows that the independent and predictor variables are normally distributed as majority of the residuals are on the diagonal line. Figure 19 indicates a gradual increase in variance across the residuals typical of heteroscedasticity.

Standardized Coefficients in Table 13 indicate that as CSR increases by one standard deviation, EO will increase by .038. An increase in Business Performance by one standard deviation will increase EO by .602. It was also revealed that an increase Management Commitment by one standard deviation would increase EO by .123.

Based on the regression results it was decided to further explore how the separate EO dimensions perform when included in the model. The results revealed that the Adjusted R Square for innovation was .011, for Proactiveness it was .639, and for Risk it was .624 as revealed in Table 12,14 and 15. The results show that CSR, Business Performance, and Management Commitment can account for a 63.9% variation in Proactiveness and a 62.4% variation in Risk Taking.

Table 12

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.690[a]	.477	.467	2.30723	.477	50.368	3	166	.000	1.422

a. Predictors: (Constant), Mgt_C, CSR_Mean, BP

b. Dependent Variable: EO

Table 13

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations			Collinearity Statistics	
		B	Std. Error	Beta			Zero-order	Partial	Part	Tolerance	VIF
1	(Constant)	4.212	.568		7.420	.000					
	CSR_Mean	.034	.054	.038	.623	.534	.284	.048	.035	.848	1.179
	BP	1.477	.166	.602	8.885	.000	.679	.568	.499	.686	1.458
	Mgt_C	.229	.105	.138	2.189	.030	.412	.167	.123	.795	1.259

a. Dependent Variable: EO

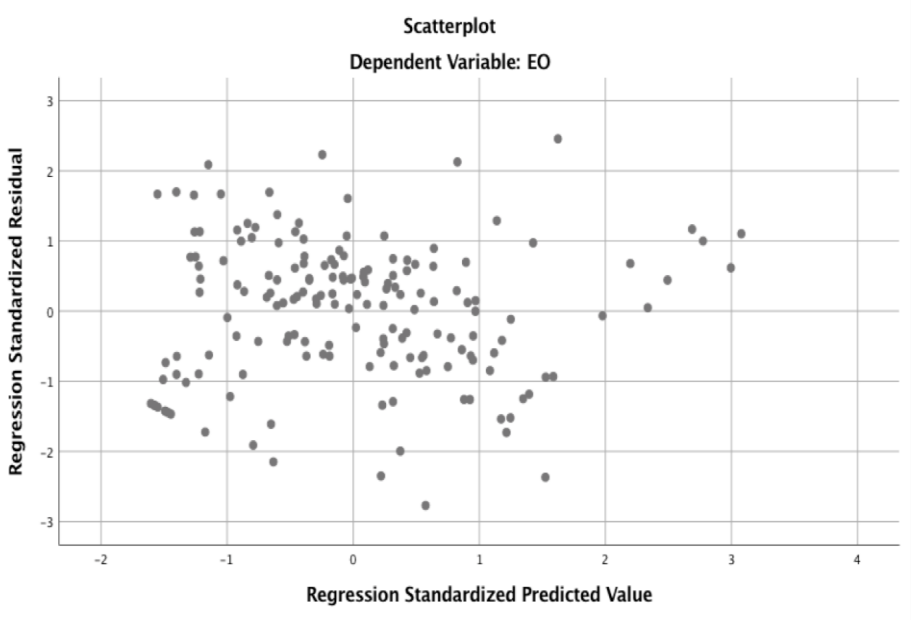


Figure 18

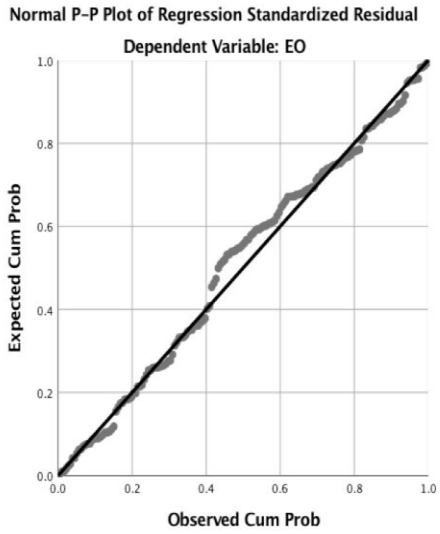


Figure 19

Table 14

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.168[a]	.028	.011	1.72714	.028	1.608	3	166	.189	1.465

a. Predictors: (Constant), Mgt_C, CSR_Mean, BP

b. Dependent Variable: Innovation

Table 15

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.803[a]	.645	.639	.73719	.645	100.643	3	166	.000	1.968

a. Predictors: (Constant), Mgt_C, CSR_Mean, BP

b. Dependent Variable: Proact

Table 16

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.794[a]	.631	.624	.79611	.631	94.462	3	166	.000	1.525

a. Predictors: (Constant), Mgt_C, CSR_Mean, BP

b. Dependent Variable: Risk

Table 17

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations			Collinearity Statistics	
		B	Std. Error	Beta			Zero-order	Partial	Part	Tolerance	VIF
1	(Constant)	3.478	.425		8.184	.000					
	CSR_Mean	.023	.041	.047	.563	.574	.062	.044	.043	.848	1.179
	BP	-.007	.124	-.005	-.059	.953	.084	-.005	-.005	.686	1.458
	Mgt_C	.145	.078	.159	1.856	.065	.162	.143	.142	.795	1.259

a. Dependent Variable: Innovation

Table 18

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients			Correlations			Collinearity Statistics	
		B	Std. Error	Beta	t	Sig.	Zero-order	Partial	Part	Tolerance	VIF
1	(Constant)	.299	.181		1.646	.102					
	CSR_Mean	.035	.017	.102	2.036	.043	.384	.156	.094	.848	1.179
	BP	.670	.053	.704	12.616	.000	.793	.700	.583	.686	1.458
	Mgt_C	.071	.033	.110	2.115	.036	.436	.162	.098	.795	1.259

a. Dependent Variable: Proact

Table 19

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients			Correlations			Collinearity Statistics	
		B	Std. Error	Beta	t	Sig.	Zero-order	Partial	Part	Tolerance	VIF
1	(Constant)	.436	.196		2.225	.027					
	CSR_Mean	-.024	.019	-.067	-1.301	.195	.245	-.100	-.061	.848	1.179
	BP	.814	.057	.808	14.194	.000	.791	.740	.670	.686	1.458
	Mgt_C	.013	.036	.019	.358	.721	.374	.028	.017	.795	1.259

a. Dependent Variable: Risk

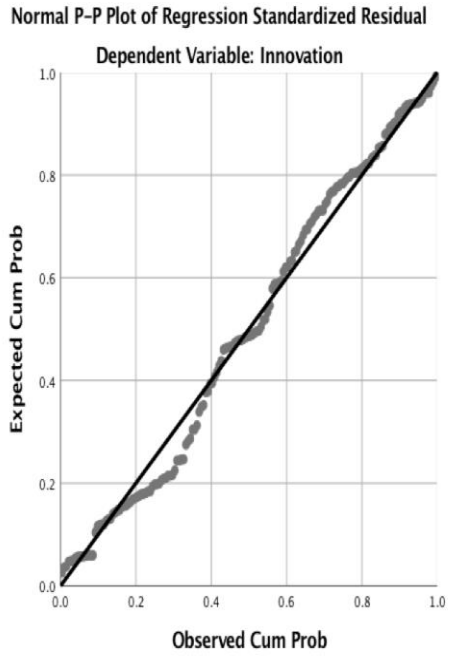


Figure 20

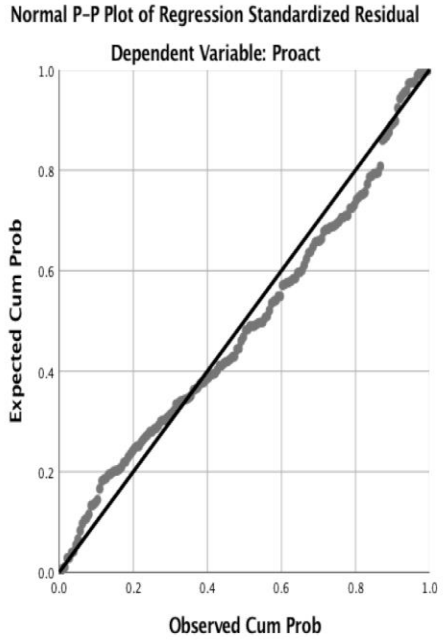


Figure 21

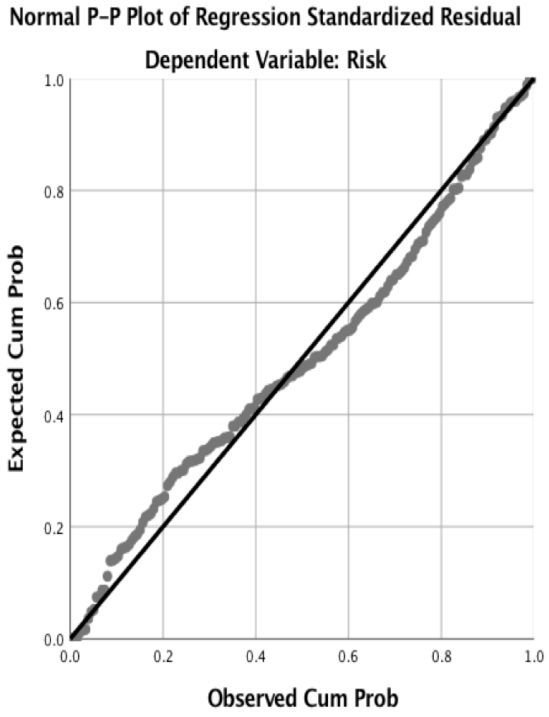

Normal P-P Plot of Regression Standardized Residual
Dependent Variable: Risk
Expected Cum Prob
Observed Cum Prob
0.0
0.2
0.4
0.6
0.8
1.0

Figure 22

4.9 Summary of the Results

The results from the descriptive statistics reveal that there were 96 male respondents and 74 female respondents. The largest represented sectors were the Financial Services Sector (12.94%) and IT and Telecommunications (12.35%). The respondents came predominantly from Middle Management positions (57) or Senior Management positions (54). With regards to CSI experience, respondents stated that their firms had over 10 years experience (92) and 42 stated that they had 5-10 years experience.

The results from the normality tests showed no deviation from normality. The results of the EFA confirmed the construct validity of the survey. The test revealed a convergence of five factors however there was cross loading that was identified. It was then decided to run CFA that produced 6 factors with Cronbach Alpha scores ranging from .536 to .932.

Prior to running correlation and regression analysis, it was decided to keep the variables of CSR Initiatives (Initiatives), CSR Activity (CSR) and monitoring as individual variables representing distinct tenets on CSR.

Table 20

Hypotheses	Statement	Outcome
H1	EO dimensions of innovativeness, risk taking, and proactiveness are positively related to CSR activity.	True
H2	H2: EO dimensions of innovativeness, risk taking and proactiveness are positively related to firm performance indicators.	True
H3	H3: There is a positive relationship between CSR activity and management performance.	False

Table 20 summarizes the outcomes of the hypothesis. The results of Hypothesis 1 revealed significant statistical evidence to reject the null hypotheses as all the EO dimensions correlated with CSR activity. Furthermore, the regression model revealed that CSR, Business Performance, and Management Commitment could account for 46.7% of the variation in EO. Hypothesis 2 revealed statistical evidence to reject the null hypotheses. Hypothesis 3 however did not reveal any significant correlations to reject the null hypothesis as CSR negatively correlated with management performance although it was not significant.

The results in this chapter are further discussed in Chapter 5.

CHAPTER 5: DISCUSSION OF EMPIRICAL FINDINGS OF THE RESEARCH

5.1 Introduction

This chapter discusses the data findings presented in Chapter 4 and seeks to provide further insight on the study results. The chapter is structured so that demographic characteristics are firstly discussed. Thereafter discussion on the analysis of the reliability scales is undertaken followed by that of the EFA and CFA results. Discussion on the results obtained from the correlation and regression analysis is done lastly. This chapters discussion will be undertaken with reference to the literature review as discussed in Chapter 2.

5.2 Descriptive Statistics: Demographic Profile

The data was collected through a survey questionnaire that was completed by individuals running or working in firms that participated in CSR activities. Respondents were situated across the country with majority being situated in Gauteng. Gaining access to respondents required a range of methods from referrals, personal relationships, and directly contacting firms and respondents via email and telephone.

There were approximately 300 emails sent with a majority of the completed surveys being physically delivered and completed by respondents. Responses rates increased when surveys were physically taken to firms and individuals as opposed to the method utilizing email. This may suggest that using emails as a tool in surveying CSR personnel may not be the most effective method.

Multiple questionnaires were distributed to firms that had more than one person responsible for CSR related activities such as firms with CSR departments. In these firms, surveys were distributed among junior, middle, senior, and executive managers. The survey had 170 adequately completed responses that were used for analysis.

5.2.1 Age and Gender

The results reveal that there were more male (96) survey participants than female (74) participants in this survey. With regards to age, results show that majority of the respondents were between the ages of 35-44 (50) followed by age group 45-54 (39). Age results reveal an interesting dynamic as respondents over the age of 35 (127) represent 74.7% of the respondents. This reveals a low representation of individuals classified in South Africa as youth in positions to be strategically involved in CSR activities in firms they run or work for.

Data on employment trends and statistics reveal there to be more individuals classified as employers and employed individuals situated in the formal sector between the ages of 35 to 65 in South Africa (The Real Economy Bulletin, 2017). Younger individuals and those classified, as youth are more likely to be unemployed or located in the informal sector.

5.2.2 Sector and Size

The results reveal a total of 7 represented sectors. The Financial Services sector (12.94%) had the highest individual representation closely followed by the IT and Telecommunications sector (12.35%). Sector reports have reflected similar high corporate response rates from firms within the financial services sector (Business in Society, 2018). The Mining & Quarrying sector was lest represented (3.53) and this could be attributed to a lack of access to respondents in this sector. It should be noted there were 35.88% of respondents that stated that they are in other sectors other than the seven options given such as the Tourism and Hospitality sector.

Findings on firm size show that majority of the respondents came from firms that had less than 50 employees (48) followed by 42 respondents from firms with 50-100 employees. Representation from larger sized firms show that 26 respondents came from firms with 200-300 employees and 31 came from companies with over 300 employees. Nationally data reveals that formal small businesses in the country make a contribution to employment in a country blighted by high unemployment rates (The Real Economy Bulletin, 2017).

5.2.3 Management Level and Experience

Descriptive on management level reveal that majority of respondents were in middle management positions (57) followed by senior managers (54). Junior managers (33) and executives (26) accounted for the least represented positions. Results on the experience firms have in running CSI activities show that 92 firms had over 10 years experience with new firms running CSI activities for 1-5 years least represented with 36.

Furthermore, results from cross tabulation done on management level and experience reveal there to be more senior placed managers in firms with more experience in CSR. Interesting to note, there were fewer firms with 1-5 years experience in CSR (36) but of these firms, there were more individuals in executive management. This could be indicative of individuals such as entrepreneurs and executives that decide to undertake in CSR activity in the early years of a firms life.

5.2.4 CSR Rationale and Responsibility

Results reveal that the major rational for engaging in CSR was due to a Moral Imperative held within the firm. (Right Thing to do). Other notable rationale included reputation (25), BBBEE Codes (21) and Competitive Advantage (20). The development of the field has tracked the various perspectives driving CSR. One such perspective is embedded in a view that purports there to be a CSR demand that can emanate from stakeholders such as investors, employees and the community or consumers (McWilliams & Siegel, 2001). As such consumers for example will reward those firms that allocate resources to CSR and society and institutions on the other hand will allow firms to continue operations if CSR requirements are met as is the case with codes and mandates for operation.

Opposing findings have revealed that philanthropic responsibilities from cultural and religious practice are actually drivers of CSR practice in Africa as revealed by Hamidu, Haron & Amran (2016). The findings suggest that CSR as a strategy tool for achieving certain outcomes is less emphasized in African as it aligns more with the western perspective of CSR. Further inquiry into the moral imperative could reveal underlying factors.

The undertaking of CSR was revealed to be primarily undertaken by internal company personnel (137) with 33 respondents stating that CSR is an activity outsourced to specialists. Further enquiry through cross tabulation looking into outsourced specialists revealed that there were 18 respondents that outsourced to CSR specialists who had 5-10 years experience in CSR. Thirteen respondents with over 10 years experience in CSR outsourced to specialists and only 2 respondents with 1-5 years experience outsourced to specialists. This could suggest that the more mature a company is and the experience it has in its industry the more likely it is to outsource this activity to specialists.

5.3 Descriptive Analysis of the Scales

5.3.1 Entrepreneurial Orientation scale (EO)

To measure the Entrepreneurial Orientation construct a 14-item scale was utilized that measured each variable of Innovation, Proactiveness, and Risk Taking. A seven point Likert Scale was used for the item questions. The results revealed that innovation had a mean score of 4.1 indicating that answers were centred on the central end of the scale, neither outright agreeing nor disagreeing to the innovativeness of the firm. Frank, Kessler & Fink (2010) states the purpose of innovativeness as the creation of room for new ideas, creativity, and experimentation to think creatively in order to launch new products and enter new markets. The Global Entrepreneurship Monitor reveals lower innovation rates on the continent (20%) as opposed to our European, Asian, and American counterparts (2017).

Proactiveness had a moderate score of 2.7 indicating that answers were centred around the agreement end of the scale. As highlighted by Rauch et al (2009) proactiveness is a forward looking opportunity seeking posture that perseveres and ensures initiatives are implemented (Molokwu, Barreira & Urban (2013). This is a vital behaviour needed by firms operating in environments such as those found in South Africa. Risk taking had a moderate score of 2.5 indicating that answers were centred on the agreement end of the scale. Results further revealed that proactiveness and risk had loading scores between .605 and .868 although they converged on one component. Innovation on the other hand had loading scores between .345 and .823 loaded across 3 components.

5.3.2 Management Performance scale

The management performance scale was adapted from Yun (2012) to measure managements CSR commitment. The scale was measured on a 7-Point Likert scale ranging from strongly agree to strongly disagree. The scale comprised of 4 items that had a mean score of 3.6 indicating that responses were centred on the agreement end of the scale. The scale had loading scores ranging from .570 to .792 and loaded by themselves on their own component.

The importance of considering management CSR commitment has been echoed by McWilliams & Siegel (2001) who highlight that managers who view CSR in a positive manner will promote CSR and devote additional resources to it as opposed to those who view it in a less progressive manner who may avoid satisfying CSR demands. Murillo and Lozano (2006) indicate the importance of understanding the rational of owners and mangers values, views and behaviours when it comes to CSR practice.

5.3.3 Firm Performance scale

The adapted scale from Molokwu, Barreira & Urban (2013) sought to measure the Business Performance of the firm. The scale was measured on a 7-Point Likert scale ranging from much better to much worse. The scale comprised of 5 items that had a mean score of 2.8 indicating that responses were centred towards the affirmatory end of the scale. The scale had loading values that ranged from .789 to .847. The items were noted to have cross-loaded.

Although the findings reveal positive outcomes on firm performance, considering an approach that entails configuration analysis may provide deeper insights. Configuration analysis accounts for factors such as stability of an environment, profitability, and access to capital among others (Frank, Kessler & Fink 2010). Data reveals that Gauteng has accounted for over 40% of the countries small formal enterprises, reflective of being in one of the counties major economic cluster however this is not reflective of the rest of the country that has limited formal businesses with many classified as survivalist enterprises (Real Economy Bulletin, 2017).

5.3.4 CSR Activity Scale

This scale was measured through two subscales, the first - Measuring and Reporting adapted from Yun (2012) and the second Sector Initiatives included by the researcher. The measuring and reporting subscale was measured on a 7-Point Likert scale ranging from strongly agree to strongly disagree. The scale comprised of 3 items that had a mean score of 2.99. The scale had loading values that ranged from .662 to .759 that cross-loaded.

The sector initiatives subscale was indicative of the respondent's selection of actual sector CSR initiatives that are undertaken in. The structure of this question differed from the other questions and had 15 items (multiple choice) and a mean score of .1024. The most selected initiatives were Enterprise Development (55), Skills Training (40), Education (39) and Job Creation Schemes (38). CSR industry reports reveal a similar mixture of sectors receiving support with education and small business support among popular corporate causes (Business in Society, 2018).

Studies on CSR in Africa have revealed that CSR has and is playing a crucial role in addressing institutional gaps found in certain environments that do not receive adequate attention from government and institutions (Skinner & Mersham, 2008 & Amaeshi et al, 2016). Furthermore, Tuokuu & Tawiah (2015) highlight the need for business, society, and government to work together as partners in the African development agenda.

5.4 Testing Reliability of the scales.

Cronbach's alpha coefficient was used to determine the reliability of the scales. The recommended threshold score of .7 is advised according to Field (2013). The results reveal a score of .702 for CSR Commitment, .932 for Business Performance, .912 for proactiveness, .906 for Risk Taking, .763 for Measuring and Reporting and .536 for Innovation. The scores were above the threshold other than Innovation. The alpha coefficients scores revealed a high internal consistency.

Studies utilizing similar variables and scales highlighted similar Cronbach alpha coefficients. Alpha values greater than .6 were reported by Yun (2012) for CSR and EO. Molokwu, Barreira & Urban (2013) revealed alpha coefficient values between .74 and .94 for EO dimension scales of innovativeness, proactiveness and risk taking.

5.5 Factor Analysis of the Scales

5.5.1 Exploratory Factor Analysis

To test the validity of the constructs exploratory factor analysis was run. The sampling adequacy was revealed acceptable with a KMO score of .912. EFA results revealed that there were 5 components with Eigenvalues greater than one. Through Varimax Rotation, the items that cross-loaded were revealed to be Proactiveness, Risk Taking and Measuring and Reporting.

5.5.2 Confirmatory Factor Analysis

It was decided to further test the validity of the construct by conducting CFA. Six factors were produced by the CFA from the data collected. The subsequent results of the model revealed a TLI score of 0.880 and a RMSEA score of 0.9, results that are indicative of acceptable scores.

The tests undertaken till this point all revealed acceptable results meeting requirements for normality, correlation, validity, and reliability to then run regression analysis on the constructs.

5.6 Discussion Pertaining to the Hypotheses.

5.6.1 EO Constructs

Literature has revealed that the process of innovation entails the confluence of creative and experimental behaviours that play a key part in bringing about new products and services, this process can create a disruption in the market and result in a resource shift (Filser & Eggers, 2014; Lumpkin & Des, 1996). It is worth of interest to note that item 1 on the innovation scale (Q64_1) revealed a 50% cumulative percent showing that respondents stated that they actively introduced improvements and innovations in their respective firms.

Lumpkin & Dess (1996) stated with regards to risk taking that uncertainty is accompanied by entrepreneurial actions, such as projects with uncertain outcomes still being afforded resources invested into them. This behaviour it should be noted is undertaken through controlled measures that don’t result in uncontrolled risk (Covin,

2008). Results for the Risk Taking scale reveal positive responses in this regard. Item 1 (Q66_1) had a 80% cumulative percent of respondents stating that the term 'risk taker' is a positive attribute in their respective firm. This was further justified by the results from item 2 (Q66_2) on the scale that state that firms allow and emphasize the exploration and experimentation for opportunities selected by 80% of the respondents. This reveals that risk taking within firms is united with opportunity to explore and experiment.

Regarding proactiveness, it has been stated that proactive firms undertake in behaviours such as probing their environment and initiating activities ahead of their competitors (Filser & Egger, 2014). Proactive firms seek to acquire resources to develop competitive advantage be it through seeking knowledge or engaging external resource through engagement. Scale items 3 (Q65_3 - .813), 4 (Q65_4 - .787) and 5 (Q65_5 - .848) positively indicate respondents' response to initiating actions others respond to and respondents' proclivity to engage external networks and seek new information with regards to CSR.

5.6.2 Hypothesis 1 – $H1_0$:EO dimensions of innovativeness, risk taking, and proactiveness are positively related to CSR activity

The results from the correlation analysis in Table 11 revealed that all three dimensions of EO correlated with various measures of CSR activity. Results reveal a correlation co-efficient of .202 between EO dimension of Innovation and CSR Initiatives. EO dimension of Proactiveness revealed a bivariate correlation co-efficient of .820 with the CSR Activity of Measuring and Reporting. EO dimension of Risk taking revealed a bivariate correlation co-efficient of .759 with CSR Activity of Measuring and Reporting. These results reveal a significant evidence of a positive relationship between EO constructs and CSR activity.

Regression results support Hypothesis 1 as the regression model explained a 46.7% variance. Results exploring the individual dimensions of EO show that CSR, Business Performance, and Management Commitment can account for a 63.9% variation in Proactiveness and a 62.4% variation in Risk Taking.

The findings for this are reflective of findings by Yun (2012). Strategic CSR can be undertaken through the fostering of behaviours reflective of a high entrepreneurial

orientation, as such an entrepreneurial posture on a management level as well as among those tasked with CSR responsibilities can be fostered. Furthermore, McWilliams & Siegel (2001) state that ideal levels of CSR should be determined through cost benefit analysis to meet demands of various stakeholders. One critical consideration to CSR is that of costs, and it has been revealed that CSR may increase costs a firm invests however when compared to those that do invest in CSR they will not be compromised in regards to profit making (McWilliams & Siegel, 2001).

5.6.3 Hypothesis 2 – $H2_0$:EO dimensions of innovativeness, risk taking, and proactiveness are positively related to firm performance indicators.

Correlation results revealed that EO dimension of proactiveness had a correlation co-efficient of .793 with business performance. EO dimension of risk taking revealed a correlation co-efficient of .791 with business performance. Innovation did not have a significant correlation with business performance with a co-efficient of .084.

Thus there is significant statistical evidence to support Hypothesis 1. Similar studies have empirically confirmed the positive effect EO has on firm performance such as research conducted by Frank, Kessler & Fink (2010) and Zahra (1993).

Consideration needs to be given to the complex nature of performance indicators such as measures of growth and measures of profitability. As such depending on what is of importance to a firm (nonfinancial or financial goals) appropriate levels of risk taking, proactiveness and innovation should be exerted (Rauch et al, 2009).

There are diverse views that state in general terms that EO should serve a function of enhancing financial outcomes of a firm. This view has not been able to reveal adequate evidence to support the notion of EO performing superior on financial measures as opposed to nonfinancial measures (Rauch er al, 2009).

5.6.4 Hypothesis 3 – $H2_0$: There is a positive relationship between CSR activity and management performance.

The hypothesis that there is a positive relationship between CSR activity and management performance was not supported by the results. Results after running bivariate correlation revealed that CSR had a correlation coefficient of -.085 with management performance a result that was negative and not significant.

Critically exploring the plausible reasons for the acceptance of the null hypothesis reveal a number of reflections on the matter. An inference could be made that if management is not committed to a CSR agenda there will be negative outputs in CSR activities undertaken. Although the results are not significant it could provide precautionary evidence for there to be alignment between genuine management commitment and CSR.

The literature review outlined that measuring and reporting tools are meant to offer support to those in management by controlling and managing negative environmental and social impacts and reduce them. When considering the intricacies of management performance, they would ideally be aware of stakeholder expectations so as to then define a strategy to meet and fulfil those expectations (Kaplan, 2009). The hypothesis results confirm an infer that firms that are not aware of stakeholder expectations would not be able to formulate reflective strategies and subsequently will fail in undertaking and delivering positively beneficial CSR activities.

Consideration of matters pertaining to ethics are thus important and Amaeshi et al (2016) states that the ethical values embraced by owners, their education and exposure to international business practice will subsequently have an impact on the ethical business practices a firm engages in. As such, CSR activity undertaken without stakeholder consideration and ethical impacts of a set of actions could prove detrimental confirming assertions made by Idemundia (2014) that certain firms are socio culturally detached from communities they operate in.

The findings also infer the importance of having some form of CSR policy alignment reflected through policy and vision & mission statements. CSR strategies as such should include guidelines for engagement with stakeholders, processes of funding CSR, guidelines to measuring and reporting as well as exit strategies, these all add certainty to

the direction of CSR activities (Nyuur, Ofori & Debrah, 2012; Business in Society, 2018).

5.7 Conclusion

The chapter discussed the empirical findings of the data collected. The statistical values were captured and presented in Chapter 4 and were the basis for the testing of the hypothesis.

The chapter discussed the results of the formulation of the constructs and their convergence with alpha coefficients above .7. The various scales validity and reliability was confirmed based of the results of the EFA and CFA.

The findings from the correlation and regression revealed that the study failed to reject Hypotheses H1 and H2. Based on the results Hypothesis 3 was not supported.

CHAPTER 6: CONCLUSIONS, IMPLICATIONS AND RECOMMENDATIONS

6.1 Introduction

The chapter will discuss the findings, implications and recommendations before presenting the conclusions inferred through the findings. The chapter will then discuss the study contribution and research implications for future research.

6.2 Conclusions of the study

6.2.1 Summaries of the main objective, findings and hypothesis

The study set out to evaluate the relationship between entrepreneurial orientation (dimensions of innovativeness, proactiveness and risk), CSR activity, management performance and firm performance among firms in South Africa. The premise of this is based off the literature and research evidence that states that the adequate fostering of entrepreneurship and CSR activity can enhance a firm's management performance and competitiveness. The relationship and rising expectations societies have on enterprises was central in this study.

A conceptual framework was put forward that demonstrated the hypothesised relationships between variables that was then analysed. Embedded in a positivist paradigm it was decided to utilize a quantitative research method. Primary survey data was collected from respondents in firms undertaking in CSR related activities and 170 surveys were gathered.

The measurement scales for the IV (EO), the DV (CSR), (Management Performance), and (Business Performance) were tested for reliability and their Cronbach's alpha coefficients revealed acceptable results. Analysis was then conducted on the scale items through EFA and CFA and the items were revealed to relate to specific factors. Correlation analysis and regression analysis was run to determine the relationship among variables with results confirming Hypothesis 1 and 2 with Hypothesis 2 being rejected. The hypotheses are elaborated below.

6.2.2 Hypothesis 1

H_1: EO dimensions of innovativeness, risk taking, and proactiveness are positively related to CSR activity.

All three EO constructs were measured in order to prove the existence of the EO variable. Previous research studies undertook in similar methods (Filser & Eggers, 2014; Lumpkin & Dess, 1996; Covin & Slevin, 1991; Urban & Barreira, 2010). The individual dimensions were tested for reliability and found to be reliable through Cronbach alpha scores and converged into the individual factors.

The measurement of the dependent variable was adopted from a previous study conducted by Yun (2012) as well as the researchers inclusion of items from CSR industry reports (Business in Society, 2017). The reliability of the scale was confirmed by the Cronbach alpha coefficients and revealed that items loaded on their factors through CFA.

Correlation and regression analysis was performed to determine the relationship of the EO dimensions on CSR activity. Bivariate correlation analysis revealed significant correlation between Innovation and CSR Initiatives (.202), Proactiveness and CSR Measuring and Reporting (.820), Risk taking and CSR Measuring and Reporting (.759)

It was decided to further explore the performance of a combined scale of the EO dimensions in a regression model and results of the Standardized Coefficients revealed that as CSR increases by one standard deviation, EO would increase by .038. The results were indicative of the positive relationship and the null hypothesis was rejected in favor of the alternative.

6.2.3 Hypothesis 2

H_2: EO dimensions of innovativeness, risk taking, and proactiveness are positively related to firm performance indicators.

The formulation of the firm performance scale (DV) was inferred from previous studies that attributed measures of the business financial and non-financial performance

(Molokwu, Barreira & Urban, 2013). The items had factor loading scales between .791 and .847. The scale was then tested for reliability and results revealed a .932.

Bivariate correlation analysis results revealed that significant correlation between proactiveness and business performance (.793) as well as risk taking and business performance (.791). EO dimension of innovation did not have a significant correlation co-efficient with business performance although it was positive (.084).

Further exploration of the performance of a combined scale of the EO dimensions imputed in a regression model revealed that an increase in Business Performance by one standard deviation would result in an increase in EO by .602. The results of both sets of analysis support the hypothesis.

6.2.4 Hypothesis 3

H_3: There is a positive relationship between CSR activity and management performance.

The third hypothesis was formulated differently by seeking to explore the relationship between the two independent variables of CSR activity and management performance. This was supported by literature that state performance management begins once the importance of the management of stakeholder expectation through CSR activity is recognized by a firm that in turn defines a strategy to meet and fulfil the expectation (Kaplan, 2009).

The development of the management performance scale was supported by previous studies and developed to measure management performance through managements CSR Commitment (Yun, 2012). The scale items had factor loadings between .570 and .792 and a Cronbach alpha score of .702 confirming the scales reliability.

Bivariate correlation analysis was then run and revealed a negative correlation co-efficient of -.085.

6.3 Implications and recommendations

The study sought to contribute to the understanding of entrepreneurial orientation, CSR and firm performance by providing insights backed by empirical evidence in the South African context. The domains of CSR and business have been identified as areas that require further inquiry as highlighted by Amaeshi, Adegbite, Ogbechie, Idemudia, Kan, Issa & Anakwue (2016) who also called for further exploration of what entrepreneurs and SMEs make of CSR. The results support previous findings of the positive influence EO has on performance measures as well as further revealing the positive influence EO has on CSR. Previous research conducted by Yun (2012) report similar results.

6.3.1 Entrepreneurial Orientation

The study revealed differences in strength and significance between the EO dimensions of innovativeness, risk taking and proactiveness. Rauch et al (2009) reflects this by stating that the magnitude of the relationship varies across studies. This study revealed higher correlations between EO and performance as revealed by studies such as Covin & Slevin (1991) and Wiklund and Shepard (2004). Other studies do report lower correlation such as Lumpkin & Dess (2001) and as such, organizations should pursue the finding of the most effective configuration of its EO behaviours (Filser & Eggers, 2014).

The research findings indicate that significant correlations between management performance and all three EO constructs with Business Performance significantly correlating with risk and proactiveness. The exploration of the relationship between EO and performance indicate that a firms limited access to resources can have an impact of a firm, a lack of resources can encourage experimentation and firms with large resources can safeguard against shocks that result in failed initiatives, Rauch et al (2009). The South African government has over the years begun encouraging entrepreneurship as well as attempt through various measures the introduction of policies and frameworks to aid business (GEM, 2017).

Furthermore, on a managerial level the education, perception and awareness of managers and entrepreneurs plays a vital role in the pursuit and implementation of EO

highlighting the crucial role that entrepreneurs and managers play in the EO disposition of their firms.

6.3.2 Business Performance

The intersection of performance and competitiveness indicates that business ability to sustain its long-term performance can be indicated by its market share, profitability, and growth rate as compared to its competitors (Turyakira, Venter & Smith, 2013)

The study results have confirmed similar findings highlighting the importance of firms incorporating service/product innovation and serving unserved markets, factors that have business performance implications. It could be inferred that EO as a vital function is meant to enhance the business performance outcomes Rauch et al (2009).

6.3.3 Monitoring and Reporting

Skinner & Mersham (2008) stated that monitoring and evaluating CSR projects and activities play a vital role in providing feedback mechanisms that can ensure the firms ability to adapt and improve processes. Certain sectors within the South African environment have CSI in their codes and charters. Considering the inequality of the South African environment and its complex past, CSR undertaken in an appropriate manner with accountability measures such as monitoring and reporting play a vital role in community development (Skinner & Mersham, 2008).

Furthermore, Nyuur, Ofori & Debrah (2012) reveal evaluation and monitoring to be a supporting factor to CSR activity. This is further explained as monitoring, evaluation and reporting activities subsequently result in CSR activities that generate the best value for both business and society. The research findings provided justification for this as Measuring and Reporting correlated significantly with Business Performance and Management Commitment. The findings confirm the growing calls for the accountability to be considered when undertaking CSR and how this can actually be of benefit to the firm.

6.3.4 CSR Activities

Research within the CSR domain have put forward that the fundamental purpose of CSR is to ultimately create a good working environment conducive to the encouragement of diversity, fair distribution of wealth in a given community, ethical practices, market innovations as well as the protection of the environment (Turyakira, Venter & Smith, 2013; Jenkins, 2006). Globally CSR is more widely being accepted as a business tool and this has contributed to the competitiveness of small and medium enterprises and results from this study has contributed to the confirmation of this statement (Turyakira, Venter & Smith, 2013).

6.3.5 Management Commitment

The success or failure of CSR undertaken in any firm is largely predicated by the leadership and commitment that emanates from individuals in management. The responsibility rests on top management to motivate, communicate the CSR vision to staff and lead (Nyuur, Ofori & Debrah, 2012). The process begins through the management's identification of the business case of CSR and incorporating this into the strategic vision and mission of the firm.

Owners and managers are responsible for the outcomes of the firm and as such findings such as that put forth by Turyakira, Venter & Smith (2013) are concerning when stated that SME's in Africa lack effective knowledge harnessing CSR as a competitive technique. To mitigate this Nyuur, Ofori & Debrah (2012) have recommended management to recruit personnel with appropriate knowledge and skills to dedicated CSR functions.

6.4 Limitations of the Study

The research was conducted using random sample selection and as a result, generalizability of the study results needs to be reflected critically. It would be ideal to have a more structured approach to identifying and approaching the sample. It should be noted that access to CSR personnel of firms with outsourced specialists was challenging due to strict policies, exploring various methods around this would prove beneficial.

There may be differences in the interpretation of questions and as such could have contributed to biased responses. The study was quantitative in nature and other approaches could be considered in collecting data for a deeper understanding of the phenomena. The transferability of the results needs to be accounted for as the study might draw different results in other environments.

6.5 Suggestions for Further Research

The study considered only certain CSR factors and it may be of value to consider factors not included. Secondly, limited measures of EO were incorporated and further measures could be considered for a comprehensive model. As mentioned, sample size should be considered and the possibility of increasing it in future studies. The increase of sample size could also include the extension to non-profit organisations as well as social enterprises.

Environmental and contextual variances should be considered and the inclusion of antecedent, moderators, and mediators should be included as they could provide further insights. Future studies could consider being taken over longer periods. Matters such as the entrepreneurial posture of a firm could change over time.

Amaeshi et al (2016) calls for further inquiry into individuals hidden interpretations, motivations and understandings and as such alternative research techniques should be considered when exploring topics relating to CSR rationale and commitment.

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APPENDIX A

CSI Research Survey

Q1 What is your gender?

- ○ Male
- ○ Female

End of Block: Demographic Information

Start of Block: Block 1

Q2 How old are you?

- ○ Under 18
- ○ 18 - 24
- ○ 25 - 34
- ○ 35 - 44
- ○ 45 - 54
- ○ 55 - 64
- ○ 65 - 74
- ○ 75 - 84
- ○ 85 or older

End of Block: Block 1

Start of Block: Descriptive Information on Firm

Q20 What Industry sector is the firm in?

- Mining & Quarrying
- Financial Services
- Retail & Wholesale
- IT & Telecommunications
- Healthcare
- Consultancy
- Manufacturing
- Other

Q32 How many people are employed at the firm?

- Less than 50
- 50-100
- 100-200
- 200-300
- Over 300

Q61 What is your Management level?

- Junior Management
- Middle Management
- Senior Management
- Executive Management

End of Block: Descriptive Information on Firm

Start of Block: Descriptive Information on Firm CSR Activity

Q3 For how long has the firm been undertaking in Corporate Social Investment projects?

- ○ 1-5 Years
- ○ 5-10 Years
- ○ Over 10 Years

Q33 Please indicate who manages Corporate Social Investment initiatives for the firm?

- ○ Internal Company Personnel
- ○ Outsourced Specialists

End of Block: Descriptive Information on Firm CSR Activity

Start of Block: CSR Commitment

Q68 Please indicate the degree to which you agree to the following statements concerning the firm you work for.

	Strongly Agree (1)	Agree (2)	Somewhat Agree (8)	Neither Agree nor Disagree (3)	Somewhat Disagree (4)	Disagree (5)	Strongly Disagree (6)
The firms CEO/Managers communicate the firms CSI position to all employees? (1)	○	○	○	○	○	○	○
The firms CSI position is reflected through its CSR Vision & Mission? (2)	○	○	○	○	○	○	○
Managers/personnel in charge of CSI actively provide insight, advice and support on key decisions. (3)	○	○	○	○	○	○	○
In general, the top managers of my company believe that owing to the nature of the environment bold, wide-ranging acts are necessary to achieve the firm's CSI objectives (4)	○	○	○	○	○	○	○

End of Block: CSR Commitment

Start of Block: CSR & Business

Q30 Which of the following items are business rationale reasons for undertaking in CSI projects and initiatives?

- Moral Imperative
- Reputation
- License to operate obligations (other than BBBEE Codes)
- BBBEE Codes
- Competitive Advantage
- Industry Sector Charter
- Stakeholder Pressure

Q63 Please Evaluate your firms performance in the following areas relative to your primary/major competitors.

	Much Better (1)	Moderately Better (2)	Slightly Better (3)	About the Same (4)	Slightly Worse (5)	Moderately Worse (6)	Much Worse (7)
CSI Strategy (1)	○	○	○	○	○	○	○
Service/Product Innovation (2)	○	○	○	○	○	○	○
Serving Unserved Markets (3)	○	○	○	○	○	○	○
Growth in Market Share (4)	○	○	○	○	○	○	○
Return on Investment (5)	○	○	○	○	○	○	○

End of Block: CSR & Business

Start of Block: Innovation

Q64 Please indicate the degree to which you agree to the following statements concerning the firm you work for

	Strongly Agree (1)	Agree (8)	Somewhat Agree (2)	Neither Agree nor Disagree (3)	Somewhat Disagree (4)	Disagree (5)	Strongly Disagree (6)
We actively introduce improvements and innovations in our business (1)	○	○	○	○	○	○	○
Our business believes in R&D, technological leadership and innovation (2)	○	○	○	○	○	○	○
Our business is creative in its methods of operation (3)	○	○	○	○	○	○	○
Our business seeks out new ways to do things (4)	○	○	○	○	○	○	○
When it comes to problem solving we value creative solutions more than solutions that rely on conventional wisdom (5)	○	○	○	○	○	○	○

End of Block: Innovation

Start of Block: CSR Activity & Proactiveness

Q19 Please select the sector that CSI initiatives are channeled towards?

- [ ] Arts & Culture
- [ ] Education
- [ ] Science & Research
- [ ] Disabilities
- [ ] Orphans and Vulnerable Children
- [ ] Youth
- [ ] Sports Development
- [ ] Job Creation Schemes
- [ ] Leadership Development
- [ ] Enterprise Development
- [ ] Skills Training
- [ ] Safety & Security
- [ ] Disaster Relief
- [ ] Housing
- [ ] Social Justice & Advocacy

Q65 Please indicate the degree to which you agree to the following statements concerning the firm you work for.

	Strongly Agree (1)	Agree (2)	Somewhat Agree (3)	Neither Agree nor Disagree (4)	Somewhat Disagree (5)	Disagree (6)	Strongly Disagree (7)
We always try to take the initiative in every situation (e.g. against competitors, in projects when working with others) (1)	○	○	○	○	○	○	○
We excel at identifying opportunities in the market or our operations (2)	○	○	○	○	○	○	○
We initiate actions to which other organizations respond (3)	○	○	○	○	○	○	○
Stakeholder engagement and external network utilization are utilized in CSI related activities (4)	○	○	○	○	○	○	○
Managers/personnel in charge of CSI seek information related to innovation and advancement in the CSI domain from leaders of other similar organization outside their operating environment. (5)	○	○	○	○	○	○	○

End of Block: CSR Activity & Proactiveness

Start of Block: Risk Taking & Challenges

Q66 Please indicate the degree to which you agree to the following statements concerning the firm you work for.

	Strongly Agree (1)	Agree (2)	Somewhat Agree (3)	Neither Agree nor Disagree (4)	Somewhat Disagree (5)	Disagree (6)	Strongly Disagree (7)
The term 'risk taker' is considered a positive attribute for people in our business. (1)	○	○	○	○	○	○	○
People in our business are encouraged to take calculated risks with new ideas (2)	○	○	○	○	○	○	○
Our business emphasizes both exploration and experimentation for opportunities (3)	○	○	○	○	○	○	○
We value new strategies/plans even if we are not certain that they will always work (5)	○	○	○	○	○	○	○

End of Block: Risk Taking & Challenges

Start of Block: Block 8: Measuring and Reporting

Q67 Please indicate the degree to which you agree to the following statements concerning the firm you work for.

	Strongly Agree (1)	Agree (2)	Somewhat Agree (3)	Neither Agree nor Disagree (4)	Somewhat Disagree (5)	Disagree (6)	Strongly Disagree (7)
The company emphasizes the measuring, assessment and reporting of CSI projects and initiatives. (1)	○	○	○	○	○	○	○
Internal performance indicators are used in CSI reporting. (2)	○	○	○	○	○	○	○
External performance indicators are used in CSI reporting. (3)	○	○	○	○	○	○	○

Q31 Which of the following Monitoring & Evaluation Tools and Approaches are used?

- ○ Performance Indicators
- ○ Impact Evaluation
- ○ Logical Framework Approach
- ○ Formal Surveys
- ○ Participatory Surveys
- ○ Rapid Appraisal Methods
- ○ Cost Benefit & Cost Analysis
- ○ Social Return on Investment
- ○ Theory Based Evaluation
- ○ Public Expenditure Tracking Surveys
- ○ Other

APPENDIX B

Assess the realization of corporate social opportunities presented by corporate social responsibility in CSI participating companies in South Africa.						
Aims of research	**Literature Review**	**Propositions**	**Research questions**	**Source of data**	**Type of data**	**Analysis**
1: Explore the influence of entrepreneurship on CSR activity.	(Smith, 2003; Brammer and Pavalin, 2006; Carroll, 2008; Grayson & Hodges, 2004)	Proposition 1: There is a correlation between firms entrepreneurial tenets of innovation, risk taking and pro activeness and its CSR activity	**Research Question 1:** What effect does entrepreneurship have on CSR activity?	Survey data gathered using research instrument:	Nominal and Interval	Descriptive statistics, Exploratory factor analysis, Correlation Analysis, Regression Analysis

Assess the realization of corporate social opportunities presented by corporate social responsibility in CSI participating companies in South Africa.						
Aims of research	**Literature Review**	**Propositions**	**Research questions**	**Source of data**	**Type of data**	**Analysis**
2. Explore the influence that that entrepreneurship has on non-financial performance.	(Yun, 2012; Jenkins, 2009; Corner and Ho, 2010; Grayson & Hodges, 2004; Covin & Slevin, 1991)	Proposition 3: Entrepreneurship has a positive effect on non-financial performance measures.	**Research Question 2:** What effect does entrepreneurship have on non-financial performance?	Survey data gathered using research instrument:	Nominal and Interval	Exploratory factor analysis, correlation analysis, Regression Analysis
3. Explore the relationship between CSR activity and management performance.	(Yun, 2012; Singh et al, 2017; Brammer & Pavalin, 2006; Jenkins, 2009; Covin & Slevin, 1991)	Proposition 5: A positive relationship exists between CSR activity and management performance.	**Research Question 3:** What is the relationship between CSR activity and management performance.	Survey data gathered using research instrument:	Nominal, Interval and Ordinal	Correlation Analysis, Regression Analysis

Appendix C

UNIVERSITY OF THE WITWATERSRAND
JOHANNESBURG

ASSESSING THE REALIZATION OF CORPORATE SOCIAL OPPORTUNITIES PRESENTED BY CORPORATE SOCIAL RESPONSIBILITY BY FIRMS IN SOUTH AFRICA

PARTICIPANT INFORMATION SHEET

Good day,

My name is Mwila Saini and I am currently a Masters Student in Entrepreneurship and New Venture Creation at Wits Business School. As part of the requirements for the degree, I am conducting research looking into firms in realization of corporate social opportunities in South Africa. It is hoped that the information gathered could assist in identifying firm characteristics that allow firms to realize corporate social opportunities presented through involvement in corporate social responsibility.

As an individual who is involved in corporate social responsibility in the firm you are working for you are ideally positioned to contribute to my research. I therefore wish to invite you to participate in my study. If you accept my invitation, your participation would be entirely voluntary and you are free to withdraw at any time without penalty. If you agree to take part, an arrangement will be made for you to complete a questionnaire that will be emailed to you. The questionnaire will be completely anonymous and will take approximately 10 to 15 minutes and you may withdraw from the study at any time. The questionnaires will only be accessible to my supervisor and I. The questionnaires will be kept in a locked cabinet for two years following any publications or for six years if no publications emanate from the study. Please be assured that the questionnaire is completely anonymous and no identifying information will be included in the final research report. The results of the research may also be used for academic purposes.

Please contact me on 0763429278 or at mwilajacob@yahoo.co.uk, if you have any questions regarding my study.

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

Yours Sincerely,

Mwila Saini



UNIVERSITY OF THE WITWATERSRAND
JOHANNESBURG

Consent Form for Participation in the study: Assessing the realization of corporate social opportunities presented by Corporate Social Responsibility by firms in South Africa

I hereby consent to participate in the research study. The purpose and procedures of the study have been explained to me.

I understand that:

- My participation in this study is voluntary and I may withdraw from the study without being disadvantaged in any way.
- I may choose not to answer any specific questions asked if I do not wish to do so.
- There are no foreseeable benefits or particular risks associated with participation in this study.
- My identity will be kept strictly confidential, and any information that may identify me, will be removed from the interview transcript.
- A copy of my questionnaire without any identifying information will be stored permanently in a locked cupboard and may be used for future research.
- I understand that my responses will be used in the write up of a Masters project and may also be presented in conferences, book chapters, journal articles or books.

Date: _____