The return on investment from corporate social investment from an employee perspective

by

V.G. Mdaka

MINOR DISSERTATION

Submitted in partial fulfilment of the requirements for the degree

MAGISTER COMMERCII

in

FINANCIAL MANAGEMENT

in the

FACULTY OF ECONOMIC AND FINANCIAL SCIENCES

at the

UNIVERISTY OF JOHANNESBURG

SUPERVISOR: MR. J. Struweg

September 2016

Abstract

There is no universally accepted understanding of the effects of corporate social investment (CSI) on the return on investment (ROI). According to Hamann (2009), certain shareholders and managers believe that CSI disturbs companies' main business objective, which is to make more money for the shareholders, arguing that CSI is an expense, not an investment to the company. The overall objective of the study is to explore the perceptions of employees on the ROI from CSI at a South African financial services company.

The nature of this study is an exploratory descriptive qualitative research strategy designed to explore and describe the perceptions of employees on the ROI from CSI in the context of a South African financial services company. Ten employees from a South African financial services company were selected for the interviews. The qualitative data collected from the selected employees was analysed through thematic analysis to determine the perceptions of employees on the ROI from CSI.

The research results indicate that the perception of employees on the ROI from CSI at a South African financial services company differs according to the views of the employees interviewed. The employees that were interviewed provided their own, various perceptions of the matter at hand, however, most participants seem to suggest that there is a mutual benefit for the company and the community from the CSI programmes.

Declaration of original work

I, Vuyani Mdaka, declare that this minor dissertation submitted for the degree Masters of Commerce (Financial Management) at the University of Johannesburg is my own unaided research. I declare that this work has not been submitted before for any degree at the University of Johannesburg or any other university. Any assistance obtained has been duly acknowledged in the dissertation.

Acknowledgement

I would like to thank the following people for their ongoing support and valuable contribution to this study.

- My wonderful wife, Cathy Mdaka, for your understanding through this challenging journey.
- Mr. Jean Struweg, my supervisor, I would like to thank you for your support, encouragement, guidance and valuable contribution.
- Thank you to the management of the company and the research participants for your valuable input. This study would not have been possible without your participation.

Table of Contents

List of tables

List of figures

Chapter 1: Introduction to study

1.1 Introduction

In today's global world of social and environmental activism there is an increasing demand on companies to consider the social and environmental impact of their business activities (Sharma & Kiran, 2013). Despite this demand, there is no globally accepted definition of corporate social responsibility (CSR). Smith (2003) states that the idea that companies have a responsibility to develop society started in the nineteenth century, and that there are two differing reasons for CSR: companies are either spending money on CSR because of social obligation or for business benefits.

According to Blowfield and Frynas (2005), CSR is a broad concept that was popularised in developed countries in the 1960s. The interest from companies on the topic of CSR has increased rapidly over the years and more companies are involved in describing and including CSR in their business strategies, following evidence of returns from CSR (Blowfield & Frynas, 2005). However, the absence of clarity on the purpose and benefit of CSR is a cause for concern, as research by Fig (2005) argues that corporate social investment (CSI) is about developing and empowering communities by doing something not related to the company's business and with no obligations and consideration of the past actions of the company.

There is thus no universally accepted understanding of the effects of CSI on the return on investment (ROI). Certain shareholders and managers believe that CSI disturbs companies' main business objective, which is to make more money for the shareholders, arguing that CSI is an expense and not an investment to the company (Hamann, 2009).

Scholars continue to apply different definitions of CSR, which poses great difficulties in understanding its context and the expected returns by the stakeholders. According to Freemantle and Rockey (2004), CSI is used by most South African companies to define CSR with both a social obligation and a business benefit. This definition is a move away from the concept of merely making donations to society without obtaining mutual benefits (Muthuri, Matten & Moon, 2009), in contrast to the definition offered by Fig (2005) above.

The difference between CSR and CSI is that South African organisations avoid the concept of CSR in favour of CSI as a concept that has nothing to do with the moral and ethical behaviour for the past responsibilities of the organisations (Ndhlovu, 2011). In addition, CSI has developed during the South African era of economic isolation as an aspect of CSR that comprises programmes that are isolated from the business operations with the aim of developing communities (Fig, 2005; Visser, 2010; Ndhlovu, 2011; & Diale, 2014). The general consensus is that CSR is part of the business strategy that focuses on the moral and ethical responsibility of addressing the social and environmental interests of the company's stakeholders, including the communities in which the organisations operate (Baskin, 2006; Hamann, 2009; & Rockey, 2012).

The current literature offers different perspectives on the purpose of the companies' participation in social investment programmes. These differences are a cause of concern, as company management is always faced with the difficult responsibility of making business decisions that satisfy all stakeholders (Olajide, 2014). Strategic decisions made by management could affect the company's financial performance, as well as result in a reduction of employee productivity and lessen their self-esteem (Hamann, 2009). In order for management to make the best decision, they need to understand the perception of employees towards social investment programmes as stakeholders of the company (Tan & Komaran, 2006).

The triple bottom line (TBL) principle was introduced by Elkington in 1994 (Elkington, 1997) and suggested that companies should include the social, economic and environmental impacts of its business activities in their financial reporting. This worldwide trend has not escaped South African companies and it has increased pressure on companies wanting to satisfy its stakeholders. The King Code of Governance Principles (King III) was introduced in South Africa in 2009 and it too recommends that South African companies should be socially responsible (IOD, 2009). In addition, social responsibility should form part of every company's daily business operating strategy, and the needs of all stakeholders, including the community, should be considered when formulating the company's business strategy (IOD, 2009).

1.2 Previous research on CSR and CSI

In the study by Hamann (2009), CSR is defined as a concept that has been recognised for many years and one that relates to the fact that companies should include social and environmental responsibilities in their strategic goals. In this definition, CSR is not regarded as an activity engaged in for commercial reasons, but only as a donation to society for moral reasons without the relevant company expecting ROI (Hamann, 2009).

However, as stated above, the definition of CSR is problematic. According to Baskin (2006), CSR as a voluntary programme in developing countries has been found to be ineffective, as companies break the rules of CSR. For example, the company might not pay taxes, resulting in such companies gaining the financial benefits without benefiting their communities (Baskin, 2006).

Baskin (2006) thus writes that there is a belief that CSI will be the solution to all the criticisms on the inefficiencies of CSR. On one hand, the company can choose to obtain ROI by investing in social projects that will increase sales (Baskin, 2006). On the other, it can choose to spend on the development of the relevant community with the aim of improving the living standard of the residents in the community, not primarily for the financial benefit of the company (Baskin, 2006).

Du Toit (2012) believes that CSI is the strategic management of projects concerning society and, accordingly, constitutes the main business strategy for the benefit of all stakeholders. Indeed, a study by Ndhlovu (2011) suggests that CSI is the process of investing in society for the benefit of both the relevant society and the company, demonstrating a shift from purely companies' social obligation to investment and business strategy for mutual gains.

Research conducted by Hamann (2009) argues for the fact that CSI was introduced in South Africa as an extension of CSR. Similarly, Freemantle and Rockey (2004) believe that CSI focuses more on strategic investment towards social and environmental issues and includes sustainable development and governance. There is a concern that certain shareholders and managers believe that CSI disturbs companies' main business objective, which is to make more money for the shareholders, arguing that CSI is an expense and not an investment to the company (Hamann, 2009).

Thwaits and Bouwer (2012) state that CSI rose to prominence in the 1950s, owing to companies' initiatives of entering into strategic yet mutually beneficial partnerships with the societies. Furthermore, they believe that companies make investments in projects for societies, expecting ROI through the successful implementation of those projects. There is ongoing debate on the expectations from stakeholders as Rockey (2012) argues that, to be successful, CSI programmes need buy-in from their stakeholders and continuous monitoring of the different expectations of the stakeholders.

Smith (2003) indicates that, not only do companies experience different exposures to social responsibility needs, but each company also has its own requirements and needs depending on its stakeholders. Furthermore, the objectives and attitudes of shareholders and employees towards social investment programmes could differ among companies (Smith, 2003). According to Tan and Komaran (2006) most studies focused on the employees in developed countries rather than developing countries which is therefore important to explore the employee perceptions in developing countries so that the gap in terms of the current literature can be addressed. Yet a study by McDonald and Liebenberg (2006) shows the ongoing different perceptions by the employees of an organisation towards social investment programmes and that the perception of whether or not social investment is an ethical issue or part of the business strategy is very important as it guides management on how to treat its employees. In addition, Smith (2003) states that each company has its own special social investment programme strategy. Companies specialising in natural resources are most likely to focus on the environment, while service companies tend to direct their social investment programmes towards its employees (Smith, 2003).

Thwaits and Bouwer (2012) conclude that the question of whether the success of CSI programmes depends on the buy-in obtained from all stakeholders needs further investigation. Similarly, a study by Muthuri et al. (2009) indicates that employees' buy-in is critical for the success of a CSI programme. Other past studies show that employees believe in social investment as it not only affects their welfare, but also that of their society (Ali, Rehman, Ali, Yousaf & Zia, 2010). According to Muthuri et al. (2009), employee community volunteering is viewed by employees as part of their responsibility to fulfil their employment duties to their employers.

Peterson (2004) suggests that more studies should be done on the impact of social investment on the stakeholders, arguing that each stakeholder reacts differently to a social programme. It may therefore be possible to measure ROI on social investment through isolating what each class of stakeholders considers to be ROI in social programmes (Peterson, 2004).

In conducting the literature review, only limited research could be found on the perceptions of employees on the ROI from CSI in South Africa as part of companies' ethical, social and environmental responsibilities. However, there is a stream of various old and latest international studies on the perceptions of employees towards CSR. Collier and Esteban (2007) point, for example, to the significance of employees' perception as determinants of employee 'buy-in' towards CSR with positive results but there is still limited empirical knowledge. Similarly, employees are motivated to work for a company with CSR, resulting in a reduction of company costs and an increase in earnings (Hartmann, 2011). Furthermore, Choi and Yu (2014) affirmed that there is a lack empirical support on the influence of the perceptions of employees towards CSR on the performance of the company. The above justify a study which seeks to establish whether there are ROI from CSI from employees' perspective. Accordingly, this study aims to contribute to the existing body of international knowledge, based in the South African context, on the perceptions of employees on the ROI from CSI.

1.3 Problem statement

Based on the above background information, CSI affects all the company's stakeholders, which are employees, shareholders, customers, government and the community. The overall research problem of this study is that the topic of CSI has been well researched but there is limited research available on the perspective of employees with regard to the ROI from CSI.

The following research question has been formulated in respect of the above overall research problem statement: What is the perception of employees on the ROI from CSI?

1.4 Research objectives

Based on the overall research problem stated above, the overall objective of the study is to explore the perceptions of employees on the ROI from CSI at a South African financial services company.

The following are the specific objectives of the study:

- To explore the employees' perceptions on the benefits and intentions of the company for participating in CSI programmes.
- To gain an understanding of how employees interpret the CSI of the company in relation to the company's overall strategy, and whether CSI has any influence on employees when choosing an employer.
- To explore how employees describe the ROI from CSI and if, in their perception, CSI contributes to the company's financial performance.
- To determine employees' expectations from CSI, and whether or not CSI meets the expectations of shareholders from the employees' perspective.

The aim of this study is to assist in improving the understanding of the perceptions of employees on the ROI from CSI. The study will also assist the management of the company with some directions in the successful implementation of its CSI programmes to obtain maximum returns from aligning employees' perspectives to be of higher value according to Collier and Esteban (2007); Thwaits and Bouwer (2012); Rockey (2012) and Choi Yu (2014). Shareholders will be able to understand whether CSI is about making donations or if there are tangible returns through the assessment of the responses from the research participants (Baskin, 2006); (Thwaits & Bouwer, 2012). Management will obtain knowledge on the influence of CSI programmes on prospective employees who may choose the company as a potential employer as according to Tan and Komaran (2006); Brammer (2007); Hartmann (2011) and

Nyborg and Zhang (2013) a company participating in CSR programmes can attract potential employees, who could be a benefit to the company in the form of skilled, committed and motivated employees.

1.5 Perceived significance of the study

The limited research on the perceptions of employees on the ROI from CSI (Choi & Yu, 2014) will be added to through exploring the perceptions of respondents employed at a South African financial services company. The expectations from stakeholders on social investment programmes in literature varies (Rockey, 2012; Friedman et al., 2008; & Hamann, 2009) and the current study will provide further insight into that. The study will also determine the interpretations of employees on CSI programmes, policies and strategies as the employees' buy-in is relevant to the successful implementation of CSI programmes (Ali et al., 2010). Similarly, Jones (2010) and Hartmann (2011) demonstrate that the company will increase its shareholder value by engaging with its employees on their perceptions on the ROI from CSI.

This study might be helpful to management of the company by providing them with the employees' level of awareness on CSI programmes as previous studies indicate that CSI programmes lead to an increase in productivity, efficiency, and enthusiasm of employees (Hartmann, 2011; Jones, 2010; Brammer, 2007; Nyborg & Zhang, 2013; & Trialogue, 2011). The literature review indicates that CSI is a very broad concept, resulting in different definitions and, ultimately, various objectives of having CSI programmes in a company. Furthermore, the review highlights lack of studies on the perceptions of employees of South African financial services companies on the ROI from CSI. Accordingly, there is a need to determine the perceptions of employees on the ROI from CSI from the context of employees.

1.6 Research ethics

In this study, adherence to referencing requirements will be properly followed to ensure that previous literature on research and other sources are appropriately acknowledged. Grimes, Fleischman and Jaeger (2009) argue that ethics are about moral principles and values, including respecting the rights and obligations of the research subjects. Findings from this study will be reported with honesty. According to Fouka and Mantzorou (2011), the rights and all concerns of the research participants should be considered both during the research and when issuing the final results. During this study, confidentiality, proper disclosure and the choice of the people to participate in the research will be respected. Another ethical issue to be considered during this research is to ensure that the research participants and the company remain anonymous. The names of the research participants will thus not be mentioned in the report.

1.7 Delimitations of the study

This research will be limited to the employees working or taking part in CSI programmes of a specific South African financial services company. The company to be involved in this research has a CSI programme in place and, as well as the company's own contribution to society, it has an employee community volunteering programme. The company, through its employee volunteering programme, encourages its employees to contribute their time or money to a chosen community development project. The company thus shows its commitment by doubling the contributions made by the employees.

The research population will be the employees working or taking part in CSI programmes and the sample will be selected by applying the non-probability purposive sampling method. Purposive sampling involves strategically selecting appropriate, well-informed research participants to provide reliable information for qualitative research based on the research objective (Turner, 2010).

Semi-structured interviews will be the research tool for the purpose of the study. The questions will be semi-structured around CSI and ROI from CSI. A qualitative research approach has been identified as the most appropriate method to apply in this study.

1.8 Chapter outline

This study will consist of five chapters:

Chapter 1 defines the research background and gives an overview of previous research studies, problem statement, research objective, scope of research and research limitations.

Chapter 2 will focus on the literature and the concept and various definitions of CSR and CSI. Critical review of the current literature regarding the research problem will also be presented.

Chapter 3 will explain the research methodology and design that will be applied in the study. In addition, the reasoning for the chosen methodology and research instrument will be provided.

Chapter 4 will present the research findings and results of the study.

Chapter 5 will summarise the comprehensive discussions of the research results and the conclusions that have been drawn from the study. The implications of the findings and suggestions for further research or action to be taken will be included in this chapter.

Chapter 2: Literature review

2.1 Introduction

The research topic, objectives and the main elements of this study were outlined in chapter 1. These elements are TBL, CSR, CSI, sustainable development and corporate citizenship. The key interest in this chapter is these elements, thus their theoretical background as well as the different and evolving concepts of these elements will be discussed. This chapter will review literature relevant to the research objective, which is to explore the perceptions of employees on the ROI of CSI at a South African financial services company.

There is a continuing argument as to whether CSI is for the benefit of society or rather for the benefit of the company and its shareholders (Hinson & Ndhlovu, 2011). However, there is also further conflict in the relationship between the company donating to society and concerns of shareholders, as CSI spending often does not reflect an increase in shareholder value (Hinson & Ndhlovu, 2011). A study by Arli and Lasmono (2010) concludes that various stakeholders demonstrated different perceptions towards social investment programmes. Although Abratt, Bendixen and Saunders (2007) focus on the perception of customers on social responsibility programmes in the context of South African banks, there are few studies on the perceptions of employees of South African financial services companies on the ROI from CSI. In fact, Idemudia (2011) believes that current studies on stakeholder perceptions towards social investment programmes have been dominant only in developed countries. These few studies take place against a backdrop of other studies that indicate a growing perception that collaboration with stakeholders on social investment programmes contributes to the financial benefits of the company (Galbreath, 2010). This study aims to assist in improving the understanding of the perceptions of employees on the ROI of CSI.

The literature review will first focus on the various definitions of CSR to gain a broader understanding of this concept. Secondly, the definition of CSI and its relationship with CSR will be analysed, followed by a review of the emergence of TBL and its influence on CSR. Next will be a review on the relationship of sustainable development and corporate citizenship with CSR. Thereafter, the literature review will consider CSR from the South African context as well as other developing and developed countries. This will be followed by an analysis of the impact of regulations of CSR. The focus then shifts towards the influence and perceptions of stakeholders towards the success of CSI programmes. The last section will discuss the ROI from CSI.

2.2 Definition of CSR

Snider, Hill and Martin (2003) explain that there are critics who define CSR as a company's responsibility to provide services and develop society not subject to any financial gain to the company. Furthermore, Snider et al. (2003) also argue that the reason it is difficult to find a clear definition of CSR is because CSR is a behaviour between business and its stakeholders that varies from time to time, depending on the prevailing topic. Dahlsrud (2008) concludes that although many attempts are made to formulate an unambiguous definition of CSR, there are continuing vague definitions of CSR because its definition is structured according to ever-changing circumstances (Dahlsrud, 2008). According to Dahlsrud (2008), the terms CSR and corporate citizenship are used interchangeably, which compounds the confusion in terms of their definitions. Furthermore, some definitions of CSR exclude the aspect of the natural environment, which is in fact believed to be part of CSR (Dahlsrud, 2008).

Consistent with the observations of Snider et al. (2003) is Ojala's (1994) reasoning that the communities are sending mixed messages regarding their social investment needs, which depend on specific circumstances and the location of society. Communities then expect companies to address these needs while they are continually changing (Ojala, 1994). Eweje (2006) agrees with Snider et al. (2003) and Ojala (1994) that CSR could be defined as an initiative by a company to address the needs of the local community based on the circumstantial and cultural needs of the community.

According to Carroll (1999), CSR comprises economic, legal, ethical and philanthropic components. Carroll (1999) contends that the economic element is about making more money for shareholders, the legal component is about ensuring that the company complies with the laws of the country and business regulations, the ethical component refers to the company fulfilling its obligations of giving with regards to the rights of others and the philanthropic component is about promoting the welfare of others through donations.

The study by Lin-Hi (2010) explains that there is no clear definition of CSR but, nevertheless, defines CSR as doing something with the shareholders' money that is not related to the business operations of the company. Similarly, the study by Córdoba and Campbell (2007) explains that there are various definitions of CSR, which makes it difficult for management to understand what to implement to satisfy all the stakeholders. Wan-Jan (2006) concludes that there is no agreed and clearly understood definition of CSR, which causes some people to be sceptical about the purpose of CSR. For example, the study by Henderson (2004) explains that there is no such thing as CSR, and the duty of the company is to make profits for its investors. Another perspective is offered in the research by Othman (2009), which states that participation in CSR to protect natural habitats, develop communities and respect human rights is only voluntary.

Hargett and Williams (2009) explain that there are different definitions of CSR provided by various sources, however, there is a general agreement that CSR attempts to define an approach by the business that balances the well-being of society and the protection of the environment with the creation of wealth for the shareholders. Hinson and Ndhlovu (2011) also agree with Heinze, Sibary and Sikula (1999) and Hargett and Williams (2009) that there is a general agreement from various organisations that the idea of CSR is structured by the business while considering all the factors of the role players on its business strategy.

Smith and Sypher (2010) argue that management could influence the direction of the CSR strategy of the company and they could also impose their own personal attitudes on the company's CSR strategy. Similarly, Choi and Wang (2007) explain that social investment is the choice of management and, consequently, their perceptions affect the participation of the company in social investment programmes.

According to Othman (2009), businesses could implement CSR by means of educating and training society in various skills through employee volunteerism, as employee involvement promotes the success of CSR. Therefore, based on the above, this study will assume the definition of CSR as the ethical, social and stakeholder responsibilities of organisations. Thus, CSR is generally based on different definitions provided by various stakeholders and CSR is structured by the business while considering all the factors of the stakeholders on its business strategy. Employees are the primary stakeholders on this study and this study will examine how employees interpret the CSI of the company in relation to the company's overall strategy. The next section discusses CSI in South Africa and offers possible understanding of how CSI developed as a pillar of CSR.

2.3 Definition of CSI

Research studies cited below indicate CSI as an extension of CSR and as a South African concept to satisfy the needs of various stakeholders. Hinson and Ndhlovu (2011) and Fig (2005) describe CSI as an aspect of CSR that comprises programmes that are isolated from the business operations with the aim of developing communities. In addition, South African organisations prefer the concept of CSI to the concept of CSR, as CSI has nothing to do with the organisations' moral and ethical behaviours for the past responsibilities of the organisations (Freemantle, 2007). Similarly, Skinner and Mersham (2008) define CSI as a social investment programme with a long-term plan to create benefits for society and business in the form of low employee turnover and an increase in customers.

CSI is meant to be different from CSR, which is perceived by some economists of being an expense that undermines the main business objective of making money, whereas CSI is projected as an investment where both the business and the community would benefit (Hinson & Ndhlovu, 2011). According to Freemantle (2007), CSI is a clear expression on the shift by South African companies from the practice of companies making donations to investing in society with the aim of both business and society getting returns.

The King III report defines CSI as a moral duty of an organisation towards the development of society and the protection of the natural environment (IOD, 2009). Some of the moral duties of the organisation involve the safety and health of employees, respecting human rights, providing clean water, transforming business ownership and empowering employees (IOD, 2009).

Idemudia (2011) explains that there is a general suggestion that social investment programmes for developing countries should be based on the local needs and not copied from foreign, more developed countries. Idemudia (2011) further suggests that this movement could have resulted in the formation of CSI, which is a concept of CSR that is more oriented towards the development of societies. Fig (2005) argues that companies do not want to be judged as being involved in social development and environment protection programmes purely out of a sense of obligation for doing business in South Africa during the apartheid era. Fig (2005) states that during the apartheid era, the South African government introduced discriminatory laws resulting in social and economic injustice from which organisations are accused to have benefitted financially.

Bond (2008) argues that the greatest challenge for the success of CSI is that companies look at the growth of corporate wealth as a primary goal and social investment as a secondary matter. Bond (2008) highlights that Suez, a French company, was given a contract to supply water in the Johannesburg area, including Soweto, and began cutting water supply to poor people because of non-payment of services to save costs and improve its profit. According to Bond (2008), this example is a sign of a company choosing to maximise profits rather than making a social investment in the form of providing drinking water to the poor.

Skinner and Mersham (2008) argue that companies spend significant amounts of money on CSI programmes, thus there should therefore be regular assessments on the performance of CSI programmes to assist stakeholders in evaluating the returns yielded by CSI. They further contend that many South African companies indicate interest in CSI, but there are challenges in that investors want key performance indicators to evaluate the effectiveness and returns on CSI. In 2004, the Johannesburg Stock Exchange (JSE) introduced the Socially Responsible Index (SRI) to support investors' belief in sustainable and responsible investment through the evaluation of social, economic and environmental returns on the JSE-listed companies (Skinner & Mersham, 2008). The SRI is the leading indicator in this regard in developing countries (Skinner & Mersham, 2008). The section below will describe the differences between CSR and CSI from the South African context.

2.4 The difference between CSR and CSI

CSI is a South African concept developed from the concept of CSR (Hinson & Ndhlovu, 2011). It is necessary to indicate the differences between the two concepts in this study. Carroll (1999) argues that CSR developed from a general belief that big companies with economic powers have a responsibility for their operational effect on society. Carroll (1999) also claims that CSR is a responsibility taken by the businesses, not for financial gains, but for the impact on society from the business operations. Similarly, De Wet (2007) notes that CSR began many years ago as a commitment from business to run their business activities while taking into consideration the ethical values of society. It was formalised in the twentieth century into CSR (De Wet, 2007).

Skinner, Von Essen and Mersham (2004) affirm that CSR is a programme to address the public's demands on the economic, ethical and moral obligations of companies. It is further articulated by Muthuri and Gilbert (2011) that CSR involves projects that are incorporated into the main business activities of a company in order to deal with the public's concerns of sustaining the economy, environment and society. However, Auld, Bernstein and Cashore (2008) argue that history shows that CSR is about corporate donations that are not related to the company's main business strategy but are owing to social obligations. Falck and Heblich (2007) contend that CSR is an investment by a company, and it may result in future returns, for example, from the highly motivated employees. In contrast to Falck and Heblich (2007), Barbarinde (2009) states that CSR in developed countries focuses more on compliance to standards and corporate governance issues. Barbarinde (2009) states that CSR is not relevant to the African continent as it does not deal with issues related to development of people and poverty eradication. Visser (2008) concurs that these shortfalls in CSR could have motivated the development of the concept of CSI.

May (2006) highlights that the difference between CSR and CSI is that CSI focuses more on the sustainable development of people than the environment. In the same way, Ndhlovu (2011) argues that CSI are projects of a company that are separate from the main business activities and are implemented by the business together with the communities for the purpose of developing these communities. Ndhlovu (2011) agrees with Hanks, Hamann and Sayers (2007) and May (2006) in that CSI focuses more on socio-economic issues, such as health and safety of employees, societal development and being transparent to stakeholders. By the same token, Skinner and Mersham (2008) argue that CSI encourages investment in people development programmes with social returns in the future, for example, South African companies are providing financial services to the previously disadvantaged communities, anticipating an increase in their market share. In addition, Fig (2005) alludes to the fact that CSI is the preferred concept to CSR by South African companies, as it concerns investment in social projects without implying responsibilities as a result of the company's past behaviour.

Argandona and Hoivik (2009) contend that the general consensus is that CSR is grounded on the three responsibilities of economic performance, compliance with regulations and moral behaviour towards communities. According to De Wet (2007), CSI is grounded on the principle of companies investing and taking part in the development of society. Visser (2008) also mentions that CSR differs from CSI, in that CSR has no specific business plan to address the development of the community. The relatively overlooked distinction between CSR and CSI is that CSI includes programmes that encourage economic and social development of communities. Based on the above, CSR and CSI will be considered identical in this study, with the only difference being that CSR deals with the moral responsibilities of the companies while CSI focuses more on social investment and taking part in development of communities.

In addition to financial performance, the performance of companies should be measured according to their actions regarding their responsibilities to society and environment (Elkington, 1997). Furthermore, organisations should go beyond profitability by considering the impact of their operations on society and environment in order to continue operating in the long term (Hubbard, 2009). Similarly, implementing CSR programmes is a bridge towards compliance with King III, JSE, Broad-Based Black Economic Empowerment (B-BBEE) Act and industry charters, which require companies operating in SA to comply with triple bottom line (TBL) requirements (Hinson & Ndhlovu, 2011; IOD, 2009; & Skinner & Mersham, 2008). Similarly, CSR is regarded as an activity that combines the economic, social and environmental concerns raised by TBL (Othman, 2009). The above literature indicates that the difference between CSI and CSR and their objectives is not very clear and thus, this study will explore the employees' perceptions on the benefits and intentions of the company for participating in CSI programmes. Economic, societal and environmental issues are the three pillars of the TBL principle to be discussed in the next section.

2.5 Triple bottom line

The researchers cited below argue that, since the introduction of the TBL principle, CSR can be said to contribute to the positive performance of companies. Furthermore, it is argued that companies that practice CSR show commitment to the TBL principle by including the interests of all its stakeholders when making strategic business decisions (Othman, 2009). Elkington (1997) introduced the TBL principle, where companies should include in their external reports the consequences of their business operations on the economy, the eco-system and their local community. The rationale behind the TBL principle is to broaden the responsibility of companies and to ensure that they are held accountable for the effects their business operations have on the environment and society (Elkington, 1997).

Robins (2006), however, states that the TBL principle creates conflicts of interest among the managers of companies in that they sometimes have to choose between profits for the shareholders and not causing damage to society and the natural environment. According to Robins (2006), the TBL principle was famous during the 1990s as a means for companies to improve their public relations, yet its weakness is that there is no method to evaluate its success. Furthermore, Robins (2006) is of the view that the TBL promotes non-financial issues and that it is against the single goal of making more profits for shareholders.

Similarly, Hubbard (2009) asserts that previously, companies were regarded as organisations for the shareholders, where the companies' performance was evaluated only in terms of financial returns. This definition changed during the 1990s, when a broader perspective was applied and companies became accountable to all interested stakeholders (Hubbard, 2009). Consequently, a need developed for a new method to assess companies' performance, thus the TBL was introduced in 1997 to address this demand (Hubbard, 2009). However, Hubbard (2009) states that the TBL method is not successful because many organisations regard the method to be burdensome and complicated, as it includes social and natural environmental matters, and designated intervention programs are difficult to measure in terms of success. In addition, it is difficult to measure companies' social performance as the social effects of each company differ (Hubbard, 2009).

Steurer (2010) points out that CSR primarily stems from the TBL principle, with the managerial purpose of combining the development of the community and the protection of the natural environment into the company's strategy and in the interest of stakeholders, without expecting any returns to accrue to the company. The TBL principle requires that companies should not only consider profit maximisation, but also the principles of sustainable development (Hubbard, 2009). This study will also determine how employees interpret the CSI of the Company in relation to the company's overall strategy as required by the TBL for companies to include the interests of all its stakeholders such as employees when making strategic business decisions (Elkington, 1997; Hubbard, 2009; & Othman, 2009). Sustainable development will be discussed in the next section.

2.6 Sustainable development

Sustainable development is defined as business activities that address the current demands of protecting the environment for the future generations by meeting the TBL requirements (Slaper & Hall, 2011). Moon (2007) reasons that, like that of CSR, the definition of sustainable development has contradictions. In certain cases, the business is not expected to be concerned about the well-being of society and the protection of the environment; its goal is to make profits for the shareholders (Moon, 2007). However, some scholars argue that sustainable development is a business initiative structured in relation to the product or service provided to the customers, thus positively affecting society and the ecosystem (Moon, 2007).

According to Moon (2007), sustainable development is the business practice of combining the issues of well-being of society and protection of the environment with the commercial interest of a company for the mutual benefit of both the company and society. Steurer (2010) argues that sustainable development, like CSR, intends to incorporate issues of social development and environment crises into corporate strategies as a voluntary contribution. Steurer (2010) believes that CSR started as a business idea to reduce the impact of government regulations, subsequently developing into a business approach that addresses the issue of sustainable development.

Hubbard (2009) describes sustainable development as the consistent growth of a company, which includes the inseparable aspects of social improvement and preservation of the natural environment. Moreover, Othman (2009) states that sustainable development is a process of improving people's socio-economic conditions without damaging the environment or exhausting the natural resources, thus not impacting on the next generation's needs to survive. Research by Warhust (2001) states that sustainable development is the business' actions, including the alignment of economic development and biodiversity conservation, to continuously improve living standards of local communities within and between generations.

Warhust (2001) suggests that CSR is important as it helps the company implement its sustainable developmental goals. According to Slaper and Hall (2011), management of organisations accept that sustainable development and TBL are significant to organisations, as there is growing evidence that sustainable development and TBL carries economic benefits for the organisations. Slaper and Hall (2011) offer an example of sustainable development in the United States of America (USA), stating that it is embraced by the government and by most organisations, but it nevertheless presents a challenge as to how to assess the extent of the success of sustainable development owing to the lack of a standard unit of measurement. However, the lack of a standard unit to measure sustainable development can be an advantage to organisations, as it affords them the flexibility to modify the TBL according to their and their stakeholders' unique needs (Slaper & Hall, 2011).

Hubbard (2009) agrees with Slaper and Hall (2011) in that the challenge with sustainable development is there is no standard tool to measure the performance of companies on their sustainable development programmes, resulting in companies coming under increased pressure to implement non-financial measures on sustainable company performance. Hubbard (2009) further states that various tools in place are available for evaluating and assessing the performance of companies on sustainable development by the stakeholders, but these tools are descriptive, principle-based and without regulatory guidelines. For example, the Dow Jones Sustainability World Index was implemented in the USA to assist investors in making informed decisions on socially responsible investments (Hubbard, 2009).

The study by Slaper and Hall (2011) explain that sustainable development and the TBL are accepted in Europe, and that the TBL has been modified to evaluate the success of sustainable development objectives. Accordingly, Steurer (2010) points out that, in 2005, the French government approved as part of its constitution an Act on sustainable development. This observation aligns to Othman's belief (2009) that governments should take part in creating knowledge for businesses about the benefits of sustainable development and should implement laws to protect the natural environment and non-renewable resources for future generations.

With regard to the African continent, Skinner and Mersham (2008) state that governments in African countries have introduced sustainable development programmes to promote and review economic developments that do not deplete the non-renewable natural resources or damage the environment. However, according to Othman (2009), there is a lack of incentives from the South African government to companies to participate in sustainable development programmes.

In terms of two of the research objectives stated in chapter 1, namely determining what employees' perceptions are on the intentions of a company for participating in social investment programme and gaining the employees' perspectives on and interpretation of CSI, a study by Hargett and Williams (2009) concludes that social and environmental sustainable development are not interpreted particularly well by the employees and managers of the companies as part of the business plan to be implemented by management. Moon (2007) argues that sustainable development is not the sole responsibility of businesses, but that the public must be held responsible for the continuous consumption of products produced from non-renewable resources, and that governments must implement proper regulations.

Othman (2009) stipulates that sustainable development challenges companies and their employees to be creative and innovative in using resources efficiently and to reduce expenses. According to Moon (2007), one of the contributions made by CSR towards sustainable development is the reduction of carbon-dioxide emissions and the economic benefits offered to companies through efficient production processes, customer loyalty and avoidance of penalties from regulators. Another view is that sustainable development is not all about meeting TBL requirements, as companies such as the energy and petrochemicals company Shell recognises that sustainable development and CSR can bring about economic benefits to the company (Moon, 2007). Similarly, Kleine and Hauff (2009) argue that corporate citizenship and sustainable development also result in economic returns to the organisation. According to Hamann (2009), corporate citizenship is about business ethics and corporate governance, for example, organisations including sustainable development concerns into their business operations, resulting in economic returns to the organisations. The above literature indicates that the objective of CSI is to align corporate policies to sustainable development and there is pressure specifically on financial services companies to include sustainable development in their business strategies as it is believed they contributed to global financial crisis, thus this study will also explore how employees interpret the CSI of the company in relation to the company's overall strategy. The next section will look at corporate citizenship more closely.

2.7 Corporate citizenship

Various researchers indicated in this section argue that society expects business organisations to be good corporate citizens through taking part in social investment programmes, which further demonstrates that CSR is a broad concept where organisations are expected to have business ethics. King III states that corporate citizenship essentially means that, in addition to the economic duty to their shareholders, business organisations have a moral duty to develop the society in which they operate and protect the environment (IOD, 2009). Furthermore, there is a financial gain to the organisation, as the resources to sustain the business are protected and a positive relationship with the community for effective business operations is maintained (IOD, 2009).

Companies participate in social investment programmes either for pleasing politicians or investors, for ethical reasons or for the benefit of the company (Wan-Jan, 2006). However, Hamann (2009) argues that CSI is an investment towards the development of community, where the community benefits from an improvement in living standard and the company involved benefits from growth in future economic returns. Diale (2014) agrees with Hamann (2009), maintaining that CSI is a business strategic function that primarily focuses on socio-economic development and business sustainability, whilst at the same time resulting in a competitive advantage for the company. Research by Lin-Hi (2010) explains that the world-wide financial crisis of 2007-2008 is an example of how business could destroy the communities in which they operate in the process of making profits for their shareholders. The global financial crisis left countless people with no jobs, no homes and with their savings and retirement investments depleted (Lin-Hi, 2010). However, Lin-Hi (2010) also explains that there is some evidence that social investment could be done for the joint benefit of the company and the community, and concludes that, while companies do not have an explicit duty to develop society, they must not harm society either.

Hinson and Ndhlovu (2011) argue that corporate citizenship is about the company operating its business in line with business ethics and governance, complying with government regulations on the treatment of employees, protecting the natural environment and respecting human rights. Companies with high moral standards are therefore more profitable than companies with low moral standards (Hinson & Ndhlovu, 2011). According to Eweje (2006), multi-national companies (MNCs) are not good corporate citizens in Africa as they influence local governments in signing business deals that are unfavourable to the local communities and pay less tax to the governments without proper governance and adequate control environments.

Research by Aaronson (2007) indicates that companies have moral responsibilities besides wealth creation to investors, namely those of investing in the development of its employees and in local communities. In contrast, Buchholz and Rosenthal (2005) believe that the money the company makes from its normal operations belongs to the workers and the shareholders. They argue that spending money for the public benefit is unfair to the workers and shareholders, as it is similar to paying more tax to the government.

The above literature indicates that there are expectations from the stakeholders for the companies to be good corporate citizens and it has become clear that companies have to examine the way the individuals and the society perceive their social investment programmes, thus this study will determine employees' expectations from CSI, and whether or not CSI meets expectations of shareholders from the employees' perspective.

2.8 The difference between CSR in developed and developing countries

It is common knowledge that developing and developed countries adopt different CSR approaches, depending on the needs of their communities (Chen, 2011). In the previous study, Galbreath (2010) argues that the concept of CSR can vary from country to country, representing each country's social needs. This argument is similar to the one made by the World Business Council for Sustainable Development (2012), where CSR is different in each country and there is no general CSR standard. Moreover, developed countries have a much better rating than developing countries in terms of the CSR principles, for example, the UK is rated number one in CSR principles and more than 50% of the companies operating in London believe in CSR (Carroll & Shabana, 2010). However, these developed countries are accused of sending their non-compliant companies to operate in developing countries as there is a lack of proper monitoring and adequate justice systems in these countries (Skinner & Mersham, 2008).

A study by Galbreath (2010) shows that developing countries tend to adopt CSR concepts from developed countries, which have proven to be difficult to implement because of cultural differences. Furthermore, in certain developing African countries, CSR is still in its early developmental stage, where legal, moral and human rights are a lower priority (Jallow, 2009). In contrast, developed countries have good corporate governance, which improves the chances of successful CSR programmes, compared with developing countries, which have poor legal institutions (De Chiara & Spena, 2011).

South Africa, also a developing country, is no exception to the above situation, as South African companies prefer to use CSI instead of CSR as a voluntary programme to invest in the development of society without any obligation (Skinner & Mersham, 2008). Moreover, during the apartheid era, CSR in South Africa was about funding non-governmental organisations and selected projects and, in certain cases, the funding was secretive (Sonnenberg & Hamann, 2006). In contrast, in the post-apartheid era South African companies support and align their social investment programmes to their business strategies and they are more transparent about their social spending (Hinson & Ndhlovu, 2011).

A high number of MNCs operating in Africa are based in South Africa and these companies contribute to South Africa with much more developed CSR compared to other African countries (De Chiara & Spena, 2011). In addition, the South African government encourages companies to move from social responsibility to investment in the social development of communities to improve their residents' living standards and not to only make donations, as donations do not result in sustainability and empowerment (Skinner & Mersham, 2008). Although it is clear that there are benefits from CSI, It is also clear that there are different expectations on CSI programmes from stakeholders whether from a developed or developing country. It is therefore also for this reason that this study will determine employees' expectations from CSI, and whether or not CSI meets the expectations of shareholders from the employees' perspectives. The next two sections will further discuss the CSR approach adopted by developed as well as developing countries and how it affects the approach chosen by the South African companies.

2.9 Development of CSR in developed countries

Pressure from campaign groups and increasing evidence on the benefits of companies participating in social investment programmes played an important role in the development of CSR in the developed countries (Brammer, Jackson & Matten, 2012). According to Eweje (2006), companies in developed countries, for example, the United Kingdom (UK), spend their money on CSR, promoting sports and other entertainment activities. This type of spending contrasts with the type of initiatives by companies in the developing countries, which instead focus on health, education, supplying clean water and promoting human rights (Eweje, 2006).

A study conducted by Steurer (2010) indicates that CSR programmes are the result of prevailing needs and the on-going requests of stakeholders. CSR programmes are neither actions to comply with regulations nor companies' voluntary actions, but are responses to the need to address the demands of a developing society and protecting the natural environment (Steurer, 2010). Steurer (2010) explains that European companies realised that they could incur financial losses should they fail to satisfy the demands of the stakeholders and, consequently, they would have failed on their fiduciary duties of protecting the investors' money. According to Moon (2007), Europe, in particular the UK is known to be at the forefront of CSR.

Research by Steurer, Langer, Konrad and Martinuzzi (2005) indicates that in Europe there is no agreed standard on the involvement of government in CSR and governments choose to be involved in CSR either through awareness campaigns, providing tax benefits to participating companies or through the introduction of laws on CSR. According to Steurer (2010), the Swedish government provides a financial benefit to Swedish companies by giving surety on foreign business ventures on condition that these companies comply with the principle of anti-corruption. Similarly, the UK government provides tax benefits to employees who contribute to CSR funds (Steurer, 2010).

Moon (2007) states that in the USA, CSR became more popular in the 1950s as a voluntary activity by the organisations to give to society without government regulations. Steurer (2010) accordingly asserts that CSR programmes are highly prominent in developed countries with limited government regulations on the development of local communities and the protection of the natural environment. In addition, some companies practise CSR to obtain political favours and operating licences (Steurer, 2010).

Globalisation brought business opportunities to MNCs but it came with various social and environmental responsibilities, especially in developing countries (Harish & Santhosh, 2013). There is on-going pressure especially on the financial services companies from the developed countries to provide its stakeholders such as the employees with information about the CSI programmes implemented (Hinson & Ndhlovu, 2011). In the South African context as a developing country, this study will determine employees' expectations from CSI, and whether or not CSI meets the expectations of shareholders from the employees' perspective. This will take us into the next section, where the development of CSR in developing countries will be discussed.

2.10 Development of CSR in developing countries

In this section of the literature review, the focus will be on the development of CSR in developing countries as well as on the arguments made by various researchers that the societal developmental needs of developing countries are different to that of developed countries. Eweje (2006) demonstrates that there is limited literature on CSR in Africa compared with other developing regions, such as Asia and South America. The available literature is mostly about CSR in South Africa and Nigeria, as most MNCs operate in Nigeria and South Africa (Eweje, 2006). In addition, it is a challenge to perform a study in countries where there is still political instability, as is the case in certain African countries (Eweje, 2006). Eweje (2006) also states that where there is a presence of MNCs, there are observable economic developments and there are human rights issues being addressed.

Research by Eweje (2006) notes that communities in developed countries have different social investment needs compared with communities in developing countries. For example, the social investment needs of people from Nigeria are basic healthcare, clean water and electricity, while in developed countries these necessities are supplied by the government (Eweje, 2006). Companies operating in developing countries are therefore under pressure to provide services that should be provided by the government (Eweje, 2006).

In a similar argument to the ones raised by Hamann (2009) and Fig (2005), Idemudia (2011) states that CSR is not an accepted practice by developing countries, as it is considered to be a concept that serves the interests of developed countries. It is perceived not to cover issues such as poverty, infrastructural development and child labour, and it also lacks the African perspective of 'Ubuntu', which Idemudia (2011) explains as the African perspective of being kind to other people. Furthermore, it is perceived that the cultural and environmental concerns of developing countries are not addressed by CSR (Idemudia, 2011). Similarly, Bond (2008) writes that in 2002 it was concluded by various non-governmental organisations at a United Nations' conference held in Johannesburg that the existing CSR programmes were ineffective for developing countries.

Like Fig (2005), Bond (2008), Hamann (2009) and Idemudia (2011), Skinner and Mersham (2008) argue that the social investment programmes from developed countries are not suitable for the communities in developing countries and should not be recommended against the will of those communities. Skinner and Mersham (2008) further argue that the social investment programmes should be based on the developmental needs that are identified and discussed with the people within the relevant community. Proper communication with the communities is important to identify and agree on the role of stakeholders, the skills required and the contribution of each interested party for the success of the social investment programme (Skinner & Mersham, 2008).

According to Hinson and Ndhlovu (2011), the most successful companies are likely to invest more in social development programmes and, in return, they are more likely to benefit from these social investments. In contrast, however, small companies in underdeveloped countries do not have the financial capacity to include social development in their business strategies in order to make financial gains (Hinson & Ndhlovu, 2011).

A study by Idemudia (2011) highlights that there are contradictory perceptions between international companies and the local communities of developing countries on social investment programmes. According to Idemudia (2011), international oil companies, such as Shell, have on-going confrontations with environmental campaign groups in Nigeria, which contend that the oil companies are not making financial social investments in the people from Niger Delta. Niger Delta is a region in Nigeria with large amounts of oil reserves, where the oil companies are extracting oil (Idemudia, 2011). Similarly, Eweje (2006) states that, in Nigeria, the community of the Ogoni village protested against Shell for its inadequate social investment programmes and for the company's failure to consult with the villagers to understand their social needs before implementing social investment programmes. In contrast, Moon (2007) explains that Shell is mostly considered to be far ahead of other companies in terms of sustainable development. However, there are critics who believe that the source of Shell's success with sustainable development is owing to the oil industry in which Shell operates, and in the interest of restoring the company's damaged image following its activities in Nigeria (Moon, 2007).

Hinson and Ndhlovu (2011) agree with Idemudia (2011) that there is increasing pressure from different stakeholders for MNCs operating in Africa to contribute towards continuous development of the communities in which these companies run their businesses, even though it is not their responsibilities from an economic perspective. Consistent with the work of Idemudia (2011), Hinson and Ndhlovu (2011) explain that in Africa there is growing pressure on MNCs specifically involved in mining, gas and oil extractions to be responsible for the on-going damage to the climate. It is perceived that these companies participate in social investment programmes so as to present themselves as an environmentally responsible company (Hinson & Ndhlovu, 2011). MNCs thus face the challenge of selecting an appropriate social investment programme to fund in Africa based on the principles of their home countries and the attitude of the managers towards the political environment in Africa (Hinson & Ndhlovu, 2011).

Eweje (2006) explains that there are critics of MNCs specifically because they operate in developing countries with governments that have no proper governance institutions and as well as violate human rights on health and safety. Eweje (2006) further explains that these companies are accused of paying licence fees, royalties and taxes that finance military forces and sustain conflicts within those countries. On the background of the above literature that indicates there are contradictory perceptions from the stakeholders in the developing countries about the objectives of the companies to participate in the social investment programmes, this study will explore on the employees' perceptions on the benefits and the intentions of the company for participating in CSI programmes.

2.11 CSR in South Africa

The literature review performed in this section indicates that the South African history, introduction of regulations, industry charters and corporate codes influenced the development of CSR in South Africa. Various studies, shown below, indicate that there is an increasing public demand for CSI owing to concerns regarding the environment and the well-being of society in South Africa.

According to Eweje (2006), CSR in South Africa has been extended to include affirmative action, HIV and AIDS, black economic empowerment and unemployment. In addition, Eweje (2006) emphasises that CSR is not constant, but is rather based on the circumstances of the local community. The principle of social investment has existed in South Africa from the 1950s, but was only formalised in 1977 in response to the 1976 Soweto riots (Nyar, 2011). Like Nyar (2011), Friedman, Hudson and Mackay (2008) are of the view that social investment programmes in South Africa are not pro-active and spending on social investments is minimal as it is perceived as an effort to reduce extreme political and social changes in South Africa. They further hold that, from 1976 until 1990, companies increased spending on social investment programmes in an effort to undo the damage caused by the apartheid government. Subsequently, from 1990 until 1994, companies increased spending on social investment programmes as part of their marketing strategies (Friedman et al., 2011). Thereafter, from 1994 until 2002, companies shifted their social investment programmes from being part of the marketing strategy to being part of the corporate strategy, as well as focussing on complying with the TBL requirements (Friedman et al., 2011).

Eweje (2006) explains that managers in South African companies believe that there are returns to be realised on social investments in local communities in the form of well-educated employees. Fig (2005) states that a perception exists in South Africa that social spending is something that should be done by companies that accumulated wealth during the apartheid era to correct social damages that occurred in the past. Similarly, a study conducted by Nyar (2011) highlights that there is a general negative view of the social investment contribution from South African companies because these companies are judged to have gained unfairly during the apartheid era.

However, Fig (2005) explains that most companies that spend on social and environmental crises and concerns in South Africa are companies with products or business operations that damage the environment and have negative social effects within the community. Accordingly, these companies spend significant amounts of money improving their public images through publicising their successful social initiatives (Fig, 2005). A similar study by Bhattacharya and Sen (2004) concurs with the findings from the study conducted by Fig (2005), noting that people have reservations when a company with a bad reputation owing to the nature of its products, such as mining and oil extraction, spends money on social investment programmes. Consistent with this observation is the study conducted by Hamann (2009), which states that the award KPMG gave to a tobacco company for the best sustainability report appears to be contrary in nature to the damage being done to the health of people who smoke cigarettes.

According to Hamann (2009), an example of the conflicting interest between social investment and profit-making is evident in the case where 7 500 South African miners successfully sued a multi-national mining company in 1997 for contracting lung disease because of the lack of dust control in the mines. Although this case eventually led to the liquidation of that mining company, other mining companies still continue with this risky business practice in their drive for profits, with no regard to the health of miners (Hamann, 2009).

Research by Bond (2008) argues that the other reason South African companies participate in social investment programmes is because of the world-wide pressure exerted by the international environmental campaign groups. Bond (2008) states that companies such as Sasol, which in the past has won awards for good sustainability reporting, are alleged to be using social investment programmes for improving public relations. However, Sasol is one of the main air polluters in South Africa (Bond, 2008).

Fig (2005) explains that some companies have indicated their dedication to accumulating wealth at all costs. For example, there are many MNCs that continued to operate in South Africa during the apartheid era with no regard to social justice. In a similar study by Nyar (2011), it is noted that social investment programmes that focus more on donating money for good causes only became more active after the post-apartheid government was formed in 1994. The post-apartheid government created a productive and mutually beneficial relationship with business by means of social development, and also introduced legislations and codes of conduct to encourage businesses to consider the concerns of all stakeholders regarding their business strategies (Nyar, 2011). According to Nyar (2011), the government's approach helped companies operating in South Africa not to be held responsible and accountable for social damages that occurred during the apartheid era. However, that approach has drawn criticism regarding the failure of CSR to address poverty and inequality (Nyar, 2011).

Fig (2005) states that there is a public perception that South African companies are not spending enough money on community development, which is essentially the reason that there are numerous campaigns against business organisations. This finding is consistent with the finding by Nyar (2011), who posits that the xenophobic attacks on African foreigners in South Africa in May 2008 are evidence of the failure of South African companies to assist in fighting poverty and providing education to the poor. Moreover, Nyar (2011) explains that during those attacks most companies reacted only when their business operations were affected, for example, those companies only assisted the local communities in order to protect their business operations or to ensure that their employees were able to get to work.

Hinson and Ndhlovu (2011) explain that globalisation and the listing of South African companies on the international stock exchanges stimulated awareness around CSR in South Africa. Hinson and Ndhlovu (2011) further explain that South Africa is the biggest country in Africa in terms of economic development and therefore most literature about CSR in Africa focuses on South Africa. South Africa also makes a significant contribution to the development of society and it is one of the few countries that respect human rights (Skinner & Mersham, 2008). Thus, testing the perceptions of employees on the ROI from CSI from a South African perspective in this study will be relevant as the findings might add significant value that could assist in the successful implementation of future CSI programmes.

2.12 Regulation of CSR in South Africa

The introduction of King II emphasised the importance of South African companies in participating in social investment programmes (IOD, 2002). King I came into effect in 1994 to deal with corporate governance matters and to promote an integrated approach in companies when doing financial reporting (IOD, 1992). King I advocates good corporate governance by management of companies and recommends that companies should implement policies and ethical standards and processes to improve accountability (IOD, 1992).

King II was subsequently introduced in 2002, and it required companies to report on how they are treating the damage caused to society and the natural environment owing to their business operations (IOD, 2002). This stipulation is to ensure that all concerns regarding employees, the environment, society, government and shareholders are considered by companies (IOD, 2002). Furthermore, King II introduced compliance with the TBL principle and the principle of sustaining non-renewable natural resources by companies (IOD, 2002).

Finally, King III was released in 2010, and it recommends that companies create good relationships with their local communities (IOD, 2009). The JSE requires listed companies to comply with King III (IOD, 2009). According to Nyar (2011), however, there are arguments that companies only participate in social investment programmes for the sake of complying with the JSE regulations. King III also requires companies to include in their business strategies their plans to deliver on their social and environmental responsibilities (IOD, 2009).

King III further explains that management must be fully committed to the successful implementation of CSI initiatives in order for the company to obtain returns on the social investment (IOD, 2009). Accordingly, there is growth in the value of the company through the creation and maintenance of the company's positive image from participating in social investment programmes (IOD, 2009). It is the duty of management to implement the company's CSI strategy under the guidance of the board of directors, and King III promotes the principle of acting in the interest of all stakeholders, not only in the interest of the shareholders (IOD, 2009).

According to Nyar (2011), there are different perceptions on the role to be played by companies in terms of social responsibility. Nyar (2011) explains that some companies are of the perception that social investment is the responsibility of the government. For example, following the xenophobic attacks in 2008, South African companies provided financial assistance to the victims only after the government had put pressure on them (Nyar, 2011). However, Eweje (2006) indicates that MNCs believe that their powers to enforce respect regarding human rights are restricted to their employees and that it is the responsibility of governments to familiarise their citizens with respecting human rights.

Fig (2005) argues that the post-apartheid South African government made it voluntary for companies to address the social and environmental damages caused by the apartheid regime, but it was unsuccessful as companies continued to operate 'business as usual' while damaging the environment and not improving the well-being of the local communities. Fig (2005) further argues that it is an indication that without proper regulations, companies will continue to make profits with no consideration to social justice. In contrast, other scholars argue that governments should not get involved or intervene in social investment but allow companies to be self-regulated (Wan-Jan, 2006).

The argument made by Idemudia (2011) is consistent with arguments by Glover (2007), Nyar (2011) and Fig (2005), in that governments need to intervene and create an environment that encourages social investment programmes. Similarly, Bartle and Vass (2007) contend that governments could assist businesses by creating an environment that encourages companies to increase their participation in CSR through regulations and financial benefits. Furthermore, Bartle and Vass (2007) believe that governments in Europe have taken the responsibility of encouraging CSR as an ethical practice of companies and governments working together towards the development of local communities and the protection of the natural environment. An association of governments, businesses and non-government organisations should be formed to combine resources and set up social investment programmes that deal with the social and environmental challenges (Warhust, 2001).

In this regard, Fig (2005) contends that the South African government does not want to interfere or take action against companies that do not spend on social and environmental issues for the fear that interference might results in possible job losses. However, Hinson and Ndhlovu (2011) state that the core principle of CSI is that business and government need to develop a working relationship to obtain returns on social investment.

Friedman et al. (2008) highlight that the South African government partly influenced businesses to spend an amount of R5 billion on CSI during the 1997/98 financial year, which is greater than the amount spent by the European companies relative to revenue. Approximately R5,4 billion was spent in South Africa on CSI during the 2009/10 financial year (Trialogue, 2011). Hinson and Ndhlovu (2011) agree with Friedman et al. (2008) that the South African government played a part in promoting CSI spending growth through legislation and the introduction of the B-BBEE Act, which requires companies to spend part of their profits on the development of society.

Eweje (2006) states that the Angolan government implemented a law that requires MNCs that are extracting oil and gas in Angola to spend a minimum of 10% of their production costs on local material and labour. Eweje (2006) contends that the law is intended to ensure that local communities benefit from the extraction of local natural resources through economic development and employment. In this study by Eweje (2006), it is noted that some governments in Africa increased licencing fees and company taxes, and included contribution to social development as a requirement when tendering for business in order to maximise the social and infrastructural developments of local communities. The results also revealed that the South African government as a stakeholder has a positive perception on CSI and encourages companies to invest in social development and the government does not want to interfere with CSI strategies. This study will look at how employees as stakeholders interpret CSI of the company in relation to the company's strategy.

2.13 CSR and the stakeholders

The impact of CSI on employees as stakeholders is the key issue of this study. This section will discuss the influence and perceptions of stakeholders towards the success of CSI programmes. According to Idemudia (2011), social investment programmes are the responsibility of all stakeholders and a failure from one stakeholder to participate could result in the failure of the whole programme. Idemudia (2011) also states that there is a need to shift away from looking only at the contributions of the companies and to start looking at the total contribution of all stakeholders for the success of social investment programmes.

Similar to the stance assumed by Nyar (2011), Idemudia (2011) contends that the failure to implement a successful social investment programme is because of a lack of understanding of the role of government in CSI programmes. A study by Nyar (2011) concludes that the Nigerian government does not have policies and procedures in place to monitor the implementation of social investment programmes. Idemudia (2011) also highlights that the lack of a proper framework on the amount of money companies are expected to spend on social investment programmes contributes to the perceived failure of these programmes.

King III defines stakeholders as any number of people that make a difference to the organisation's strategy (IOD, 2009). A study by Maignan and Ralston (2002) on stakeholder theory indicates that companies have a responsibility to satisfy the particular interests of each stakeholder group. Hasnas (1998) states that a stakeholder is any person with an interest in a company and, for a company to achieve its business objectives, managers have to give equal consideration to the interests of all stakeholders. In contrast with Hasnas (1998), Nasi, Nasi, Phillips and Zyglidopoulos (1997) and Maignan and Ralston (2002) contend that management of companies only respond to the needs of the stakeholders with bigger influence. Similarly, King III indicates that, depending on their circumstances, organisations might not always give equal attention to the concerns of the stakeholders (IOD, 2009). However, organisations should ensure that stakeholders trust that the organisations will take into account their concerns when making strategic decisions (IOD, 2009).

Wan-Jan (2006) states that there are some scholars who believe that it is wrong for a company's assets to be used for social initiatives instead of more valuable investments with greater financial returns. In certain cases, management could use the company's assets for personal gain and career promotion instead, thereby neglecting their duties of representing the shareholders (Wan-Jan, 2006). Contrary to this view is that of those who believe that management should satisfy various role players with different interests in a company to enhance growth and sustainability of the company, as shareholders will gain from the capital growth of the company while society will benefit from the social development (Preston & O'Bannon, 1997).

King III states that when management considers the effect of running an organisation on the economy and the living conditions of its local society in the business strategy, it will result in successful and lasting company growth (IOD, 2009). According to Snider et al. (2003), in most cases, detailed ethical values of companies operate as a guide for the companies' CSR programmes and successful companies focus on three stakeholders, namely customers, employees and shareholders. It is also stated in this study by Snider et al. (2003) that CSR strategies for MNCs give first priority to the needs of their customers and then the needs of the companies' employees.

Research by Nyar (2011) concludes that customers, depending on the industry in which the company operates, might force the company either to participate in or withdraw from social development and environmental issues. By examining a US-based company, Monsanto, which was initially forced to participate in social investment programmes but later forced to withdraw by the stakeholders, Glover (2007) affirms the effect of pressure from stakeholders on whether or not companies become involved in social investment programmes. According to Glover (2007), Monsanto included social investment programmes and sustainable development in its business strategy, in which social spending should not be judged by society as a public relations exercise. However, it later emerged that some social investment programmes could lead to the downfall of a company (Glover, 2007).

Glover (2007) further states that the intention of Monsanto with its social investment programme was to help poor, small farmers by supplying them with biotechnology to produce genetically modified products. However, that idea was rejected by the European Union and the farmers group, as it was considered to be detrimental to the sustainability of small farming business (Glover, 2007). Glover (2007) further contends that when Monsanto reported a financial loss of US$1.69 billion, its management decided to significantly cut spending on its social investment programmes to reduce company expenses and make profits to satisfy investors. This move emphasised the belief that the interests of shareholders would always come first during the operations of the company (Glover, 2007).

In a similar argument, Bond (2008) states that communities are capable of forcing companies to participate or initiate social investment programmes. Furthermore, Bond (2008) contends that international pharmaceutical companies were reluctant to lower costs of their medicines to combat the HIV epidemic in Africa and wanted to continue making huge profits. These companies only reduced their prices after campaigns by various lobby groups (Bond, 2008). Consistent with the studies by Bond (2008) and Glover (2007), Eweje (2006) notes that Shell included social investment programmes in its business strategy following pressure from environmental activists.

According to Barnett (2007), MNCs treat shareholders as stakeholders of great value, hence these companies' CSR programmes mostly focus on providing sound information to the shareholders truthfully and honestly. Furthermore, these companies' CSR programmes include increasing the investment value of the shareholders through the supply of quality products or services to customers (Barnett, 2007). In the study by Snider et al. (2003), it is argued that MNCs such as Nissan treat society as a stakeholder, which requires CSR programmes to be directed towards human rights. Snider et al. (2003) further argue that in certain cases global companies such as Bristol-Myers Squibb, a company in the healthcare business, make contributions to society in the form of their products or services. According to Aguinis and Glavas (2012), employees are necessary stakeholders involved in the running of day-to-day operations of the company. In the next section, the role of employees on CSR will be discussed. As stakeholders of a company include employees, it seems reasonable to believe that based on the above literature this study on the perception of employees on ROI from CSI will have an impact on successful implementation of future CSI programmes. In the next section, the role of employees on CSR will be discussed.

2.14 The role of employees on CSR as stakeholders

Determining the attitudes of employees towards CSR might answer questions on the impact of CSR on companies, as employees are the key stakeholders with direct influence on the achievement of the company's strategy (Aguinis & Glavas, 2012). According to Barnett (2007), activities by a company that exhibit CSR might positively affect how employees perceive that company and might create and sustain a good relationship between the company and the employees, which could improve the company's image and the shareholder value.

In order for the companies to successfully implement their business strategies, they must consider the interests and perceptions of their employees on their strategies (Aguinis & Glava, 2012). Companies thus should maintain positive relationships with its employees to be able to obtain and interpret employees' perceptions (Aguinis & Glava, 2012). Similarly, Baron (2009) affirms that including the perceptions of employees in the business strategies will result in a surge in companies' shareholder values and the levels of business competitiveness. Moreover, there is a social responsibility for the companies to respect the rights of their employees and treat their employees fairly, which is necessary in order for the companies to reach their business goals and maintain their long term business interests (Baron, 2009).

The study by Hartmann (2011) demonstrates that a company participating in CSR can attract potential employees, who could be a benefit to the company in the form of skilled, committed and motivated employees. Similarly, a previous study by Brammer (2007) argues that employees have a positive perception about a company participating in CSR programmes and that CSR also improves the company's reputation towards its employees, resulting in productive employees. In addition, a study by Nyborg and Zhang (2013) affirms that CSR can be beneficial to a company because employees might accept lower salaries from a company that is active in CSR programmes.

Hartmann (2011) agrees with Jones (2010), Brammer (2007) and Nyborg and Zhang (2013) that, when employees obtain assistance from their employers with achieving career growth and promotions, the companies also stand to benefit from the high productivity and efficiency of employees. In addition, these companies recognise various views and approaches of its employees in order to promote creativity, which in turn contributes to the success of such companies (Jones, 2010). Finally, the attitude of management towards CSI could have an influence on the attitude of the rest of the employees of the company towards CSI programmes (Smith & Sypher, 2010).

A study by McDonald and Liebenberg (2006) shows that there are various perceptions by the employees of an organisation towards social investment programmes and that the perception of whether or not social investment is an ethical issue or part of business strategy is very important as it guides management on how to treat its employees. In addition, there is a general belief that choosing management's favourite stakeholders and taking care of their needs is the best way to address the issue of social investment (Snider et al., 2003). In contrast, Bond (2008) contends that the mining company Anglo-American demonstrated that making a profit came first in its business strategy, after its cost analysis indicated that it would be beneficial from a financial perspective for the company not to provide HIV drugs to its HIV-positive employees. However, the company was eventually forced to supply drugs by the National Union of Mine Workers (Bond, 2008).

The above literature may provide evidence to suggest that there are benefits for the company from CSI programmes and the employees have a role to play. Thus this study will also explore the employees' perceptions on the benefit and the intentions of the company for participating in CSI programmes. The next section will focus on the ROI of CSI, which could indicate possible perceptions of employees as stakeholders on ROI of CSI.

2.15 ROI of CSI

Friedman (1970) rejects the principle of social responsibility, asserting that the only responsibility of companies is to make more money while adhering to the laws of the country in which they operate. According to Friedman (1970), CSR diverts the key objective of the business by using the company's resources on social and environmental matters instead of focusing on maximising the profits for the investors. Contrary to Friedman's view (1970), Moon (2007) believes that business strategies have changed, with employees, governments and customers influencing companies' CSR strategies so that companies now accept that there are economic benefits to be derived from the implementation of CSR programmes. A previous study by Warhust (2001) concludes that government regulation provides guidelines and advice, but that business has the responsibility to ensure biodiversity conservation and improve the living standards of the local communities. In addition, Warhust (2001) argues that CSR has evolved from being a company's obligation to the community to a social investment for the benefit of both the company and the community.

It is explained in the study by Heinze et al. (1999) that it is the responsibility of management to ensure that the wealth of the company grows and to consider the social and environmental effects and crises on their daily business operations. Heinze et al. (1999) further state that management has to set priorities, since there are certain perceptions that participating in social development reduces the profits of the company. However, Godfrey (2005) argues that there is an increasingly popular view from shareholders and investment analysts that CSR is an activity that creates an intangible asset of the company. Likewise, Valentine and Fleischman (2008) state that CSR is a programme with a positive impact on the company's profitability. Lubin and Esty (2010) also note that shareholders interpret CSR as a set of policies that increase company's financial performance and reduces business and financial risks. In addition, Fombrun (2005) and Branco and Rodriques (2008) agree in their studies that CSI can result in positive financial returns to the company and can also improve the company's reputation and image. Rockey (2005) emphasised in his study that CSI improves the company's reputation to its stakeholders. Therefore, there is a general perception that social investment improves a company's economic performance and competitiveness.

A study by Glover (2007) concludes that companies voluntarily became involved in social initiative programmes for their own benefit in the form of brand marketing, thus the programmes chosen do not always address the needs of society. Branco and Rodriques (2008) suggest that the outcome of CSI is beyond social development but indirectly to bring financial benefits through competitive advantage. A study by Barnett and Salomon (2006) shows that there is a positive link between CSR and the financial benefits of the company. Similarly, a study by Ambec and Lanoie (2008) support the findings of the study by Barnett and Salomon (2006) in that programmes developing and protecting society and environment results in financial benefits to the company. In contrast, Jones (2010) argues that social investment programmes established with the purpose of financial benefit do not agree with the principle of social and ethical giving.

According to Steurer et al. (2005), organisations could obtain economic benefits from CSR depending on how it is perceived within the organisation and by the stakeholders. In addition, investors prefer investing in companies with transparency and companies that publish reliable information on CSR programmes (Steurer et al., 2005). The study by Porter and Kramer (2003) confirms that CSI improves the company's business long term goals and its sustainability.

Ferrell and Maignan (2001) suggest that customers are interested in the company that invests in its community and they are prepared to show support by purchasing the products of such a company. Vogel (2005) confirms the findings of the study by Ferrell and Maignan (2001) in that customers choose which products to buy based on the company's CSI programme. CSI has developed in South Africa and it is no longer about making donations (Freemantle & Rockey, 2004). Rather, it has matured into a business strategy that generates returns to the company in the form of goodwill (Freemantle & Rockey, 2004). Porter and Kramer (2006) argue that it is not the responsibility of companies to solve social problems but a company can invest its resources towards society in cases where the company stands to benefit as well.

Research by Friedman et al. (2008) shows that in South Africa most companies have formed separate departments to deal specifically with CSI to ensure that CSI programmes are not perceived as public relations exercises for the promotion of company brands. They also contend that businesses perceive that there are various forms of returns emanating from investing in CSI including, among others, improving the standard of living of employees, improving the productivity of employees, lowering cost of capital and avoiding penalties from regulators. Companies should encourage their employees to participate in companies' CSI programmes through the transfer of skills and expertise as it results in benefits to the companies by means of an increase in productivity, confidence and enthusiasm of employees (Trialogue, 2011).

The work done by McWilliams and Siegel (2001) notes that social investment programmes are company strategies put in place to maximise shareholder value. In contrast, Forehand and Grier (2003) argue that not all social investment programmes bring financial returns to the company. The study by Brammer and Pavelin (2005) suggests that social investment programmes assist in reducing the impact of adverse occasions as well as increasing company's image to the stakeholders.

Against this background, it is understood there are growing perceptions from various stakeholders that CSI or CSR is a set of company policies with positive contributions to company's ROI. Furthermore, the current literature suggests that CSI results in benefits to the companies by means of an increase in productivity, confidence and enthusiasm of employees. Thus, this study will also determine whether or not CSI has any influence on employees when choosing an employer.

2.16 Conclusion

According to the literature review, there are no common definitions of CSR and CSI, despite the widespread studies performed on the subject. Furthermore, it appears that the meaning of CSR and its impact varies over time as well as according to its stakeholders. The question remains of how stakeholders perceive the impact of CSI programmes. This lacuna in the literature could imply that organisations need to regularly review their CSI strategies in order for their CSI programmes to remain relevant to their stakeholders.

The literature review presents a broad understanding of CSR approaches in South Africa, as well as in other developing and developed countries. Although some studies highlight the benefits to the organisations from participating in social investment programmes, it seems that some stakeholders are still uncertain regarding the nature and possibility of returns from CSI. It further seems that, according to some organisations, CSI is a business requirement that provides a competitive advantage. Other organisations seem to practice CSI in order to comply with regulations or as a matter of ethics.

Because of the aforementioned lack of a common definition of CSI and the different expectations of stakeholders from CSI programmes, there is a need to explore the perceptions of employees of the ROI of CSI.

In the next chapter, the research methodology chosen for this study will be outlined.

Chapter 3: Research methodology

3.1 Introduction

The previous chapter was a review of the literature that addresses the concept of CSI. The literature dealt with concepts from the TBL, corporate citizenship, sustainable development, ROI from CSI, development of CSI, regulation of CSR in South Africa, definition of CSR and CSI. This section of the study highlighted that there is limited literature related to the perception of employees towards CSI from a South African financial services company. Saunders et al. (2009) mention that it is necessary to determine a relevant research methodology, which addresses whole research process from the theoretical foundation and data collection and analysis to the answering of the research question.

This chapter will explain the research methodology and design applied in exploring the perception of employees on the ROI from CSI at a South African financial service company. It is necessary to discuss the research design and method applied in this study because it will provide the rationale on the chosen research methodology (Morgan, 2010). Logical method was required in this study to assist in collecting suitable research data and attain research findings that answered the research question and met the objectives (Morgan, 2010). The research methodology will offer a demonstration on the investigations followed to answer the research question in this study.

The overall research problem of this study is that the topic of CSI has been well researched but there is limited research available on the perspective of employees with regard to the ROI from CSI. The overall objective of the study is to explore the perceptions of employees on the ROI from CSI at a South African financial services company.

The phenomenon under study was a South African financial services company, where the perceptions of employees on the ROI of CSI were explored. Subsequent to the discussion of the research strategy and design in this chapter, the following sections will focus on the advantages of the selected research method, sampling and data analysis techniques chosen for this study. These sections will explain how the data was collected and analysed. The last section of this chapter is the conclusion on the research methodology and design applied in this study.

3.2 Research objectives

The proposed specific research objectives for this study will be discussed below. The research question formulated in respect of the above overall problem statement is the following: What is the perception of employees on the ROI from CSI at a South African financial services company?

The following are the specific objectives of the study:

- To explore the employees' perceptions on the benefits and intentions of the company for participating in the CSI programmes.
- To gain an understanding of how employees interpret the CSI of the company in relation to the company's overall strategy, and whether or not CSI has any influence on employees when choosing an employer.
- To explore how employees describe the ROI from CSI and if, in their opinion, CSI contributes to the company's financial performance.
- To determine employees' expectations from CSI, and whether or not CSI meets the expectations of shareholders from the employees' perspective.

3.3 Research strategy

The research strategy can be explained as the related activities applied in undertaking a study (Biggam, 2008). Saunders et al. (2009) explain that the research strategy is an overall plan used to conduct a study in answering a research question. Prior to discussing the research strategy chosen for this study, there will be an overview of the qualitative and quantitative research strategies. Qualitative research is a subjective means of exploring the interpretations of individuals or groups and quantitative research is an objective examination on the relationship amongst variables (Anderson, 2006).

This study applied an exploratory descriptive qualitative research strategy to explore and describe the perceptions of employees on the ROI from CSI in the context of a South African financial services company. According to Silverman (2013) exploratory descriptive qualitative research strategy will provide an understanding on the perceptions and experience of the employees. Furthermore, qualitative research was used in this study because it is a non-statistical strategy, which can provide an understanding on the perceptions of employees of a South African financial services company (Leedy & Ormrod, 2010). In contrast, a quantitative research strategy relies on the collection of numerical data, mostly in large units, with the data statistically analysed to describe and formulate a really explanation about a social event or situation (Saunders et al., 2009).

It was appropriate to apply an exploratory qualitative research strategy in this study to understand the perceptions of individuals because a qualitative research strategy interprets a social event or situation within the context of the research subjects' perceptions (Noor, 2008). This research strategy is also consistent with interpretivism, which relates to interpreting the views of research participants and understanding any differences in these views (Saunders et al., 2009). Exploratory research will also lead to a new understanding about the phenomenon under study through questions and the evaluation of responses and opinions (Bryman, 2008).

In summary, the chosen research strategy for this phenomenological study comprises a descriptive exploratory qualitative strategy to collect and analyse the data on the personal perspectives of employees, not a quantitative strategy, which focuses on quantification of research theories. Establishing a suitable research design of this phenomenological study is necessary in order to overcome challenges of the selected research strategy (Saunders et al., 2009).

3.4 Research design

Research design is the main strategy that stipulates the techniques for collecting and analysing research data to answer the research questions (Creswell, 2012). Yin (2011) contends that a research design is defined distinctively based on what the study wants to achieve and that it is the framework to follow in order to accomplish the research objective.

The research design for this study was an exploratory descriptive research design applying a phenomenological qualitative approach to obtain an understanding on the perceptions of employees on the ROI from CSI in a specific South African financial services company (Babiak & Wolfe, 2009). Leedy and Ormrod (2010) state that there are five types of qualitative research designs, namely, case studies, content analyses, ethnography, grounded theory and phenomenological research. A phenomenological study was chosen for the overall research objective question as the primary aim of the study was to explore the perceptions of employees on the ROI from CSI at a South African financial services company.

A phenomenological approach was chosen for this research in order to gain an understanding and insight on the perceptions of employees on the ROI from CSI at a South African financial services company (Creswell, 2014). An exploratory research was useful in determining new insights to assess phenomena in a novel view, and phenomenology was a qualitative research design with a focus on individual lived experience (Saunders et al., 2009). This study covered more than describing the characteristics of the phenomenon and included analysing and explaining the occurrence of the phenomenon (Leedy & Ormrod, 2010). A phenomenological study was suitable for this research as it explored participants' perceptions and experience of the phenomenon under study (Leedy & Ormrod, 2010).

Descriptive research was suitable for this study as it comprises direct and detailed inquiry, account, evaluation and interpretation of an unknown or unfamiliar event (Silverman, 2013). Furthermore, the combination of descriptive and exploratory research is beneficial to the exploration and description of the views, understanding and the perspective of employees in relation to the ROI of CSI (Noor, 2008).

A large South African financial services company (hereinafter referred to as 'the company') was selected for this study. The company, through its employee community volunteering programme, encourages its employees to contribute their time or money to a chosen community development project. The company shows its commitment by doubling the contributions made by the employees.

In this study, judgemental sampling was used to obtain qualitative research data from a sample of employees in order to answer the research question (Creswell, 2014). The next section discusses the sampling design applied in this study.

3.5 Sampling design

Trochim (2006) explains that the research population is the number of people or things located, gathered or classed together from which a representative sample is selected to conduct a research study and to form general conclusions. It was necessary in this qualitative study to select research participants with experience and who are knowledgeable about the company's CSI programmes as they provided high quality research data (Creswell, 2014). The population for this study was 39 employees of the company directly appointed to the CSI's business unit and employees who volunteered to assist in CSI programmes. It was expected that this sampling approach will provide personal insight and experience from being involved in the company's CSI programme either through their jobs or as volunteers to assist in the CSI programmes.

The non-probability purposive sampling (also referred to as judgemental sampling) method was applied in this study. Tongco (2007) defines the non-probability purposive sampling method as one where the likelihood of each item in the population to be chosen in the sample is unknown. This sampling method was relevant to this study as the sample was chosen based on the experience and knowledge of the participants, who, in this study, were employees of the company directly appointed to the CSI's business unit and employees who volunteered to assist in the CSI programmes (Bernard, 2010). In addition, non-probability purposive sampling provides a better understanding of the research topic based on semi-structured observations and interpretations of the participants' knowledge and experience (Tongco, 2007). This study was based on a sample of ten employees directly appointed to the CSI's business unit and employees who volunteered to assist in CSI programmes. These ten employees were selected because of their strength in knowledge and experience on the company's CSI programmes.

The sample size was appropriate for this study as there is no limit in respect of the number of sample units in non-probability purposive sampling and a suitable sample size for qualitative research is the one that sufficiently answers the research question (Creswell, 2012). The sample size may even potentially be smaller than ten (Vaismoradi, Turunen & Bondas, 2013). Onwuegbuzie and Collins (2007) believe that the sample size in a qualitative study should range between six and ten, guided by the research objective, the research question and the research design (Onwuegbuzie & Collins, 2007).

There are various research methods that can be applied to collect the research data and selecting a research method is guided by whether it is a qualitative or quantitative research (Creswell, 2012). The following section discusses the research method applied to collect the research data.

3.6 Research method

There are various research methods that can be used in conducting qualitative research (Creswell, 2012). The research method used in this study was the semi-structured face-to-face interviews with the ten employees selected as the research sample. Bernard (2010) explains that a semi-structured face-to-face interview is a procedure in which the researcher asks pre-determined questions to gather qualitative data in an environment that permits the participants to elaborate more on their opinions.

The benefit of using semi-structured face-to-face interviews in this study is that it permits for original and unrestricted answers and increases the researcher's understanding of the responses obtained from the participants (Fouka & Mantzorou, 2011). In addition, a semi-structured face-to-face interview is a data collection method that allows the interviewer to adapt according to the responses from the interviewees, which will enhance the quality of data for this study (Bernard, 2010).

Saunders et al. (2009) contend that semi-structured face-to-face interviews constitute two-way communication between an interviewer and a research participant. The benefit of using these interviews as the research method is that it has a higher response rate than other methods, as interviews need less time and can be arranged according to the participant's availability (Lancaster, 2005). However, it is not simple to obtain top-level participants, such as company executives, for interviews (Saunders et al., 2009). Nevertheless, Nunes, Martins, Zhou, Alajamy and Al-Mamari (2010) support the idea that the interview method is a suitable qualitative data collection method as it permits for confusions to be cleared during the interview and there also is a high response rate, which enhanced the focus on the subject and also improved the quality of data for this study.

According to Marshall and Rossman (1999), it is important that relevant research data is collected through an appropriate research method. Semi-structured face-to-face interviews was applied to collect data for this study as interviews provided an understanding on the interpretation of employees on the ROI from CSI (Babbie & Mouton, 2009). This data collection method is discussed in the next section.

3.7 Data collection

In this study, the primary data was collected by the researcher through semi-structured, one-on-one, face-to-face interviews. According to Leedy and Ormrod (2010), primary data is the new data collected during the research for the purpose of answering a specific research question. Permission was obtained from the senior management of the company to perform this study. An email was also sent to the selected employees requesting interviews in advance and providing guidance to the participants on the objective of the interviews. The participants were informed that the survey was for academic purposes and they were assured that their responses will remain anonymous. Finally, the interview schedule will provide guidance to the interviewer to focus on questions related to the research questions (Seidman, 2012).

The interviews for this study were scheduled and held in the company's meeting rooms at the company's head office building during office hours. During these interviews, semi-structured questions were posed to the participants and more explanation was provided where necessary, while the responses from the participants were entered into an interview schedule as described by Seidman (2012). A list of nine questions, which was the basis of the interview schedule, was developed (see appendix A) as a data collection instrument. The research instrument was designed according to the research objectives and the literature review in chapter two. The interviews were recorded with the permission from the participants and subsequently transcribed by the researcher for analysis. The transcribed and coded data interview is attached in appendix B. The semi-structured interview questions were pre-tested on three selected employees from the company as a pilot study to assess whether the question were clear and understandable, and could thus elicit responses that constitute accurate data. The next section will discuss the pilot study that was conducted.

3.8 Pilot study

The purpose of the pilot study is to reduce data errors owing to inadequate design of interview questions (Gordon & Bose-Haider, 2012). Nunes et al., (2010) explain that a pilot study assists in determining the viability of the research from a small sample. Davey, Gugiu and Coryn (2010) contend that a pilot study can test the viability of a research instrument and the research design, as the pilot study can identify possible problems in the design questions.

A pilot study on three employees from the company was performed by the researcher during office hours in the meeting rooms of the company and the same questions used in this study were applied during the pilot study (refer to the attached appendix A for the questions formulated for the interviews). The employees were asked if the questions were clear and understandable. It appeared as if all the questions were formulated in a clear and understandable manner as there were very few words in some questions which required to be updated.

In order to determine the meaning of data collected during the survey, qualitative data analysis is required to interpret and formulate research findings (Braun & Clarke, 2013).

3.9 Data analysis method

Thematic analysis is a flexible data analysis method that can provide detailed results (Braun & Clarke, 2013). Constant comparison and contrasting of research data increases the trustworthiness of the research findings, thus this method was applied in this study to analyse the research data following analysis principles described by Creswell (2012). According to Creswell (2012) thematic analysis is a qualitative data analysis method that can be used to identify, analyse and report patterns and themes from the data collected through the face-to-face interviews. Thus, this method was applied in this study. Themes provide expressions about the data that could be related to the research question (Vaismoradi et al., 2013).

ATLAS.ti software programme was used in this study for coding the data and identifying emerging patterns in relation to the research objectives following analysis principles described by Housley and Smith (2011). ATLAS.ti can assist in accurate determination of matches on the responses obtained from research participants who have experience of a specific phenomenon (Housley & Smith, 2011). According to Braun and Clarke (2006), the first step of thematic analysis is reading and recording preliminary views from the data. This process will be followed by creating codes that categorise data according to their unique features and identifying themes (Braun & Clarke, 2006).

The research data in this study was then extracted and segmented from the transcribed data according to the codes to create research findings as explained by Hesse-Biber and Leavy (2006). The data coding process is the conversion of raw data into meaningful themes (Vaismoradi et al., 2013). The extraction of data was done through the identification of statements from participants that were relevant to the research objectives of this study as per the analysis principles of Creswell (2012). The isolated responses from the participants were then counted according to the codes to identify the emerging patterns of perceptions of the employees regarding the research question as described by Hesse-Biber and Leavy (2006). The extracted data was then divided into the themes and sub-themes identified according to the research objectives of this study following the analysis principles described by Creswell (2012). This step was followed by the process of interpreting and summarising the coded data according to common and divergent perceptions of the participants for the purpose of providing an overview as well as guide to the data analysis as explained by Creswell (2012).

The relevant sub-themes, codes and frequency of coded data were then presented in a table to demonstrate the views of the participants as explained by Seidman (2012). These aspects were then evaluated against the literature review documented in chapter two. According to Seidman (2012), evaluating the research data against the previous literature during the process of data analysis assists in ensuring the validity of the research data. It is necessary during the research process to follow reasonable research procedures in order to ensure trustworthiness of the research data and findings (Davey et al., 2010). In this study, semi-structured questions were used, which assisted in providing adequate and reliable data (Seidman, 2012).

The literature review in chapter 2 was mostly on academic journals so that makes data collection and analysis reliable (Saunders et al. (2009). Furthermore, the research instrument questions were developed based on the literature review which also makes data collection and analysis reliable (Saunders et al. (2009). The face-to-face interviews used as the research method for this study also increase the quality of the research data (Sullivan, 2012). Simon (2011) states that semi-structured interviews applied in this are not restricted to specific questions and the research data is obtained from personal experience, which makes the data reliable. Furthermore, the quality of data was improved during the interviews as additional questions can be asked where necessary to obtain detailed answers as described by Sullivan (2012).

Saunders et al. (2009) mention that validity is concerned about research findings with the main aim of determining whether the findings reflect what they appear to be about. The participants for this study were ten employees directly appointed to the CSI's business unit of the company which makes them reliable source of information leading to the validity of the research findings. In addition, the participants were requested to confirm if the findings are accurate and valid through member-checking. Member-checking is a recognised procedure that can be used in a study to obtain comments from the research participants, thereby determining the validity and accuracy of the study (Davey et al., 2010). The pre-determined interview schedule applied in this study reduced bias during the interviews by maintaining the context and structure of the interview questions (Sullivan, 2012).

3.10 Conclusion

The rationale for selecting the qualitative research strategy is that this was a phenomenological study with the objective of exploring the perceptions of employees on the ROI from CSI at a South African financial services company. The discussion in this chapter showed that the research objective and research question for this study favoured the option of the exploratory descriptive research design. This study was undertaken to enhance the limited existing knowledge through obtaining new information on the perceptions of employees on the ROI from CSI at a South African financial services company.

It was presented in this chapter that the exploratory descriptive research design selected for this study was necessary, as it was needed in answering the research question of the phenomenon under study. It is also believed that the face-to-face interviews as the research method to collect the research data and the thematic data analysis to be applied in this study will provide favourable results. This applied a self-administered interview schedule targeted at the ten employees of the company to be selected as the research sample. The pilot study applied, the reasons for selecting the non-probability purposive sampling technique and the criteria applied in selecting the research participants for this study suggest this methodology could provide accurate research results.

Chapter 4 presents a description of the application of the data analysis and the findings in relation to the theory discussed in chapter 2.

Chapter 4: Research findings and discussions

4.1 Introduction

The purpose of the study was to explore the perceptions of employees on the ROI from CSI at a South African financial services company. The study aimed to assist in improving the understanding of the perceptions of employees on the ROI from CSI and to assist the company's management in the successful implementation of its social investment programmes.

This chapter covers the analysis of results in respect of the following research objectives:

- To explore the employees' perceptions on the benefits and intentions of the company for participating in the CSI programmes.
- To gain an understanding of how employees interpret the CSI of the company in relation to the company's overall strategy, and whether or not CSI has any influence on employees when choosing an employer.
- To explore how employees describe the ROI from CSI and if, in their perception, CSI contributes to the company's financial performance.
- To determine employees' expectations from CSI, and whether or not CSI meets the expectations of shareholders from the employees' perspective.

ATLAS.ti was used to analyse the data. The results are presented in the following sections using a thematic approach.

4.2 Presentation of findings

The sample for the study comprised ten company employees. Individual face-to-face interviews were held with the selected employees. Nine semi-structured questions were put forward during the interviews. The data collected was arranged into themes and sub-themes. This thematic approach was used to categorise the data into four main themes and sub-themes, as presented in Table 4.1:

Table 4.1: Themes and sub-themes	
Participation in CSI programmes	➢ Exploring perceptions on company's participation in CSI programmes. ➢ Benefits of participating in CSI programmes. ➢ Demerits of participating in CSI programmes.
Perception on CSI programmes, policies and strategies	➢ Understanding of the interpretation of CSI programmes or policies. ➢ Link between CSI programmes and company strategies. ➢ Relationship of CSI and enticement to work in an organisation.
Link between ROI from CSI and company performance	➢ Description of ROI from CSI. ➢ Contribution of ROI from CSI to company performance.
Company expectations from CSI programmes.	➢ Expectations of returns or benefits that the company may obtain from CSI.

Source: Author conceptualisation

The central question is: What is the employees' perception of the ROI from CSI at a South African financial services company?

Presentation of the analysis follows in the next sections.

4.3 Participation in CSI programmes

The first research objective is to explore the perceptions on the company's participation in CSI programmes. This objective is divided into the following three sub-themes:

- Exploring perceptions on the company's participation in CSI programmes;
- Benefits of participating in CSI programmes; and
- Demerits of participating in CSI programmes.

Figure 4.1 shows a diagrammatic presentation of the theme and sub-themes.

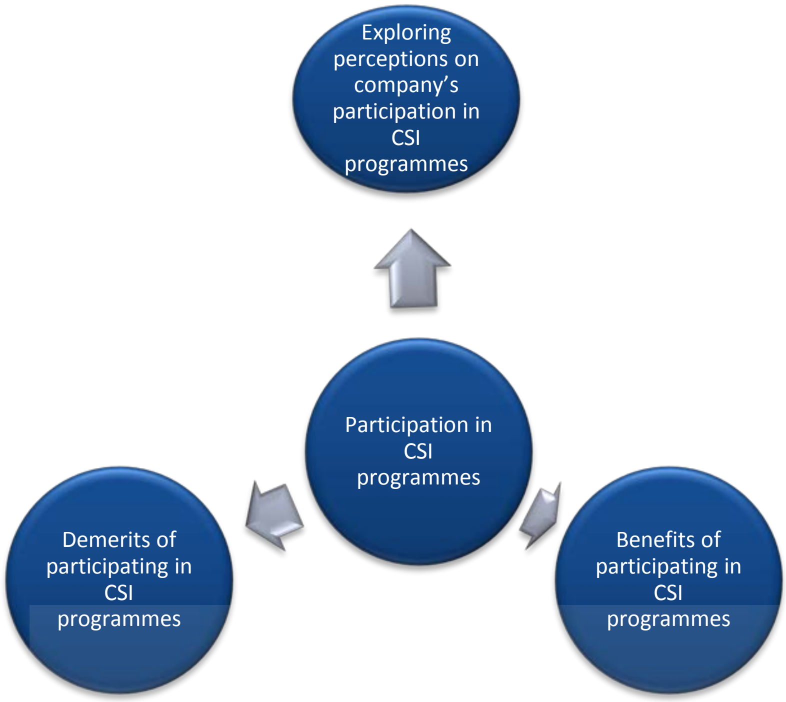

Figure 4.1: Theme and sub-themes on participation in CSI programmes

Source: Author conceptualisation

The results of the three sub-themes are presented in the following subsections.

4.3.1 Exploring perceptions on the company's participation in CSI programmes.

Corporate citizenship is indicated by six of the participants as the intention of the company in its participation in CSI programmes, as shown in Table 4.2.

Table 4.2: Aspects on exploring perceptions on company's participation in CSI programmes.		
Sub-theme 1A: Exploring perceptions on company's participation in CSI Programmes	**Codes**	**Frequency**
	Corporate citizenship	6
	Assisting disadvantaged communities	3
	Social investment	3
	More about helping	2
	Bridging the gap in social challenges.	2
	Marketing strategy	2
	Promoting brand	2
	Value	1
	Company's vision and strategy	1
	Reduce government's burden	1
	Wellness of the people	1
	Total	**24**

Source: Author conceptualisation

All the participants answered the question with differing views. The participants who indicated that corporate citizenship was the major intention of the company pointed to the fact that it is a good initiative and companies should support communities around them. One participant said: "*in terms of sustainability, it is important to invest back to the communities, otherwise they are killing the same communities from which they are reaping profits. In addition, companies have to invest in the communities to be regarded as good corporates.*" Another participant indicated that although the intention might be noble, it is sometimes a way of advertising. As in the saying "*nothing is for free*", some participants held the view that companies often use CSI for their own benefit.

Although varying responses were provided, it is evident that corporate citizenship is mainly interpreted by the employees as the company's primary objective for participating in CSI programmes. This objective is followed by the ones of assisting the community and social investment, which could indicate that society expects ethical behaviour from companies. These views also agree with those of Carroll (1993), who mentions that social responsibilities of companies include responsible corporate citizenship. This view is corroborated by King (IOD, 2009), who states that corporate citizenship means that, in addition to the economic duty to their shareholders, business organisations have a moral duty to develop the society in which they operate and to protect the environment.

Five participants indicated that companies want to be responsible corporate citizens. They made the following comments:

- *"I think it is a positive thing to do. I think overall, companies can contribute a lot more to CSI as there is a need for these initiatives."*
- *"I think the purpose for the company is to reinforce that it is a corporate citizen and it is interested in uplifting the social economic challenges that the country is facing."*
- *"I think from the company's point of view, participation in CSI programmes is based on being a responsible corporate citizen."*
- *"The company is committed to being a responsible corporate citizen."*
- *"The other reason for CSI programmes is to reduce the burden on the government of offering certain facilities or functions, thereby adding value as a corporate citizen."*

One can conclude that as corporate citizens, the responsibilities of companies to society are reflected by their participation in CSI programmes. This idea is supported by Aaronson (2007), who states that companies have moral responsibilities besides wealth creation to investors such as those of investing in the development of its employees and in local communities.

Three of the participants indicated that these programmes are about helping disadvantaged communities. They further indicated that the aim or intention of participation is mainly to improve as many situations in South Africa's disadvantaged communities as possible. One participant went further, saying that the company is doing a positive thing not only in promoting its brand but also in helping develop previously disadvantaged communities.

Some of the participants indicated that community development is one of the reasons that companies participated in CSI programmes. One participant said that the company is in the process of establishing its investment in communities and is fully involved in CSI. Another participant believed that it makes economic sense for every company to invest in the community in which it does business, while one participant felt that CSI does not deal only with advertising but is more about social investment. These views agree with those of Carroll (1999), who states that CSR is a responsibility taken on by businesses that consider that their business operations impact on society, and are not solely designed for financial gain.

Two of the participants indicated that CSI is about bridging the gap in social challenges and stressed that CSI helps with the social ills of communities and compliance with the B-BBEE Act. Similarly, Hinson and Ndhlovu (2008) mention that implementing social investment programmes assist in compliance with King III, JSE, the B-BBEE Act and industry charters where companies operating in SA must comply with TBL requirements.

The responses from the participants also highlighted two issues that were related to CSI programmes: marketing strategy and brand promotion. The participants who spoke about marketing strategy mentioned that at times CSI programmes could be seen as advertising, while other participants stated that CSI is a marketing ploy to boost the company’s brand. However, the company's participation in CSI programmes is believed to be owing to marketing of its products and ensuring community recognition of its brand. The above views are supported by Glover (2007), who concludes that companies voluntarily get involved in social initiative programmes to benefit their brand marketing.

In light of the issue of employee wellness, it was indicated that numerous CSI initiatives align with the company’s vision and strategy. It is important that their employees are healthy, as low productivity would impact negatively on financial performance. It has also been identified by Ndhlovu (2011), Hanks, Hamann and Sayers (2007) and May (2006) that CSI focuses on such socio-economic issues as the health and safely of employees.

4.3.2 Benefits of participating in CSI programmes

All the participants remarked on the benefits of participating in CSI programmes. Brand awareness was one of the benefits, as shown in Table 4.3.

Table 4.3: Aspects on the benefits of participating in CSI programmes		
	Codes	**Frequency**
Sub-theme 1B: Benefits of participating in CSI programmes	Brand awareness	5
	Increase in customer base and sales	4
	Client loyalty	3
	Improving company visibility	2
	Good corporate citizen	2
	Meeting customer needs	2
	Public image	2
	Reduction in poverty through economic growth	2
	Unmeasurable benefits	2
	Reputation of company	2
	Sustainability	1
	Building of good relationships with community	1
	Changes people's perception	1
	Competitive advantage	1
	Gain in knowledge	1
	Gain in tax reductions	1
	Growth in market share	1
	Improve customer awareness	1
	Improving company's reputation	1
	Limitless benefits	1
	Millennium development goals	1
	Mind changer for employees	1
	Partnership	1
	TV coverage	1
	Total	**40**

Source: Author conceptualisation

The participants indicated that the company's visibility in the form of brand awareness is a major benefit of participating in CSI programmes. Participants made the following comments:

- *"The benefit for the company is being perceived as a brand that cares, because people will associate the company with the community projects it is involved in."*
- *"Someone might notice and know about the company and its products."*
- *"The programmes also help in terms of brand awareness and the reputation of the company."*

- *“I have heard cases where the communities actually ask about some of the company’s new products during the site visits.”*
- *“First thing that comes to my mind is brand awareness. If you go around in the communities you will find that every company that invests back in those communities has its name written on a board or something.”*

Aspects linked to brand awareness are brands that care about communities and improved knowledge on the company’s products and reputation. These issues were emphasised by two of the participants, who indicated that brand awareness improves the company’s market visibility by changing peoples' perceptions. This idea is also illustrated by Fombrun (2005) and Branco and Rodriques (2008). Their studies found that CSI can improve a company’s reputation and image.

Four of the participants indicated that CSI improves its customer awareness, customer base and sales. This was noted when one of the participants said that: “*In profits it is important that the company be involved in CSI programmes. The benefits for the company are that CSI programmes have a positive impact on profits due to clients buying its products* and generating recognition of *the company and its brand. People like to associate themselves with brands that show thought for the community. CSI programmes can result in client loyalty and new clients.*” One participant believed that CSI programmes definitely bring in new business, even though the company may not be doing it for the business. This observation is supported by Ferrell and Maignan (2001), who indicate that customers are interested in a company that invests in its community and are prepared to show support by purchasing the products of such a company.

Client loyalty was also identified as one of the benefits of participating in CSI programmes. It was noted that a lot of money is spent because CSI programmes add value to the company, and that its clients highly value the CSI initiatives. Two participants discussed meeting customer needs. They indicated that there are benefits if the company meets these needs, which is also achieved during the company’s meetings with communities when launching new products that address the specific needs of the community. These statements concur with the conclusion by Skinner and Mersham (2008) that CSI programmes create benefits for businesses by increasing their customers.

According to the participants, benefits are realised from CSI programmes but are difficult to measure in value. One participant said that if a company wants to sustain its profits, it is critical that the company is involved in CSI programmes. Another said that joining CSI programmes produces definite benefits for the company and all its stakeholders. This participant also said that the world is changing and the company must take into account its customer needs and invest in society. In addition, gains to the company by better understanding its customers were also noted as a benefit. One participant indicated that the company acquires knowledge from the communities and the partners it makes in CSI programmes. King (IOD, 2009) supports this idea, and mentions that CSI provides financial gain to an organisation as a positive relationship with the community is maintained.

Two participants indicated that a reduction in poverty through economic growth is one of the benefits of participating in CSI programmes. One said: "*I do believe that there is an old saying that if everyone swept in front of his door the whole world would be clean. So helping someone in need, a person without food for example, helps take one person out of poverty.*" Another participant reinforced this by saying that CSI is one of the aims of the UN's goal of eliminating poverty and, in turn, growing economies. One participant stressed that the company benefits by being part of the millennium development goal. The above statements support the findings of Hamann (2009) that CSI is an investment towards community development and improved living standards.

4.3.3 Demerits of participating on CSI programmes

There are some demerits that come with participation in CSI programmes, as summarised in Table 4.4.

Table 4.4: Aspects on demerits of participating in CSI programmes		
	Codes	**Frequency**
Sub-theme 1C: Demerits of participating in CSI Programmes	Misleading the community	1
	Misuse of CSI programmes	1
	No actual social investment	1
	Organisation not fully involved	1
	Total	**4**

Source: Author conceptualisation

The following statements were made by the participants:

- *"The company is trying to create a view in the external mind that it is doing a good job, but it does not really assist."*
- *"I have mixed views on CSI as I run a non-profit organisation. So I feel it adds a huge amount of value to the company although I don't necessarily feel that the company uses CSI for what it is actually intended."*
- *"The company is just giving money to organisations which don't use the money for CSI programmes."*
- *"The company serves the purpose in terms of funding but I don't feel the organisation's heart is in the right place.*"

The issues that were raised were: misleading the community, misuse of CSI programmes, no actual social investment and organisation not fully involved. However, the benefits tend to outweigh the demerits. The above issues are consistent with the argument by Auld, Bernstein and Cashore (2008) that social investment is about corporate donation unrelated to the company's main business strategy, but due to social obligation.

4.4 Perceptions on CSI programmes, policies and strategies

The theme is subdivided into the following three sub-themes:

- Understanding the interpretation of CSI programmes and policies;
- Links between CSI programmes and company strategies; and
- Relationship between CSI and enticement to work in an organisation.

A presentation of the theme and sub-themes is shown in Figure 4.2.

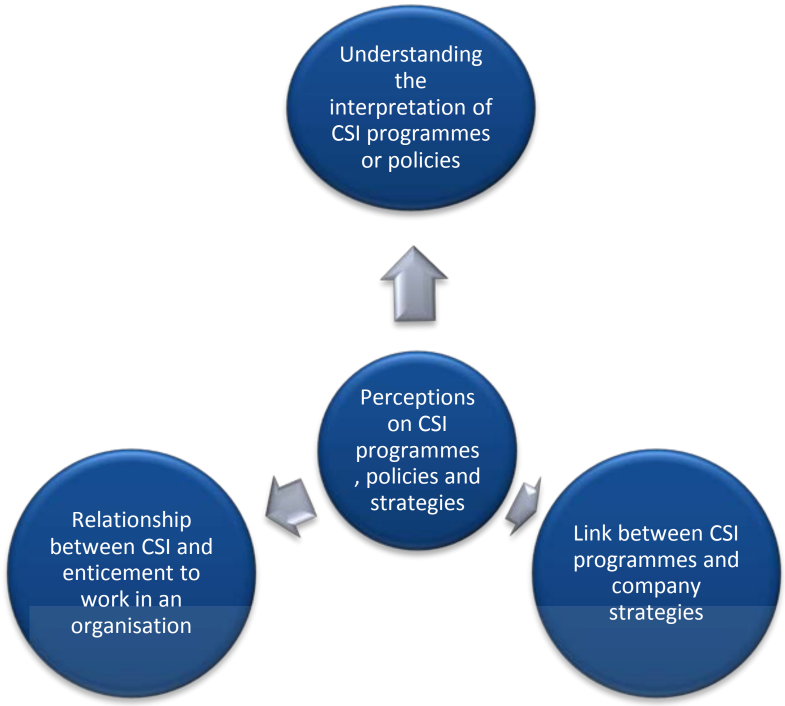

Figure 4.2: Theme and sub-themes on perceptions on CSI programmes, policies and strategies

Source: Author conceptualisation

The results of the three sub-themes are presented in the following subsections.

4.4.1 Understanding the interpretation of CSI programmes or policies.

There are different views on how CSI policies are interpreted among the employees, which are shown in Table 4.5.

Table 4.5: Aspects on understanding the interpretation of CSI programmes or policies.

	Codes	Frequency
Sub-theme 2A: Understanding the interpretation of CSI programmes or and policies	Not sure about CSI policies	2
	Assessment of needs	1
	Assists until project is sustainable	1
	Building of partnerships	1
	Company assists with tools and support	1
	CSI policies more spread	1
	Current approach impact-driven	1
	Establishing long-standing partnerships with communities	1
	Involvement in good cause	1
	Involvement in social programmes	1
	Measure to determine fulfilment of corporate citizenship	1
	Monitoring development activities	1
	More focus on disability and education	1
	More strategic in terms of the CSI approach	1
	More tangible results from limited resources	1
	Need for company to focus on CSI policies to increase employee awareness	1
	Participate in rural development	1
	Participate in sports development	1
	Involvement in projects rather than donations	1
	Setting of achievement goals	1
	Social investment	1
	Stringent policies in terms of funding of programmes	1
	Wellness of the people	1
	Total	**24**

Source: Author conceptualisation

All participants provided insights and opinions regarding their interpretation of CSI programmes and policies. The following concepts were mentioned as part of the participants' explanations in their interpretation of CSI programmes and policies:

assessment of need, building of partnerships, monitoring development activities, the setting of achievement goals, social investment and wellness of the people. Two participants indicated that they were not sure of the company's CSI policies.

One participant indicated that the company performs a social needs analysis prior to funding programmes as it does not believe in donations and prefers to be involved in the programmes. Another participant stated that the company participates in a project until the project is self-sustaining. Site visits then take place to assess where support is still required. These observations agree with those of Snider et al. (2003), who state that social investment programmes are company initiatives to address the needs of local communities based on their circumstantial and cultural needs.

In terms of building partnerships, a participant said: "*the previous CSI approach was a cheque book approach, which was about donating money and walking away. Unlike the previous approach, the current approach is impact-driven, and instead of handing out cheques, the company is building meaningful partnerships with NGOs and the community.*" A similar view was given by another participant, who indicated that partnerships are developed through CSI policy, including rural development, monitoring development and the company's aim to have a long-standing establishment with their investment. Skinner and Mersham (2008) mention in a study that clear communication with communities is important to the success of the social investment programmes as well as identifying and agreeing on the stakeholders' role, the skills required and the contribution of each interested party.

In terms of social investment, the participants indicated that the company is investing in society through numerous activities. One participant said that the company is doing good things, such as painting houses and schools, but that there is much more to social programmes, such as investing in education, contributing to research into serious diseases and teaching others about entrepreneurship. It was emphasised that the company is involved in good causes, although more could be done. In the view of Fig (2005), there is a public perception that South African companies are not spending enough money on community development, which is essentially the reason for numerous campaigns against business organisations. The participants' statements also support the conclusion by Nyar (2011) that the xenophobic attacks on African foreigners in South Africa in May 2008 were evidence of South African companies' failure to assist in fighting poverty and providing education to the poor.

With regard to the wellness of the people, one participant stated: "*we are in a financial sector space that educates clients about financial risk and investments. Investing in education is in line with our kind of business. Furthermore, the company invests in people with disabilities so that they feel the company cares about them.*" Another participant said that "*the company does not give people a fish, but it gives them a rod. The company first assesses the need and then provides the tools and support, with regular progress reviews until the project is self-sustaining.*" A further participant felt that the company's CSI policies are about putting measures in place to ensure that its corporate citizenship is sustained. The above statements indicate a broad understanding of CSI policies, supported by the conclusion of Fig (2005) that CSI is a broad investment programme striving towards the development of society and preservation of the environment.

Other participants believed that the company's current CSI policies approach produces more tangible results from the limited resources allocated to the CSI programmes. A participant felt that the company's CSI policies are stringent in terms of which programmes to fund. The above feedback confirms the argument of Diale (2014) that CSI has become a strategic business function that primarily focuses on socio-economic development and business sustainability, resulting in competitive advantages to companies. Furthermore, the above feedback supports statements by Freemantle and Rockey (2004) that CSI has developed in South Africa and it is no longer about making donations, but has matured into a business strategy that generates goodwill.

4.4.2 Link between CSI programmes and company strategies

All the participants gave their views on how CSI programmes are linked to company strategies, which are summarised in Table 4.6.

Table 4.6: Aspects on the link between CSI programmes and company strategies		
	Codes	**Frequency**
Sub-theme 2B: Link between CSI programmes and company strategies	CSI aligned to company strategy	5
	CSI programmes part of business strategy	3
	Enhances financial wellness of the people	3
	Good corporate citizenship	2
	Enhances health, wellness of the people	2
	Involvement in sports development	2
	Benefits from CSI	1
	Client satisfaction	1
	Commitment to meet client's financial needs	1
	Creation of value	1
	Improvement of negative perceptions / publicity	1
	Increase of brand awareness	1
	Interdependence of organisation and community	1
	More client-centric strategy	1
	Public image	1
	Requirements of King Code	1
	Total	**27**

Source: Author conceptualisation

The participants were aware that CSI programmes are aligned to CSI strategies.

- *"I would say the CSI programmes are in line with the company's overall strategy."*
- *"Clients are spending their money on the company's products and as the company is contributing to CSI programmes, the clients feel good because they are indirectly part of CSI."*
- *"I think definitely CSI programmes need to match overall company strategy."*
- *"The current CSI programmes and the overall company strategy are like both hands and are now talking to each other."*
- *"The strategy of the company is to enhance the financial wellness of families, individuals and businesses."*
- *"One of the company's values is to commit in helping our clients fulfil their financial needs and that is also aligned to most of the CSI strategies."*
- *"CSI programmes always aim at closing a gap where a financial need is concerned."*

- *“I think the CSI programmes tie in with the overall company strategy.”*

Participants acknowledged that CSI programmes are aligned to or match the company’s vision and strategy. One of the participants stressed that it is beneficial for the company to have CSI programmes as part of its organisational strategy. Another said: “*The current CSI approach plugs into the overall company strategy on corporate citizenship.*” The above statements agree with Hargett and Williams’ (2009) view that, considering all the factors and role players involved in business strategy, CSI should be structured around business.

Another concept that linked CSI programmes and company strategy was the enhancement of the financial wellness of the people. Two participants indicated that the strategy of the company is to enhance the financial wellness of families, individuals and businesses, and that CSI programmes always aim at closing the gap where there is a financial need. The above statements are similar to the conclusion drawn by Skinner and Mersham (2008) that South African companies are providing financial services to previously disadvantaged communities as part of their CSI.

Participants emphasised that CSI programmes enhance the company's public image. “*CSI programmes give the company an opportunity to rectify its image in instances where it has suffered negative perception*”, and “*the strategy says we want to be the first company the community thinks of in terms of their financial well-being.*” These remarks are similar to the statement made by Brammer and Pavelin (2005) that social investment programmes assist in reducing the impact of adverse occasions as well as increase the good image of a company.

4.4.3 Relationship of CSI and enticement to work in an organisation

The participants were asked to consider the influence of CSI on the enticement of working for a company. One participant said: “*The company becomes an employer of choice based on what it does in terms of community development.”* Table 4.7 shows the employees’ views on this relationship.

Table 4.7: Aspects on relationship of CSI and enticement to work in an organisation		
	Codes	**Frequency**
Sub-theme 2C: Relationship of CSI and enticement to work in an organisation	CSI influential depending on its impact	3
	CSI non-influential in choice of employer	3
	CSI is influential	2
	High unemployment levels	2
	Public image	2
	CSI influential due to brand awareness and visibility	2
	CSI influential due to company's relationship with community	1
	CSI influential for companies involved in CSI programmes	1
	CSI influential in choice of employer in developed countries	1
	CSI might be influential	1
	CSI not influential in choice of employer for position in non CSI divisions	1
	CSI not well known in non-international companies	1
	CSI will have influence if employees add value	1
	Encouragement of employees in participating in CSI initiatives	1
	Level of participation in CSI programmes of company	1
	Total	**23**

Source: Author conceptualisation

The participants felt that CSI has some influence, but it depends on the impact of their programmes. The following statements were made:

- *"I think it would depend on my perception of the company. What I had heard about it helping society might have an impact."*
- *"I don't think it would be a big influence but CSI might change my mind about a company with CSI programme."*
- *"Definitely, depending on the impact of the company on social investment, no*

doubt people will also want to be part of that company."

- *"My personal point of view is I would like to be associated with such a company. So yes, I think CSI can definitely influence people but I don't think it would be a deciding factor, no."*
- *"During periods of unemployment, whether or not a company has a good CSI programme does not matter, as long as people can feed themselves and fulfil other needs. However, in instances of full employment or situations where people have employment flexibility, then CSI programmes might have an influence."*

Some of the participants agreed that CSI might influence or entice a person to choose to work for a company. Three participants indicated that brand awareness or brand visibility from CSI programmes has an influence. One participant indicated that if people identified the company's brand from CSI programmes, they then might choose to work for that brand. It is evident from the responses that views were mixed. Some of the views are supported by Boljevic (2009), who believes that participation in social programmes could entice valuable or skilled prospective employees, resulting in a competitive advantage to the company.

The participants listed the following aspects as being influential: relationship with community, involvement in CSI programmes, choice of employer (in developed countries) and if employees add value. It was indicated that people who are intelligent will always look at how a company relates to the community. Another participant emphasised that there are people in the company who are involved in its CSI initiatives and if they get job offers from other companies they decline because accepting might deprive them of getting involved in community-driven initiatives. This view is also offered by Nyborg and Zhang (2013), who state that CSR can be beneficial to a company as employees might accept to work and be paid lower salaries by a company that is active in social programmes. However, another participant indicated that in developed countries, the work force looks for CSI when choosing employers, but that is non-existent in South Africa.

Some of the participants indicated that CSI was not influential in their choice of an employer. They made the following comments:

- *"I don't think that in the current situation people in South Africa look for jobs where companies are involved in CSI programmes."*
- *"I don't think so. I don't think that people, when they go for job interviews or are applying for jobs, ask about the company's CSI programme."*
- *"Working in the finance division, I would say it is not an influence."*
- *"I think it is more about where our country is in terms of CSI, for example, CSI is well known in developed countries."*

One can consider CSI to be influential in developed countries, a view that is consistent with the conclusion offered by Carroll and Shabana (2010), who maintain that developed countries have a much better rating than developing countries in terms of social investment principles; for example, the UK is rated number one, with more than 50% of the companies operating in London believing in social investment.

4.5 Link between ROI from CSI and company performance

This theme is sub-divided into two sub-themes which are presented in figure 4.3 below.

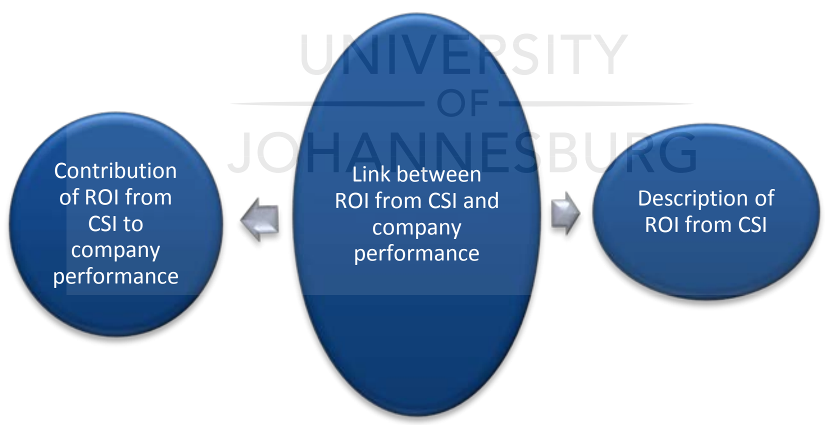

Figure 4.3: Theme and sub-themes on link between ROI from CSI and company performance

Source: Author conceptualisation

The results of the two sub-themes are presented in the following sub-sections.

4.5.1 Description of ROI from CSI

The participants gave different views on the description of ROI from CSI. The information is given in Table 4.8.

Table 4.8: Aspects on description of ROI from CSI		
	Codes	**Frequency**
Sub-theme 3A: Description of ROI from CSI	Increases customer base	4
	Brand awareness increases trade	3
	Not a key objective of CSI	2
	No direct link between profits and helping community	2
	Staff retention	2
	Contributes in uplifting economy	2
	Unmeasurable benefits	2
	Beneficial but not a key objective	1
	Brand value is enhanced by ROI from CSI	1
	Improves brand reputation	1
	Enticing future employees	1
	Goodwill value from client	1
	Growth in market share	1
	High employee productivity	1
	Increase in brand loyalty	1
	Increase in media coverage	1
	Total	**26**

Source: Author conceptualisation

Four participants indicated that ROI from CSI is an increase in the customer base. One of the participants said that, as the company is in financial services industry and it invests in society, the public is more inclined to invest in the company. One participant said that "*the company becomes a trusted brand and the people want to associate with such a brand. The benefits of ROI from CSI programmes are not seen overnight, as it takes time to build a client base. In the future, the current beneficiaries of the company's CSI programmes might be the company's clients.*"

Two participants mentioned brand awareness as a ROI. One participant indicated that CSI does contribute to the company's bottom line owing to increased media coverage, which results in new clients. Another participant stressed that benefits are not measurable in monetary terms because CSI creates the brand awareness of a company and its products. The above views agree with Skinner and Mersham (2008), who state that CSI creates future benefits to the business in the form of an increase in customers.

A participant indicated that the ROI from CSI might not be measurable but can be evident, for example, the company’s staff retention rate might increase. Another participant said that trade increases as more people become aware of a brand. This sentiment was confirmed by another participant: “*There is this saying that brand awareness leads to brand loyalty and also influences people's current and future decisions.*” Another sentiment shared was that ROI from CSI can be a tax benefit. These different views on measuring ROI reflects the statement by Skinner and Mersham (2008) that companies spend significant amounts of money on CSI programmes but the challenge is the lack of key performance indicators to evaluate the effectiveness and returns on CSI.

The following concepts were mentioned by the participants when describing ROI from CSI: its contribution to uplifting the economy, goodwill value from clients, growth in market share, high productivity and an increase in media coverage.

One of the participants said: “*It is a tough question because I haven’t physically looked at the returns but clients feel good about doing business with the company and this has a positive impact. An old saying is that you must spend money to get money, and in spending on CSI programmes there are returns in goodwill value from clients.*” Another participant said that a company with CSI programmes expands its market share.

One participant mentioned the benefit of high productivity: “*The company will be able to cut down on recruitment costs and expenses for training new employees on a regular basis. In addition, the benefit to the company will be in the form of high productivity.*” Another participant indicated that the company might benefit from a developed and skilled work force owing to its investment in educational programmes, where beneficiaries could work for the company after completing their studies. The above statements agree with the conclusion given by Hartmann (2011), who states that a company participating in social investment can attract skilled, committed and motivated employees.

Conversely, some of the participants indicated that no direct link existed between CSI and company performance, and that benefiting from CSI was not the company's key objective:

- *"CSI is not something you can always link back to ROI. In addition, I don't think the ROI from CSI should be the company's primary objective for having CSI programmes."*
- *"I would not say CSI contributes to ROI, as its main aim is to benefit society without getting anything in return."*

From these responses, one can conclude that some views are that CSI does not always result in financial gain. Its primary goal is to help society. The above statements are contrary to the opinion of Barnett and Salomon (2006), who assert that there is a positive link between social investment and financial benefit.

4.5.2 Contribution of ROI from CSI to company performance

The participants were asked for their views on how the ROI from CSI contributes to the company's financial performance or profits. Increased business activity and sales through brand awareness were mentioned. The information is presented in Table 4.9.

Table 4.9: Aspects on contribution of ROI from CSI to company performance		
	Codes	**Frequency**
Sub-theme 3B: Contribution of ROI from CSI to company Performance	Increase in business activities	3
	Brand awareness increases sales	3
	Certain donations have limited tax benefits	2
	Positive impact on company's financial performances	2
	Can measure ROI from CSI	1
	Company participating for beneficial reasons	1
	Contribution not significant	1
	Enhances company's brand	1
	Evidence of link between CSI and company's financial performance	1
	Impact of social development programmes increases partnerships	1
	Increase in customer base	1
	Increase in market share	1
	Intrinsic gain from CSI	1
	Participation linked to company's ROI	1
	Profitability is linked to uplifting communities	1
	Total	**21**

Source: Author conceptualisation

Some of the participants confirmed that the contribution of ROI from CSI appeared in the form of an increase in sales. One of the participants said that CSI enhances the company's brand, which results in more business. Another participant felt that more people wanted to invest with the company because of its social investment programmes. This view was supported by another participant, who said that the company benefits from its interaction with communities and non-governmental organisations, which could result in possible business leads.

One participant mentioned that when the company uplifts communities it is building future clients and increasing its client base. Another participant mentioned that the company receives an intrinsic gain from CSI. This observations imply that the company receives some gains, hence its participation. The above views are similar to the statement by King (IOD, 2009) that growth in company value is derived from participation in social investment programmes and the creation and maintenance of a positive image.

A participant stated that sometimes a company can measure the ROI from CSI. Another participant raised the point that the ROI from CSI might have a huge impact on the financial performance of a company. Thus, participants agreed that CSI can have an impact on financial performance. One participant said: "*In addition, when the government wants to do business with a company, it first looks at what that company is doing for its community. Therefore, CSI contributes to the company's financial performance.*" This sentiment was confirmed by another participant, who indicated that no company can be highly profitable without uplifting the community in which it operates. This participant felt that non-participation in CSI programmes might decrease ROI, a view supported by another participant: "*If companies do not invest in CSI there could be a decline in the ROI and this could negatively impact the success of the company.*" Branco and Rodriques (2008) also conclude that CSI can result in positive financial returns to a company and can improve its reputation and image.

According to one participant, some bursaries and donations have limited tax benefits. This issue was taken up by another participant, who said that there was a minimal financial impact despite some of the CSI programmes being tax deductible. Participants also mentioned partnerships in sponsored sports. *"I know the company did some research on sponsoring cycling and cricket to determine how those sponsorships contributed to the company. A link was identified between CSI and the company's financial performance."* Thus, these partnerships could be beneficial to the company through their contribution to society. Some participants indicated that the returns from CSI might not be significant, but agreed with Barnett and Salomon's (2006) conclusion that there is a positive link between social investment programmes and their financial benefits to a company.

4.6 Expectations of stakeholders from CSI programmes

This theme is sub-divided into two sub-themes as indicated below.

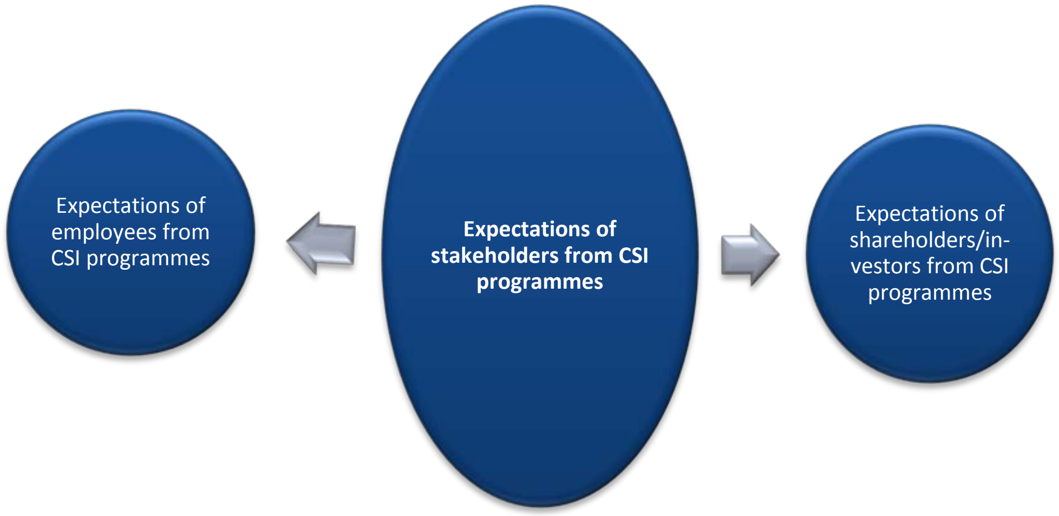

Figure 4.4: Theme and sub-themes on expectations of stakeholders from CSI programme

Source: Author conceptualisation

The results of the two sub-themes are presented in the following sub-sections.

4.6.1 Expectations of employees from CSI programmes

There were 19 views on the aspects of expectations of employees from CSI programmes, as shown in Table 4.10.

Table 4.10: Aspects on expectations of employees from CSI programmes		
Sub-theme 4A: Expectations of employees from CSI programmes	**Codes**	**Frequency**
	Cannot measure ROI from CSI	3
	Fulfilment of expectations	2
	Returns are related to intangible assets	2
	Benefits of customer awareness	1
	Brand awareness	1
	Creation of partnerships with communities	1
	CSI will have future positive impact on company's ROI	1
	Depends on CSI approach taken	1
	Good corporate citizen	1
	Improved employer/employee relationships	1
	Main aim is to benefit others	1
	Market share	1
	Need to measure company efforts	1
	Non-expectation of returns	1
	Returns not immediate	1
	Total	**19**

Source: Author conceptualisation

The first participant indicated that the expected returns from CSI programmes did materialise, even though the primary objective of the programme was to develop communities. The second participant thought that CSI brought about the expected results when employees empathised with the communities. Thus, expectations of the employees were being achieved. Similarly, a study by Brammer (2007) argues that employees have good perceptions of companies participating in CSR programmes and that employees expect returns for the company in the forms of positive reputation and improved productivity.

In addition, some of the participants felt that there is no direct measure for the ROI from CSI, as returns relate to intangible assets.

- *“The ROI from CSI is something that is intangible. We can see how much we spend on CSI programmes but we won’t know how many clients CSI brings to us. However, we do know that it brings some clients.”*
- *“You need to look at what the company is doing and not how the company is benefiting. It is not easy to see the benefits from CSI as they fit in more with the brand, which is an intangible asset.”*

It is evident from the comments above that the participants are in agreement that there are benefits from CSI programmes but that it is difficult to measure the returns from these benefits. This view is also given by Skinner and Mersham (2008), who argue that companies spend significant amounts on CSI programmes, but that the challenge to evaluate the effectiveness and returns on CSI lies in the absence of key performance indicators.

One participant felt that much revolves around brand awareness and market share. Another participant said that brand awareness and market share are inseparable. One of the participants noted: “*Even though the primary objective is to develop communities, we do see the benefits of customer awareness.*” Accordingly, more people are aware of the company’s brand and CSI programmes increase the company’s value. By the same token, Skinner and Mersham (2008) argue that CSI encourages investment in people development programmes, which result in future social returns and increase of the company’s market share.

According to one of the participants, the expectations from CSI are met. Being part of the programme that builds houses for the poor made the participant feel like a better person and able to relate to the community. Another participant said that the approach to CSI determines what is expected of it. This participant explained that: “*If you are doing CSI with your head then you obviously expect something in return, while with your heart the question of expected returns is not even relevant. It depends on your approach.”* The above views are supported by Wan-Jan (2006), who concludes that companies participate in social investment programmes either to please investors, for ethical or political reasons or for the company's benefit.

4.6.2 Expectations of shareholders or investors from CSI programmes

The participants provided 20 comments relating to the expectations of shareholders or investors, which are summarised in Table 4.11.

Table 4.11: Aspects on shareholders' or investors' expectations from CSI programmes		
	Codes	**Frequency**
Sub-theme 4B: Expectations of shareholders/investors from CSI programmes	Shareholders' expectations for company to invest in society	3
	Increase in company's market share	2
	Safeguarding shareholder interests by investing in society	2
	Brand visibility	1
	Contribution to a good cause	1
	Corporate shareholders and investors look at profitability	1
	Evidence of company contribution	1
	Fulfilment of expectations	1
	Improvement of company's brand	1
	Increase in company awareness	1
	More concentration on financial performance indicators than on money spent on CSI	1
	Not directly linked to financial rewards	1
	Positive feedback	1
	Promoting brand	1
	Uplifting the economy	1
	Well-being of community	1
	Total	**20**

Source: Author conceptualisation

Three responses indicated that shareholders expect companies to invest in society. They said that shareholders do not live in a vacuum and they are also members of society. Thus, if the company is investing in society but keeps a fair amount for dividends, then shareholders should be comfortable. One participant said that no concerns had arisen from shareholders or investors about spending money on CSI programmes, which provided a platform to continue with these programmes. Two of the participant agreed that CSI safeguards the interests of shareholders. One of the participants said: "*King III and company regulations talks about safeguarding the interests of shareholders*." Another participant indicated that shareholders should be proud to be associated with a company that invests in society, thereby uplifting the economy and promoting the well-being of the community. These statements agree with those of Lubin and Esty (2010), who concluded that shareholders expect social investment to increase a company's financial performance and reduce its business and financial risk.

Two participants were of the opinion that CSI had met shareholder expectations, as the company brand had significantly improved since the start of its sponsorship of sports development. "*The company's footprint is everywhere. If CSI was not meeting shareholder expectations then shareholders would have stopped the programmes."* Another participant said that many people were aware of the company because of the CSI programmes. Similarly, Godfrey (2005) claims that shareholders and investment analysts view social investment programmes as activities that create an intangible asset.

One participant said: It's *a tough question because I don't have contact with the shareholders or investors. However, if I was an investor and be able to see what the company does for the community, I would say it is fantastic."* Another participant stated that shareholder expectations have been met because of the positive shareholder feedback during the years in which the company was involved in community projects. "*I think it does meet the expectations of shareholders as every year we present reports to the board (which represents the shareholders). Therefore, we are on the right track and expectations are being met*." Sjostrom (2008) states that there is an increase in shareholder activism, where shareholders expect social investment to enhance share value through brand image and positive corporate reputation.

According to one participant, though, it depends on the type of shareholder. This participant said that institutional investors are not concerned with CSI but with being profitable and make money for their clients. One of the participants said: "*I think that they can see some of the financial benefits from CSI programmes but shareholders and investors don't always link financial rewards to CSI.*" Another participant commented: "*I do not think CSI is an issue for shareholders. Individual investors may care about it, but only to a small extent. Shareholders don't really read that section of companies' financials. They check the ROI, the price earnings ratio and the headline earnings per share."* The above statements are consistent with observations of Carroll and Shabana (2010) that institutional shareholders have different objectives to individual shareholders, as institutional shareholders are more interested in the company's bottom line and have ways to monitor decisions, such as performance bonuses to management.

4.7 Conclusion

The aim of this study is to assist in improving the understanding of employee perceptions on the ROI from CSI and to assist the Company's management in successfully implementing its social investment programmes. This chapter has presented the qualitative research findings of the data collected through the face-to-face interviews. Firstly, the data was sorted into groups as per the appropriate thematic codes for the purposes of analysis, which was followed by a discussion on the research findings that emerged from the data. In addition, this discussion of the findings on the grouped data was supported by the relevant literature review as documented in chapter 2. It is necessary to be aware that some employees are sceptical of the company's CSI policies and objectives for participating in CSI programmes. However, the findings reveal the overall positive perceptions of employees that CSI is beneficial to all the company's stakeholders. This finding is supported by Rockey (2005), who argues that CSI improves the company's reputation to stakeholders and that all stakeholders benefit from CSI programmes.

Chapter 5 presents the conclusion of the major findings and includes recommendations for possible future studies.

Chapter 5: Conclusion and recommendations

5.1 Introduction

In chapter 4 it has been shown that a variety of answers were provided by the research participants regarding the perceptions of employees on the ROI from CSI at a South African financial services company. An interpretation and a summary on the perceptions of employees on the ROI from CSI at a South African financial services company will be presented in this chapter. Additionally, the key research findings will be interpreted and presented in a manner that indicates that the research objectives were addressed. Finally, this chapter will also discuss the limitations on this study and the recommendations related to the research findings that could assist in future research.

5.2 Interpretation of the findings

This study provided a number of significant research findings. The research data was analysed through the thematic analysis method and the interpretation of these significant findings will be presented in the sub sections below.

The research findings addressed the following objectives:

- To explore the employees' perceptions on the benefits and intentions of the company for participating in the CSI programmes.
- To gain an understanding of how employees interpret the CSI of the company in relation to the company's overall strategy, and whether or not CSI has any influence on employees when choosing an employer.
- To explore how employees describe the ROI from CSI and if, in their perception, CSI contributes to the company's financial performance.
- To determine employees' expectations from CSI, and whether or not CSI meets the expectations of shareholders from the employees' perspective.

5.2.1 Participation in CSI programmes

The first research objective was to explore the employees' perceptions on the company's participation in CSI programmes. One of the main views that emerged from the participants is that corporate citizenship is the primary reason that the company participates in the CSI programmes. The research participants indicated that it is a good initiative for the company to participate in CSI programmes as there is pressure on the companies to support communities around them. Another key issue to emerge from the research participants on the objective addressing the company's involvement in CSI is community development and social investment. It was also noted by the research participants that society expects ethical behaviour from companies.

The research data that was collected indicated various perceptions of the participants, which can be attributed to the broad definition of CSI, as discussed in the literature review. The above statement is also supported by the varying observations of the participants:

- CSI is an investment towards community development and improving living standards of the community.
- The purpose of the CSI is to reduce the burden on the government of uplifting the country's social economic challenges, thereby adding value as a corporate citizen.
- CSI programmes are aimed at increasing the company's customer awareness, customer base and sales, resulting in financial gain to the company.
- CSI programmes are aimed at fighting poverty through economic growth and eliminating poverty, which is part of the UN's millennium development goal.

Another issue that was highlighted by the participants is that CSI involves helping disadvantaged communities. Furthermore, the aim or intention of CSI is mainly to improve as many situations in South Africa's disadvantaged communities as possible. This observation reinforces the statement by Skinner and Mersham (2008) that CSI encourages investment in people development programmes with social returns in the future, for example, South African companies are providing financial services to the previously disadvantaged communities, anticipating an increase in their market share. Furthermore, some participants were of the view that CSI is part of the company's marketing strategy to promote its brand as well as its reputation.

It was also discovered during the research that the perception of the participants was that the company implemented CSI programmes in order to promote employee wellness, which is aligned with the company's vision and strategy. However, the opinions offered by some participants demonstrate certain demerits relating to the company's involvement in CSI programmes. These demerits include that there is no actual social investment from the company and that the company is only giving money to organisations that do not appropriately use it for CSI programmes.

The above responses obtained from the participants share a similar view with Fig (2005) that employees believe that companies spend significant amounts of money improving their public images through publicising their successful social initiatives. Overall the current study indicates that the employees' perceptions on the benefits and intentions of the company for participating in CSI programmes could occur in various forms. However, regardless of the different perceptions it was generally believed that the company stands to benefit from CSI in the form of a positive reputation from being a good corporate citizen. The participants' use of various forms of returns supports views by Hamann (2009) that employees believe CSI is about being a corporate citizenship, business ethics and corporate governance resulting in economic returns to the organisations.

5.2.2 Perception on CSI programmes, policies and strategies

The second objective was to gain an understanding of how employees interpret the CSI of the company in relation to the company's overall strategy, and whether or not CSI has any influence on the employees when choosing an employer. The research participants do have their own perceptions of the CSI of the company in relation to the company's overall strategy. However, most participants seem to acknowledge that the company's CSI programmes are aligned with the overall company strategy and its vision. When it comes to the participants' interpretation of the company's CSI policies and strategies, it is clear that the participants have different perceptions. The above statement is supported by the following statements made by the participants during the interviews:

- The company performs a social needs analysis prior to funding CSI programmes as it does not believe in donations and prefers to be involved in the programmes.

- The company's CSI policy is to create partnerships with NGOs and the community in order to have a long-standing establishment with its social investment.
- The company's CSI policy is to educate society about financial risk and investments.

The above statements indicate a broad understanding of the company's CSI policies, which supports Fig's (2005) conclusion that CSI is a broad investment programme striving towards the development of society and preservation of the environment.

The study also revealed that the participants believed that the company chooses to invest in society through various programmes and activities. These initiatives include social investment in housing, education, health and entrepreneurship. Furthermore, the study revealed a broad interpretation by the participants of the company's CSI policies. Some participants indicated that CSI programmes and the company strategy were aimed towards the enhancement of the financial wellness of families, individuals and business, and that CSI programmes always aim at closing the gap where there is a financial need. These statements agree with Freemantle and Rockey's (2004) observation that CSI has developed in South Africa, and it is not focussed on donations, but rather has matured into a business strategy that generates goodwill.

In terms of a company's attraction as a possible employer owing to its CSI programmes, the participants seem to differ in their perceptions. Some participants indicate that, depending on the impact of CSI programmes in the community, the company's CSI initiatives might have an influence on the person choosing the company as an employer. In contrast, other participants indicated that in the developed countries, the work force might consider the company's CSI policy when choosing employers, but that this situation is non-existent in South Africa.

From the perceptions experienced and noted by the participants, it is important for the employees not only to be aware of the company's CSI programmes but also their influence be considered from the strategic perspective. The general notion from the participants is that the company needs a strategy to guide the implementation of CSI programmes. By answering the research question, it was evident from the participants that their understanding of the company's CSI policy is a bit vague as the participants seems to interpret the company's CSI policy as they see it. This is in alignment with the previous finding by Rockey (2012) which states that CSI means different things to the company employees which means that their expectations will also be different.

5.2.3 Link between ROI from CSI and company performance strategies

The third objective was to explore how employees describe the ROI from CSI and if, in their perception, CSI contributes to the company's financial performance. Whilst most participants agreed that there is a link between ROI from CSI and company performance, the participants offered different views on the type of ROI from CSI. The research participants identified the following descriptions of ROI from CSI: a creation of an intangible asset through economic improvement of society, an increase in the company's goodwill value, an enhancement of company's brand value, high employee productivity, increase in company's media coverage and growth in company's market share.

In terms of whether or not CSI contributes to the company's financial performance, the research findings show that CSI programmes might result in an increase in the company's customer base, staff retention, business activity and sales, resulting in financial benefit to the company. However, the research findings indicate that the benefits of ROI from CSI programmes are not seen overnight, as it takes time to build a client base. Although the research findings reflect that the participants generally agree that there are financial benefits from CSI, the evidence also suggests that there is a challenge in measuring or quantifying the contribution of ROI from CSI to the company's financial performance or profits. These statements agree with those of Lubin and Esty (2010), who conclude that shareholders expect social investment to increase a company's financial performance and reduce its business and financial risk.

By further answering the research question the participants explained that CSI yields returns in terms of motivating and developing current employees, attracting and retaining skilled employees resulting in high productivity to the company. This relates well to the previous findings provided in Trialogue (2011) that employees believe that participating in companies' CSI programmes through the transfer of skills and expertise results in benefits to the companies by means of an increase in productivity, confidence and enthusiasm of employees.

From the above, it is evident that the perception of employees is mainly that CSI might have a positive impact on financial performance. However, several of the participants did suggest that the financial impact from the ROI from CSI to the company's bottom line is insignificant. These isolated perceptions indicate that certain participants believe that the general designs for CSI programmes are not meant to result in financial benefits for the company, as the core beneficiaries are the communities.

5.2.4 Expectations of stakeholders from CSI programmes

The fourth and last objective was to determine employees' expectations from CSI, and whether or not CSI meets the expectations of shareholders from the employees' perspective. The research findings demonstrated a consistent theme throughout the interviews with the participants of broad expectations from CSI. The participants demonstrated various forms of expectations from CSI. Increases in the company's brand awareness, market share, financial wellness and positive reputation of the company were the dominant expectations.

An extension to the research objective was to determine whether or not CSI meets the expectations of shareholders from the employees' perspective. It is encouraging that participants suggest that shareholders, as company owners, have been satisfied with the CSI programmes implemented by the company. According to the participants, shareholders would have raised their dissatisfaction through the normal internal communication processes and the board of the company as representative of the shareholders would have cancelled the CSI programmes. The participants also suggest that shareholders may view CSI as a sustainable initiative that safeguards the interests of shareholders through uplifting of economy and promoting the well-being of the community. These finding are consistent with those of Sjostrom (2008), who states that there is an increase in shareholder activism, where shareholders expect social investment to enhance share value through brand image and positive corporate reputation.

It was further established from the participants' perceptions and expectations that CSI results in positive returns to the business through increase on the understanding of the society by the business which assists in developing financial products suitable for its society. By answering the research question, the participants indicated that there is actually a significant pressure from the shareholders for the company to be socially responsible as the South African shareholders do not believe that CSI diminishes company's share value, and in fact suggest that CSI might actually increase share value through social impact and business sustainability. This finding supports the previous research by Hinson and Ndhlovu (2011) that mentions that due to globalisation the South African companies are closely related to the international companies through stock exchanges and these companies are under pressure to meet requirements of shareholders through CSI and grow the share values of the company.

The above finding also aligns with argument by Skinner and Mersham (2008) that the perceptions of South African employees is that including social investment programmes in the business strategies will result in a surge in companies' share values and the levels of business competitiveness which will satisfy shareholders' expectations. On the other hand, the above finding contradicts previous research by Freemantle and Rockey (2004) who argue that employees believe that CSI spending often does not reflect an increase in share value but an expense the company incurs by donating to the society.

5.3 Overall summary of the research findings

The perception of employees on the ROI from CSI at a South African financial services company differs according to the views of the employees interviewed. However, most participants appear to agree that there is mutual benefit for the company and the community from the CSI programmes. Similarly, Arli and Lasmono (2010) argue that various stakeholders do demonstrate different perceptions towards social investment programmes. Furthermore, it seems there is no universal agreement on the benefits and the intentions of the company for participating in the CSI programmes. However, most participants seem to suggest that the company gains from the positive reputation of being a good citizen. In addition, it is suggested that the company obtains financial gain from participating in CSI as it increases the company's brand, resulting in an increase in sales of the company's products.

It is clear from the participants' perception that the company does have a CSI policy that is aligned to the company's overall strategy. However, there is a mixed feedback from the participants on whether or not CSI can have an influence on future employees of the company. Some of the feedback indicates that the CSI is not relevant for a prospective employee choosing the company as an employer. This research also found that employees have different descriptions of the ROI from CSI. Some participants describe ROI from CSI as increase in customer base and company's brand. This benefit is also mentioned by Skinner and Mersham (2008), who state that CSI programmes create benefits to society and business in the form of low employee turnover and an increase in customers. There is also a belief from some participants that CSI programmes implemented by the Company meet their expectations and those of the shareholders. According to the participants, CSI programmes protect the interests of the shareholders, as the company's business objectives are sustained through the positive partnerships build with the communities.

5.4 Limitations

The findings of this study must be considered in light of the limited scope and the research method applied. The findings cannot be generalised to all South African financial services companies or other South African companies from different industries, as the research focused on a specific company and its CSI programmes. As judgemental sampling was applied to collect the data, the research findings could be different had other employees been selected. The data from this study was collected from the employees of the company directly appointed to the CSI's business unit and who volunteer to assist in the CSI programmes, thus any generalisation drawn from this study should be limited to employees in similar position to the participants in this study. It also cannot be guaranteed that the participants were honest during the interviews. Comparison cannot be made with other previous studies as the research questions applied in this study were developed specifically for this research.

5.5 Recommendations for future research

There is an opportunity for future studies to explore the criteria needed to measure the ROI from CSI. This study focused on the sample of employees selected from a South African financial services company. In future, this type of study could be extended to include employees from other South African financial services company as well other South African companies, without being industry specific. The study can be conducted with another sample of employees who have never participated in CSI programmes. It is recommended that a study that involves other stakeholders such as shareholders or community members might be beneficial and provide accurate perceptions.

5.6 Conclusion

This study provides insights into the employee perceptions on the ROI from CSI in the context of the South African financial services company. The results indicate that it is possible to deduce that the CSI has the ability to enhance the employees' wellness and improve the perceptions of employees towards the company. The results further suggest that companies are expected to implement CSI programmes as corporate citizens. This study indicates that CSI programmes can help to promote the reputation of the company as an organisation that cares about the community. This company has implemented CSI programmes that are aligned to the organisational strategies of improving the financial wellness of the communities. The perceptions from the participants suggest that CSI provides the company with competitive advantage through increases in brand awareness, market share and customer base.

6. List of references

Aaronson, S.A. (2007). A match made in the corporate and public interest: Marrying voluntary CSR initiatives and the WTO, *Journal of World Trade*, 41(3), pp. 629-659.

Abratt, R., Bendixen, M. & Saunders, M. (2007). Banking patronage motives of the urban informal poor, *Journal of Services Marketing*, 21(1), pp. 52–63.

Aguinis, H. & Glavas, A. (2012). What we know and don't know about corporate social responsibility: A review and research agenda, *Journal of Management*, 38(1), pp. 932–968.

Ali, I., Rehman, K.U., Ali, S.I., Yousaf, J. & Zia, M. (2010). Corporate social responsibility influences, employee commitment and organizational performance, *African Journal of Business Management*, 4(12), pp. 2796-2801.

Ambec, S. & Lanoie, P. (2008). Does it pay to be green? A systematic overview, *Academy of Management Perspectives,* November 2008, pp. 45-62.

Anderson, J.D. (2006). *Qualitative and quantitative research*. Available from: http://www.icoe.org/webfm_send/1936 (Accessed 26 November 2013).

Argandona, A. & Hoivik, H. (2009). Corporate social responsibility: One size does not fit all. Collecting evidence from Europe. *Journal of Business Ethics*, 89(3), pp. 221-234.

Arli, D.I. & Lasmono, H.K. (2010). Consumers' perception of corporate social responsibility, *Journal of Business Ethics*, 110(1), pp. 113-131.

Auld, G., Bernstein, S. & Cashore, B. (2008). The new corporate social responsibility, *Annual Review of Environment and Resources*, 33(1), pp. 413-435.

Babbie, E. & Mouton, J. (2009). *The practice of social research: South African edition*. Cape Town: Oxford University.

Babiak, K. & Wolfe, R. (2009). Determinants of corporate social responsibility in professional sport: Internal and external factors, *Journal of Sport Management,* 23(3), pp. 717-742.

Barbarinde, O. A. (2009). Bridging the economic divide in the Republic of South Africa: A corporate social responsibility perspective. *Thunderbird International Business Review*, 51(4), pp. 355-368.

Barnett, M. L. (2007). Stakeholder influence capacity and the variability of financial returns to corporate social responsibility. *Academy of Management Review*, 32(3), pp. 794-816.

Barnett, M.L. & Salomon, R.M. (2006). Beyond dichotomy: The curvilinear relationship between social responsibility and financial performance, *Strategic Management Journal,* 27(11), pp. 1101-1122.

Baron, D. P. (2009). A positive theory of moral management, social pressure, and corporate social performance, *Journal of Economics & Management Strategy*, 18(1), pp. 7–43.

Bartle, I. & Vass, P. (2007). Self-regulation within the regulatory state: Towards a new regulatory paradigm?, *Public Administration*, 85(4), pp. 885-905.

Baskin, J. (2006). Corporate responsibility in emerging markets, *The Journal of Corporate Citizenship*, winter 2006, pp. 29-47.

Bernard, H.R. (2010). *Social research methods: Qualitative and quantitative approaches*, 2nd edition. California: Sage Publications.

Bhattacharya, C.B. & Sen, S. (2004). Doing better at doing good: When, why, and how consumers respond to corporate social initiatives, *California Management Review*, 47(1), pp. 9-23.

Biggam, J. (2008). *Succeeding with your master's dissertation; a step-by step handbook.* Basingstoke: Palgrave.

Blowfield, M. & Frynas, J.G. (2005). Setting new agendas: Critical perspectives on corporate social responsibility in the developing world, *International Affairs*, 81(3), pp. 499-513.

Boljevic, A. (2009). Social responsibility of management as part of the company's development policy, *Economic Themes*, 47(1), pp. 187-199.

Bond, P. (2008). Social movements and corporate social responsibility in South Africa, *Development and Change,* 39(6), pp. 1037-1052.

Brammer, S. (2007). The contribution of corporate social responsibility to organisational commitment, *International Journal of Human Resource Management,* 18(10), pp. 1701–1719.

Brammer, S., Jackson, G. & Matten, D. (2012*).* Corporate social responsibility and institutional theory: New perspectives on private governance*, Socio-Economic Review*, 10(1), pp. 3-28.

Brammer, S. & Pavelin, S. (2005). Corporate community contributions in the United Kingdom and United States, *Journal of Business Ethics*, 56(10), pp. 15-26.

Branco, M.C. & Rodriques, L.L. (2008). Factors influencing social responsibility disclosure by Portuguese companies, *Journal of Business Ethics*, 83(4), pp. 685-701.

Braun, V. & Clarke, V. (2006). Using thematic analysis in psychology, *Qualitative Research in Psychology*, 3(2), pp. 77-101.

Braun, V. & Clarke, V (2013). *Successful qualitative research: A practical guide for beginners*. London: Sage

Bryman, A. (2008). *Social research methods*, 4th edition. Oxford: Oxford University Press.

Buchholz, R.A. & Rosenthal, S.B. (2005). The spirit of entrepreneurship and the qualities of moral decision making: Toward a unifying framework, *Journal of Business Ethics,* 60(3), pp. 307-315.

Carroll, A.B. (1993). *Business and society: Ethics and stakeholder management,* 2nd edition. Cincinnati, Ohio: College Division, South-Western Publishers.

Carroll, A.B. (1999). Corporate social responsibility: Evolution of a definitional construct, *Business and Society*, 38(3), pp. 268-295.

Carroll A.B. & Shabana, K.M. (2010). The business case for corporate social responsibility: A review of concepts, research and practice, *International Journal of Management Reviews*, 12(1), pp. 85-105.

Chen, C.H. (2011). The major components of corporate social responsibility, *Journal of Global Responsibility*, 2(1), pp. 85–99.

Choi, J. & Wang, H. (2007). The promise of managerial values approach to corporate philanthropy, *Journal of Business Ethics,* 75(4), pp. 345-359.

Choi, Y. & Yu, Y. (2014). The influence of perceived corporate sustainability practices on employees and organisational performance, *Sustainability*, 6(1), pp. 348-364.

Collier, J. & Esteban, R. (2007). Corporate social responsibility and employee commitment, *Business Ethics: A European Review*, 16(1), pp. 19-33.

Córdoba, J.R. & Campbell, T (2007). Implementation of CSR initiatives–The contribution of systemic thinking, *Pensamiento & Gestión*, 23(4), pp. 112-130.

Creswell, J.W. (2012). *Qualitative inquiry and research design: Choosing among five approaches*, 3rd edition. California: Sage Publication.

Creswell, J.W. (2014). *Research design: Qualitative, quantitative and mixed methods approaches,* 4th edition. California: Sage Publication

Dahlsrud, A. (2008). How corporate social responsibility is defined: An analysis of 37 definitions, *Corporate Social Responsibility and Environmental Management*, 15(1), pp. 1-13.

Davey, J., Gugiu, P.C. & Coryn, C.L.S. (2010). Quantitative methods for estimating the reliability of qualitative data, *Journal of MultiDisciplinary Evaluation*, 6(13), pp. 140-162.

De Chiara, A. & Spena, T.R. (2011). CSR strategy in multinational firms: focus on human resources, suppliers and community, *Journal of Global Responsibility*, 2(1), pp. 60–74.

De Wet, H. (2007). *Corporate social investment handbook. A comprehensive reference guide to corporate social investment in South Africa,* 10th edition. Cape Town: Trialogue.

Diale, A.J. (2014). Corporate social responsibility in the South African mining industry: Necessity, conformity, or convenience, *International Journal of Business and Economic Development*, 2(1), pp. 16-26.

Du Toit, C. (2012, May 3). Employees key to CSI strategy. *Mail and Guardian*, P29.

Elkington, J. (1997). C*annibals with forks: The triple bottom line of 21st century business*. Oxford: Capstone Publishing.

Eweje, G. (2006). The role of MNEs in community development initiatives in developing countries, *Business and Society*, 45(2), pp. 93-129.

Falck, S. & Heblich, E.L. (2007). Corporate social responsibility: Doing well by doing good, *Business Horizons*, 50(1), pp. 247-254.

Ferrell, O.C. & Maignan, I. (2001). Corporate citizenship as a marketing instrument: Concepts, evidence and research directions, *European Journal of Marketing*, 35(4), pp. 457-484.

Fig, D. (2005). Manufacturing amnesia: Corporate social responsibility in South Africa, *International Affairs*, 81(3), pp. 599-617.

Fombrun, C.J. (2005). Building reputation through CSR initiatives: Evolving standards, *Corporate Reputation Review*, 8(1), pp. 7-11.

Forehand, M. & Grier, S. (2003). When is honesty the best policy? The effect of stated company intent on consumer scepticism, *Journal of Consumer Psychology*, 13(1), pp. 349-356.

Fouka, G. & Mantzorou, M. (2011). What are the major ethical issues in conducting Research? Is there a conflict between the research ethics and the nature of nursing?, *Health Science Journal*, 5(1), pp. 3-14.

Freemantle, A. (2007). *The good corporate citizen: Pursuing sustainable business in South Africa.* Cape Town: Trialogue Publication.

Freemantle, A. & Rockey, N. (2004). *The good corporate citizen: Pursuing sustainable business in South Africa.* Cape Town: Trialogue Publication.

Friedman, M. (1970, September 13). The social responsibility of business is to increase its profits. *The New York Times,* 33, pp. 122-125.

Friedman, S., Hudson, J. & Mackay, S. (2008). New whims for old? Corporate giving in South Africa. In A. Habib, & B. Maharaj (eds), *Giving & solidarity: Resource flows* *for poverty alleviation and development in South Africa* (pp.159-207). Cape Town: Human Sciences Research Council (HSRC) Press.

Galbreath, J. (2010). How does corporate social responsibility benefit firms? Evidence from Australia, *European Business Review*, 22(4), pp. 411-431.

Glover, D. (2007). Monsanto and smallholder farmers: A case study in CSR, *Third World Quarterly,* 28 (4), pp. 851-867.

Godfrey, P.C. (2005). The relationship between corporate philanthropy and shareholder wealth: A risk management perspective, *Academy of Management* Review, 30(4), pp. 777–798.

Gordon, M. & Bose-Haider, B. (2012). A novel system of prescribing feedback to reduce errors: A pilot study, *The International Journal of Risk and Safety in Medicine*, 24(4), pp. 207-214.

Grimes, J.M., Fleischman, K.R. & Jaeger, P.T. (2009). Virtual guinea pigs: Ethical implications of human subjects in virtual worlds, *International Journals of Internet Research Ethics,* 2(1), pp. 38-56.

Hamann, R. (2009). South Africa: The role of history, government, and local context in S.O. Idowu and W.I. Filho (eds.), *Global Practices of Corporate Social Responsibility.* Berlin: Springer.

Hanks, J., Hamann, R. & Sayers, V. (2007). *Corporate social responsibility in South Africa: A description of the CSR landscape, a review of the challenges and some recommendations for the UN Global Compact*. Johannesburg: National Business Initiative.

Hargett, T.R. & Williams, M.F. (2009). Wilh. Wilhelmsen shipping company: Moving from CSR tradition to CSR leadership, *Corporate Governance*, 9(1), pp. 73-82.

Harish, S.P. & Santhosh, S.P. (2013). Effects of globalisation and limitations of corporate social responsibility in India, *Journal of Humanities and Social Science*, 14(4), pp. 38-54.

Hartmann, M. (2011). Corporate social responsibility in the food sector, *European Review of Agricultural Economics*, 38(3), pp. 297-324.

Hasnas, J. (1998). The normative theories of business ethics: A guide for the perplexed, *Business Ethics Quarterly,* 8(1), pp. 19-42.

Heinze, D., Sibary, S. & Sikula, A. (1999). Relations among corporate social responsibility, financial soundness, and investment value in 22 manufacturing industry groups*, Ethics and Behaviour*, 9(4), pp. 331-347.

Henderson, D. (2004). *The role of business in the modern world*. London: Institute of Economic Affairs.

Hesse-Biber, S.N. & Leavy, P. (2006). *The practice of qualitative research.* California: Sage Publications.

Hinson, R.E. & Ndhlovu, T.P. (2011). Conceptualising corporate social responsibility and corporate social investment: The South African context, *Social Responsibility Journal*, 7(3), pp. 332-346.

Housley, W. & Smith, R.J. (2011). Mundane reason, membership categorisation practices and the everyday ontology of space and place in interview talk, *Qualitative Research*, 11(6), pp. 698-715.

Hubbard, G. (2009). Measuring organisational performance: Beyond the triple bottom line, *Business Strategy and the Environment,* 18(3), pp. 177-191.

Idemudia, U. (2011). Corporate social responsibility and developing countries: Moving the critical CSR research agenda in Africa forward, *Progress in Development Studies*, 11(1), pp. 1-18.

King Committee on Corporate Governance and Institute of Directors (South Africa) (1992). *King Report on Corporate Governance for South Africa, 1992.* Institute of Directors in Southern Africa.

King Committee on Corporate Governance and Institute of Directors (South Africa) (2002). *King Report on Corporate Governance for South Africa, 2002.* Institute of Directors in Southern Africa.

King Committee on Corporate Governance and Institute of Directors (South Africa) (2009). *King Report on Corporate Governance for South Africa, 2009.* Institute of Directors in Southern Africa.

Jallow, K. (2009). Radicalism and corporate social responsibility: unlikely partners?, *Management of Environmental Quality: An International Journal*, 20(3), pp. 321–334.

Jones, J.F. (2010). Social finance: Commerce and community in developing countries, *International Journal of Social Economics*, 37(6), pp. 415-428.

Kleine, A. & Hauff, M. (2009). Sustainability driven implementation of corporate social responsibility: Application of the integrative sustainability triangle, *Journal of Business Ethics*, 85(3), pp. 517-533.

Lancaster, G. (2005). *Research methods in management: A concise introduction to research in management and business consultancy*, Burlington: Elsevier Butter-Heineman.

Leedy P.D. & Ormrod J.E. (2010). *Practical research: Planning and design*. New Jersey: Pearson Education International.

Lin-Hi, N. (2010). The problem with a narrow-minded interpretation of CSR: Why CSR has nothing to do with philanthropy, *Ramon Llull Journal of Applied Ethics,* 1(79), pp. 79-94.

Lubin, D.A. & Esty, D.C. (2010). The sustainability imperative, *Harvard Business Review*, 88(5), pp. 42-50.

Maignan, I. & Ralston, D.A. (2002). Corporate social responsibility in Europe and the US: Insights from businesses self-presentations, *Journal of International Business Studies*, 33(3), pp. 497-514.

Marshall, C. & Rossman, G.B. (1999). *Designing qualitative research*, 3rd edition. California: Sage Publications Inc.

May, J.P. (2006). *An understanding of corporate social investment within the context of the Sappi forest products division in South Africa*. Unpublished (MBA) thesis. Rhodes University. Available from: http://eprints.ru.ac.za/495/1/May_MBA.pdf (Accessed 25 February 2013).

McDonald, F. & Liebenberg, J. (2006). The perceptions of employees in a private higher education institution towards corporate social responsibility, *SA Journal of Human Resource Management*, 4(1), pp. 27-35.

McWilliams, A. & Siegel, D. (2001). Corporate social responsibility: A theory of the firm perspective, *The Academy of Management Review*, 26(1), pp. 117-127.

Moon, J. (2007). The contribution of corporate social responsibility to sustainable development, *Sustainable Development,* 15(5). pp. 296-306.

Morgan, D.L. (2010). Paradigms lost and pragmatism regained methodological: Implications of combining qualitative and quantitative methods, *Journal of Mixed Methods Research*, 1(1), pp. 48-76.

Muthuri, J.N. & Gilbert, V. (2011). An institutional analysis of corporate social responsibility in Kenya, *Journal of Business Ethics*, 98(3), pp. 467-483.

Muthuri, J.N., Matten, D. & Moon, J. (2009). Employee volunteering and social capital: Contributions to corporate social responsibility, *British Journal of Management*, 20(1) pp. 75-89.

Nasi, J., Nasi, S., Phillips, N. & Zyglidopoulos, S. (1997). The evolution of corporate social responsiveness: An exploratory study of Finnish and Canadian forestry companies, *Business and Society,* 36(3), pp. 296-321.

Ndhlovu, T.P. (2011). Corporate social responsibility and corporate social investment: The South African case, *Journal of African Business,* 12(1) pp. 72-91.

Noor, K.B.M. (2008). Case study: A strategic research methodology, *American Journal of Applied Sciences*, 5(11), pp. 1602-1604.

Nunes, M.B., Martins, J.T., Zhou, L., Alajamy, M. & Al-Mamari, S. (2010). Contextual sensitivity in grounded theory: The role of pilot studies, *Electronic Journal of Business Research Methods,* 8(2), pp. 73-84. Available from: http://eprints.whiterose.ac.uk/42825/1/ejbrm-volume8-issue2-article241-2.pdf. (Accessed 11 November 2014)

Nyar, A. (2011). ‘Business as usual’: The response of the corporate sector to the May 2008 xenophobic violence, *Politikon*, 38(1), pp. 149-167. Available from: http://www.tandfonline.com/toc/cpsa20/38/1. (Accessed 12 May 2013)

Nyborg, K. & Zhang, T. (2013). Is corporate social responsibility associated with lower wages?, *Environmental and Resource Economics*, 55(1), pp. 107-117.

Ojala, M. (1994). Finding socially responsible companies, *Database*, 17(5), pp. 86-89. Available from: http://dl.acm.org/citation.cfm?id198464 (Accessed 11 March 2014)

Olajide, F.S. (2014). Corporate social responsibility practices and stakeholders expectations: The Nigerian perspectives, *Research in Business Management*, 1(2), pp. 13-31.

Onwuegbuzie, A.J. & Collins, K.M.T. (2007). A typology of mixed methods sampling designs in social science research, *The Qualitative Report*, 12(2), pp. 281-316. Available from: http://www.nova.edu/ssss/QR/QR12-2/onwuegbuzie2.pdf (Accessed 18 June 2014).

Othman, A.A.E. (2009). Corporate social responsibility of architectural design firms towards a sustainable built environment in South Africa, *Architectural Engineering and Design Management*, 5(1), pp. 36-45.

Peterson, D.K. (2004). The relationship between perceptions of corporate citizenship and organisational commitment, *Business and Society*, 43(3), pp. 296-319.

Porter, M.E. & Kramer, M.R. (2006). Strategy and society: The link between competitive advantage and corporate social responsibility, *Harvard Business Review*, 84(12), pp. 78-92.

Preston, L.E. & O'Bannon D.P. (1997). The corporate social-financial performance relationship: A typology and analysis, *Business and Society*, 36(4), pp. 419-429.

Robins, F. (2006). The challenge of TBL: A responsibility to whom?, *Business and Society Review*, 111(1), pp. 1-14.

Rockey, N. (2012, November 27). Corporate social investment: A business imperative or nicety?, Trialogue Sustainability Review, *Financial Mail*, p. 124.

Rockey, V. (2005). *The CSI handbook*, 8th edition. Cape Town: Trialogue Publication.

Saunders, M., Lewis, P. & Thornhill, A. (2009). *Research methods for business students*, 5th edition. Essex: Pearson Education.

Seidman, I. (2012). *Interviewing as qualitative research: A guide for researchers in education and the social sciences,* 4th edition. Teachers College Press.

Sharma, A. & Kiran, R. (2013). Corporate social responsibility: Driving forces and challenges, *International Journal of Business Research and Development*, 2(1), pp. 18-27.

Silverman, D. (2013). *Doing qualitative research: A practical handbook*, 4th edition. London: Sage Publications.

Simon, M.K. (2011). *Dissertation and scholarly research: Recipes for success*, Seattle, WA: Dissertation Success, LLC.

Sjostrom, E. (2008). Shareholder activism for corporate social responsibility: What do we know?, *Sustainable Development*, 16(3), pp. 141-154.

Skinner, C. & Mersham, G. (2008). Corporate social responsibility in South Africa: Emerging trends, *Society and Business Review*, 3(3), pp. 239-255.

Skinner, C., Von Essen, L. & Mersham, G. (2004). *Handbook of public relations,* 7th edition. Cape Town: Oxford University Press.

Slaper, T.F. & Hall, T.J. (2011). The triple bottom line: What is it and how does it work?, *Indiana Business Review*, 86(1), pp. 4-8. Available from: http://www.ibrc.indiana.edu/ibr/2011/spring/article2.html. (Accessed 5 June 2013)

Smith, J.M. & Sypher, B. (2010). Philanthropy in the workplace: How a financial institution communicates charitable giving values, *Southern Communication Journal*, 75(4), pp. 370-391.

Smith, N.C. (2003). Corporate social responsibility: Whether or how, *California Management Review*, 45(4), pp. 52-76.

Snider, J., Hill, R.P. & Martin, D. (2003). Corporate social responsibility in the 21st century: A view from the world's most successful firms, *Journal of Business Ethics*, 48(2), pp. 175-187.

Sonnenberg, D. & Hamann, R. (2006). The JSE socially responsible index and the state of sustainability reporting in South Africa, *Development Southern Africa*, 23(2), pp. 305-320.

Steurer, R. (2010). The role of governments in corporate social responsibility: characterising public policies on CSR in Europe, *Policy Sciences*, 43(1), pp. 49-72.

Steurer, R., Langer, M.E., Konrad, A. & Martinuzzi, A. (2005). Corporations, stakeholders and sustainable development I: A theoretical exploration of business-society relations, *Journal of Business Ethics*, 61(3), pp. 263-281.

Sullivan, J.R. (2012). Skype: An appropriate method of data collection for qualitative interviews?, *The Hilltop Review*, 6(1), pp. 53-60. Available from: http://scholarworks.wmich.edu/cgi/viewcontent.cgi?article=1074&context=hilltopreview. (Accessed 16 June 2013)

Tan, Y.W.G. & Komaran, R.V. (2006). *Perceptions of corporate social responsibility: An empirical study in Singapore; Strategic Management Policy.* Conference proceedings of the 13th annual conference on advances in management. Available from: http://ink.library.smu.edu.sg/lkcsb_research/2846. (Accessed 24 February 2013)

Thwaits, C. & Bouwer, C. (2012). *The GIBS guide to sustainability: Corporate social responsibility and community projects*. Johannesburg: Gordon Institute of Business Science.

Tongco, M.D.C. (2007). Purposive sampling as a tool for informant selection, *A Journal of Plants, People, and Applied Research*, 5(12), pp. 147-158.

Trialogue (2011). *Corporate social investment in schooling in South Africa*. Kenilworth: Trialogue Publication.

Trochim, W.M.K. (2006). *Sampling. Research methods knowledge base*. Available from: http://www.socialresearchmethods.net/kb/sampling.php (Accessed 25 October 2013).

Turner, W.D. (2010). Qualitative interview design: A practical guide for novice investigators, *The Qualitative Report, 15(3)*, pp. 754-760. Available from: http://www.nova.edu/ssss/QR/QR15-3/qid.pdf (Accessed 12 February 2014)

Vaismoradi, M., Turunen, H. & Bondas, T. (2013). Content analysis and thematic analysis: Implications for conducting a qualitative descriptive study, *Nurse Health Science,* 15(3), pp. 398-405.

Valentine, S. & Fleischman, G. (2008). Ethics programs, perceived corporate social responsibility and job satisfaction, *Journal of Business Ethics*, 77(2), pp. 159-172.

Visser, W. (2008). Corporate social responsibility in developing countries. In A. Crane, A. McWilliams, D. Matten, J. Moon & D. Siegel (eds.), *The Oxford handbook of corporate social responsibility*, Oxford: Oxford University Press.

Visser, W. (2010). The age of responsibility: CSR 2.0 and the new DNA of business, *Journal of Business Systems, Governance and Ethics*, 5(3), pp. 7-22.

Vogel, D. (2005). *The market for virtue: The potential and limits of corporate social responsibility,* Washington D.C.: Brookings Institution Press.

Wan-Jan, W. S. (2006). Defining corporate social responsibility, *Journal of Public Affairs*, 6(4), pp. 176-184. Available from: http://onlinelibrary.wiley.com/doi/10.1002/pa.227. (Accessed 12 September 2013).

Warhust, A. (2001). Corporate citizenship and corporate social investment: drivers of tri-sector partnerships, *Journal of Corporate Citizenship,* 1(1) pp. 57-73.

World Business Council for Sustainable Development, (2012). Overview. Available from: http://www.wbcsd.org/about.aspx (Accessed 17 June 2013).

Yin, R.K. (2011). *Application of case study research*, 3rd edition. California: Sage Publications.

7. Appendix A: Semi-structured interview schedule

The following are the questions formulated and applied during the interviews:

1. What are your thoughts on the intentions of the company for participating in Corporate Social Investment (CSI) programmes? This question relates to the objective of exploring the employees' perceptions on the intentions and the benefits of the company for participating in the CSI programmes.

2. In your view, what do you think are the company's benefits from the CSI programmes? This question relates to the objective of exploring the employees' perceptions on the intentions and the benefits of the company for participating in the CSI programmes.

3. How would you interpret the company's CSI programmes or policies? This question relates to the objective of gaining an understanding of the employees' interpretation of CSI of the company in relation to the company's overall strategy and whether or not CSI can have an influence on the employees choosing an employer.

4. How do you view the company's CSI programmes in terms of the company's overall strategy? This question relates to the objective of gaining an understanding of the employees' interpretation of CSI of the company in relation to the company's overall strategy and whether or not CSI can have an influence on the employees choosing an employer.

5. Do you believe that CSI has an influence on people from choosing which company to work for? This question relates to the objective of gaining an understanding of the employees' interpretation of CSI of the company in relation to the company's overall strategy and whether or not CSI can have an influence on the employees choosing an employer.

6. In your view, how would you describe the return on investment (ROI) from CSI? This question relates to the objective of exploring how employees describe the ROI from CSI and if, according to the employees' perceptions, CSI contributes to the financial performance of the company.

7. In your mind, how does the ROI from CSI contribute to the company's financial performance/profit? This question relates to the objective of exploring how employees describe the ROI from CSI and if, according to the employees' perceptions, CSI contributes to the financial performance of the company.

8. Are the returns or benefits the company is getting from CSI what you expected? This question relates to the objective of determining the employees' expectations from CSI and whether or not CSI meets the expectations of shareholders from the perceptions of employees.

9. Do you think the ROI from CSI meets the expectations of the company's shareholders/investors? This question relates to the objective of determining the employees' expectations from CSI and establishing if CSI meets the expectations of shareholders from the perceptions of employees.

End of the questions.

Appendix B: Questions with coded transcriptions

Q. What are your thoughts on the intentions of the company for participating in Corporate Social Investment (CSI) programmes?

A. My thoughts are it is a positive thing what the company is doing and the company is not only promoting its brand but also helping develop the previously disadvantaged communities (Promoting brand; assisting disadvantaged communities).

Q. In your view, what do you think are the company's benefits from the CSI programmes?

A. As much as the company is giving it is getting it back from the community (unmeasurable benefits). The company is getting a lot of knowledge from the communities and the partners it makes from the CSI programmes (Gain in knowledge, Partnership). For example, when the company goes to a school for a CSI project it also get to interact with the teachers who might buy the companies' policies (Increase of customer base and sales). Sometimes at the school there might be company's clients who might pose service related questions which if properly addressed could result in happy clients (Client loyalty). The company has also launched new products which target the kind of people it meets when it goes to the previously disadvantage communities (Meeting customer needs, growth in market share). CSI definitely can result in new business although the company is not doing CSI for the business (Increase of customer base and sales). I have heard cases where the communities actually ask about some of the company's new products during the site visits (Brand awareness).

Q. How would you interpret the company's CSI programmes or policies?

A. The company's CSI policies are very stringent in terms of which programmes to fund (Stringent policies in terms of funding of programmes). The company wants to see that there is actually a need before funding and the company don't believe in donations but in being more involved in the projects (Assessment of need; Preference to involvement in projects than donations). The company does not give a person a fish but it gives the person a rod. The company first assesses the need and then provides with the tools, the support and the regular progress reviews

(Company assists with tools and support). The company participate in the project until it is self-sustaining and there will still be site visits to assess where support is required (Assists until project is sustainable).

Q. How do you view the company's CSI programmes in terms of the company's overall strategy?

A. I think the CSI programmes tie in with the company's overall strategy (CSI programmes are part of organizational strategy). The strategy says we want to be the first company the community thinks of in terms of their financial wellness and the same community ploughs back into the company (Public Image). Therefore, the CSI programmes and the company's overall strategy do tie in, as what the company gives is what it gets from the communities (Benefits from CSI). It helps that the two are interdepended to each other as the company wants to sell its product in those communities (Interdependence of organization and community).

Q. Do you believe that CSI has an influence on people from choosing which company to work for?

A. Definitely, there was one person from Tembisa we used to take with us when we are doing projects. That person could have been the company's beneficiary but instead chose to join the company as an employee. I think people once they identify the company's brand from CSI programmes they are going to choose to work for that brand (CSI influential due to brand awareness from CSI programmes). CSI will have an influence on someone joining the company with CSI programmes instead of the other companies because of the brand visibility the programmes create (CSI influential due to brand visibility). There are a lot of insurance companies I could have worked for but I didn't know those companies. The company have employees who are physical challenged which helps the company meets the EE ratio and future employees who are physically challenged might choose to work for the company when they become aware of the company's CSI programmes (CSI influential due to brand awareness from CSI programmes).

Q. In your view, how would you describe the return on investment (ROI) from CSI?

A. I think the brand gets enhanced as the ROI from CSI (Brand gets enhanced from ROI from CSI). The company's market share grows which result in growth in the company's business (Growth in market share). You can actually see the growth on the financials.

Q. In your mind, how does the ROI from CSI contribute to the company's financial performance/profit?

A. I can say to the positive. The CSI programmes make people aware of the company's brand and this result in growth in company's market share (Brand awareness increases sales, Increase in market share). In addition, if may be the government wants to do a business deal with a company, the government first look at what is that company doing for its community. Therefore CSI contribute to the company's financial performance (Positive impact on company's financial performance).

Q. Are the returns or benefits the company is getting from CSI what you expected?

A. Definitely, that is why I'm still part of CSI six years down the line and I'm busy recruiting more people to join the volunteers programme. So basically it does meet my expectations because some companies are just donating money and we create partnership with the communities (Creation of partnership within communities). I think it works better for CSI when you actually put yourself in their shoes and it brings expected results (Fulfilment of expectations).

Q. Do you think the ROI from CSI meets the expectations of the company's shareholders/investors?

A. I would like to think so because all the years that I have been involved with these projects the feedback that we get has been positive (Positive feedback).