THE ROLE OF CORPORATE STRATEGY IN FOSTERING CORPORATE SOCIAL RESPONSIBILITY

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Declaration of Original Work

I, Vuyisile Gregory Mfecane, declare that this dissertation is my own unaided work. Any assistance that I have received has been duly acknowledged in the dissertation. It is submitted in partial fulfilment of the requirements for the degree of Master of Commerce at the University of Johannesburg. It has not been submitted before for any degree or examination at this or at any other University.

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Abstract

Social responsibility is increasingly becoming important in the undertaking of any business as the general society, investors and other stakeholders increasingly make it a point to keep business accountable with regard to social and environmental impacts business has on the socio-economic environments in which businesses operate.

As a result, organisations find themselves having to determine efficient ways to achieve profitability and profit growth while meeting the social and environmental needs of the communities within which they conduct their business. Managers are now pressured to go about their social responsibility agenda without negatively affecting the bottom line while achieving social responsibility goals and objectives.

Therefore this body of work aims to investigate and uncover guidelines and ways in which corporate strategy can progress Corporate Social Responsibility (CSR), thus providing management and CSR practitioners insights into how strategy can be used to enhance CSR initiatives in their organisations. This is achieved by researching a few organisations by looking at their corporate strategy formulation techniques followed by the assessment of their social responsibility strategy and resulting initiatives.

Having conducted the research, ways to link CSR to corporate strategy are identified and the advantages and disadvantages thereof. Recommendations on how organisations can move from dispersed CSR to strategic CSR without losing focus of its strategic objectives as a business are made based on sound research. This will provide CSR managers with insights on how corporate strategy can progress CSR and how to link the two.
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1.1 Background

In 1970, Milton Friedman (a Nobel laureate) argued that “the only social responsibility of business was to increase profits” (Porter & Kramer, 2002:6). Friedman further argued that the organisation is the shareholder’s instrument and if the organisation makes a contribution (to social responsibility) it prevents the individual shareholder from making a decision on how to dispose of his funds (Porter & Kramer, 2002:6).

This argument is supported by the contribution that, until around the mid twentieth century the dominant school of thought in business was that business is there to earn [economic] profit for the shareholders (Bhattacharyya, 2008:2).

However, in recent years organisations have been pressured to not only focus on economic profit but to also consider social and environmental performance.

As a result, corporate social responsibility is increasingly becoming important in the undertaking of any business as the general society, investors and other stakeholders and interest groups increasingly make it a point to keep business accountable with regard social and environmental impacts business has on the socio-economic environments in which organisations operate.

1.2 Problem Statement

The importance of considering the social and environmental impact of business over and above economic profit is termed “triple bottom line” (King II, 2002). This new approach to business resulted in a paradigm shift, thus organisations, internationally and in South Africa are beginning to experience the pressure to focus on good corporate citizenship (Da Piedade & Thomas, 2006a:62).
Bhattacharyya (2008:2) highlights the following occurrences as triggers of the change in thought of business leaders due to a change in the expectation of business by society in general. These events put emphasis on the responsibility that business had to take with regard the harm business causes on both the environment and society in which business operates. Some of the events as highlighted by Bhattacharyya (2008:2) are:

- Stockholm conference on human environment – 1972
- Rio de Janeiro Earth Summit for environmental protection and socio-economic development – 1992
- Greenpeace protests on Shell Oil’s decision to sink the Brent Spar oil rig - 1995
- Kyoto Protocol on climate change - 1997
- World summit on sustainable development – 2002
- Copenhagen Summit on climate change - 2009

Further to the above, there have been other recent developments as a result of increased pressure on environmental impacts, and these are:

- Declaration of Millennium Development Goals - 2000
- Meeting of the Parties (MOP) to establish the next phase of Kyoto Protocol at Montreal - 2005
- Bali Roadmap Long-Term Cooperative Action (LCA) negotiation track at COP13 - 2007
- Cancun Agreements on emissions reduction at COP16 in Mexico - 2010

Consequently, the question of ‘to whom is business accountable’, amidst the changes in the environment in which organisations operate, can be said to have influenced the debate around the role of business in society, therefore resulting in the need for business to address broader societal needs but to also continue to generate profit in order to ensure that these societal needs are addressed (Da Piedade & Thomas, 2006a:57).

Porter and Kramer (2006:78) state that governments, [social and environmental] activists and the media have become adept at keeping
organisations accountable for socially related consequences of their business activities, and as a result corporate social responsibility (CSR) has become an inevitable reality for business worldwide.

CSR is generally difficult to define as there is no precise and agreed upon definition. However, Galbreath (2006:176) echoes Caroll (1979) by conceptualising CSR as business’s economic, legal, ethical and philanthropic responsibilities. This definition aligns to the notion of keeping organisations socially accountable.

The creation of shareholder wealth has long been considered the ultimate corporate objective and yardstick of organisational value. However, business leaders are now increasingly concerned about ways in which their organisations can prosper by engaging in the challenge to address social and environmental challenges facing business (Heslin & Ochoa, 2008:125). Businesses, therefore “need to balance a number of interests, demands and concerns (economic, social and ethical) related to society as a whole (Córdoba & Campbell, 2007:115).

In balancing interests, demands and concerns, every organisation has to develop a strategy that will guide and assist in meeting its economic goals and/or profits. This, according to Thompson, Strickland and Gamble (2010:528), requires a blend of competitive advantages as highlighted by Porter’s five forces model, namely; bargaining power of buyers, bargaining power of suppliers, threat of new entrants, threat of substitute products or services and rivalry among existing competitors (see Figure 1 below). Van de Ven and Jeurissen (2005:299) go on to advocate that the competitive conditions of a firm are determined by intensity of competition, risks of reputation and the regulatory environment.
Therefore, in order for a firm to thoroughly address broader societal needs by focusing on its social and environmental performance over and above its economic performance, “a firm has to develop its own strategy of social responsibility, in light of its competitive position, as well as ethical considerations” (Van de Ven & Jeurissen, 2005: 299).

Mendonca and Oppenheim (2007:1) note that the creation of long term shareholder value is dependent on the ability of an organisation to understand and respond to increasingly intense demands from society. Thus firms find themselves having to compete in an environment that is judgemental of a firm’s social and environmental impact and this gives rise to the importance of investing in sustainable social responsibility.
As a consequence a firm’s business strategy need not only focus on economic returns but to also devise a plan or strategy for socially responsible investments. Mendonca and Oppenheim (2007:2) define sustainability investing as “the explicit recognition that social, economic, environmental and ethical factors directly affect business strategy.”

Corporate strategy can no longer focus only on economic profits but also on both social and environmental gains in an ethically sound manner. For any firm to be competitively profitable, operational strategy is no longer sufficient.

A number of authors (Thompson, Strickland & Gamble 2010; Kaplan & Norton, 2008; Porter & Kramer, 2006; Porter, 1987) attest that the execution of strategy in order to increase shareholder value is not an easy task for both management and employees. It requires a skilled management force and talented employees who can assist in building the necessary core competencies and capabilities to achieve corporate strategy in the most efficient and effective manner.

Therefore, the additional requirement to find ways to add value to all stakeholders, namely, buyers, suppliers, shareholders, employees, government, environmental groups and social activists, exerts pressure on management to find ways to go about social responsibility without negatively affecting the bottom line while achieving social responsibility goals and objectives.

Thus the need to find efficient ways to achieve profitability and profit growth while meeting social responsibility needs raises the question of, ‘what the link is between corporate strategy and CSR?’.

As a result, the research problem that exists and that will be investigated in this study is that, it is not clear how corporate strategy can progress CSR.
1.3 Purpose Of The Research

Social responsibility is increasingly becoming important in the undertaking of any business as the general society, investors and other stakeholders increasingly make it a point to keep business accountable with regard to social and environmental impacts business has on the socio-economic environments in which businesses operate.

Therefore this body of work aims to investigate and uncover guidelines and ways in which corporate strategy can progress CSR, thus providing management and CSR practitioners insights into how strategy can be used to enhance CSR initiatives in their organisations.

As such, certain implications pertaining to the creation and management of strategic CSR programmes that are embedded in the overall organisation strategic intent are highlighted with the intention to foster accountability and healthy, yet strategic CSR initiatives.

1.3.1. Primary Objective

The primary objective of this research study is to establish how corporate strategy can progress CSR.

1.3.2. Secondary Objective

The secondary objectives of the study include recommendations on the manner in which corporate strategy can be linked to CSR. These are:

- To identify various ways in which CSR can be incorporated into corporate strategy
- To identify some of the trends in establishing and fostering strategic CSR.
- To identify the advantages and disadvantages to corporations in the incorporation of CSR in their corporate strategy.
To identify ways to ensure CSR is sustained throughout the lifetime of organisations.

1.4 Literature Review

The literature review in this study focuses on CSR, corporate strategy and strategic corporate social responsibility (SCSR).

1.4.1. Corporate Social Responsibility

CSR has become significantly important for business. This is evidenced by a number of commentators such as Owen (2007:n.p) who asserts that “the last decade has witnessed expanded awareness among organisations, especially multinationals, of their responsibilities toward the communities they impact”, and Mendonca and Oppenheim (2007:1) who state that executives around the world are increasingly recognising that the creation of long term shareholder value is dependent on the ability of an organisation to understand and respond to increasingly intense demands from society.

The above highlights the increasing importance of socially responsible investing as it is no longer sufficient for business to just be a good corporate citizen but must also be seen to be. “CSR cannot be an additional extra – it runs to the core of every company’s ethics…” (Hines & Worcester, 1998:1).

Da Piedade and Thomas (2006b:66) note that “to embrace economic, social and environmental aspects of sustainability in a holistic manner, and to provide maximum development benefits, CSR must be integrated into the core activities and decision making of a company”. Thus, CSR needs to be viewed as a key concern and should be supported by top management.

Although CSR is a widely used term in business and society; it is not easy to define. Most scholars agree that there is no universally accepted definition of
CSR and that there is also no definitive framework concerning how it should be applied (Da Piedade & Thomas, 2006a:58).

Other commentators view CSR as “the realisation of business contributions to sustainable development goals and it refers to how business takes account of its economic, social and environmental impacts in the way it operates” (Owen, 2007:n.p). The European Commission, according to Van de Ven and Jeurissen (2005:299), defines CSR as “a concept whereby organisations integrate social and environmental concerns in their business operations and in their interactions with their stakeholders on a voluntary basis, as they are increasingly aware that responsible behaviour leads to sustainable business success.”

A multitude of alternative definitions exist in the literature with no clearly defined and/or agreed upon definition present, but ultimately the outcome of them all can be said to be the same, and that is, CSR deals with business taking a genuine interest in the fundamental impact of its activities in the social and environmental sphere of the communities in which they operate through the promotion of social development.

This notion is also supported by Heslin and Ochoa (2008:126) when they state that the most shared theme of CSR is that of engaging in economically sustainable business activities that go beyond legal requirements in order to protect employee well-being, communities and the environment.

However, top management is responsible for the direction that a company is to take, meaning that they are responsible for the business strategy in order to build competitive advantage and sustain it. Therefore, when top management views social responsibility as a key concern, it makes sense to include it in the business strategy so as to avoid seeing it as an additional extra to the core of the business.

Van de Ven and Jeurissen (2005:299), support the above notion by stating that “a firm has to develop its own strategy for social responsibility, in light of its competitive position, as well as ethical considerations, furthermore,
corporate social investment should make sense from the perspective of overall competitive strategy of a firm and should be treated as an integral part of it…"

Hines and Worcester (1998:2) argue that “CSR is a fast developing and increasingly competitive field, and its importance continues to grow while increasing numbers of organisations are taking it on board and developing prowess”.

1.4.2. Corporate Strategy

A majority of strategy scholars agree that the concept of strategy has its origins in the military. Horwarth (2006:1) asserts that “while the underpinnings of the concept of strategy can be traced back to military ancestry, the business application has gained in popularity and following”. Drotskie (2009:58) agrees by stating that “strategy has its origins on the battlefield” and Luke (2003:4-5) also highlights that the concept can be traced back in history to many situations of which one of them is war. Mintzberg (1987:11) goes to the extent of defining strategy as perceived and understood in the military, by stating that “strategy is concerned with drafting the plan of war…shaping the individual campaigns and within these, deciding on the individual engagements”.

A number of academics, such as Ansoff (1964); Andrews (1965); Mintzberg (1987); Porter (1987); Hamel (1989); Ansoff and McDonnell (1990); Hamel and Prahalad (1994); Hax and Majluf (1996), Porter (1996); Hamel (1997) Quinn (1998), Andrews (1998); Kaplan and Norton (2004); Porter and Kramer (2006); Thompson, et al. (2010) spent the last 40 plus years researching and formulating some understanding of what strategy really is and how it is applied in business, while also attempting to compile a definition of the concept.

Following the universal agreement that strategy has its origins in the military, Allen (1993) defines strategy as ‘the art of war’, ‘a plan of action or policy in business or politics’.

However, Ansoff formulated the first business definition of strategy by stating that strategy is “a set of decision making rules for guidance of organisational behaviour” (Ansoff & McDonnell, 1990:43).
Since by formulating strategy, a company is inevitably choosing ways and means on how to address and achieve its goals in a way that cannot be easily imitated by its competitors, therefore, “competitive strategy is about being different, it means deliberately choosing a different set of activities to deliver a unique mix of value” (Porter, 1996:64).

Generally, organisations plan what they do and how to go about doing it. During their planning processes they also plan what resources are required and who is responsible to organise those resources and how these need to be utilised in order to achieve that which is planned in the most cost effective but efficient way. All this planning is part of the strategic management process (to be) undertaken by organisations (Thompson et al., 2010:24).

Porter (1987:1) does a sterling job in describing the concept of strategy when he asserts that “corporate strategy is both the darling and the stepchild of contemporary management practice – the darling because CEOs have been obsessed with diversification since the early 1960s, the stepchild because almost no consensus exists about what corporate strategy is, much less about how a company should formulate it”.

Van der Merwe (n.d:13) notes that strategy is about making tough choices and deliberately choosing to be different. Strategy is what advantage an organisation has in order to achieve that desired position in the market, further to this; strategy must start with a different value proposition.

In totality, corporate strategy concerns two different questions, namely, 1) what businesses the organisation should be in and 2) how the organisation office should manage the array of business units (Porter 1987:1). Thus, every organisation must therefore choose its value proposition properly in line with its capabilities and competitive advantage in order to achieve sustainability. And according to Van der Merwe (n.d) organisations should not try and be all things to all people, as that translates into lack of strategic vision by the organisation.
Overall, the sole purpose of strategy is for organisations to devise a plan on how to create and sustain, for as long as possible, competitive advantage over rivals in order to remain highly profitable in their chosen market(s).

1.4.3. Strategic Corporate Social Responsibility

Following that there is no universally accepted definition of CSR, but there is consensus in that it involves taking a genuine interest in the social well-being of all stakeholders (employees, customers, shareholders, government and other interest groups) and also that of the environment within which organisations operates, it becomes challenging to explicitly define Strategic CSR.

Strategic CSR can be said to be a way that seeks to achieve CSR as already defined, in ways that simultaneously create tangible benefits for organisations while achieving social and environmental friendliness, thereby being financially self-sustaining and less prone to being labelled as squandering shareholder wealth (Heslin & Ochoa, 2008).

Porter and Kramer (2002:9) highlight the benefit of engaging in strategic CSR by arguing that organisations can use their social responsibility efforts to improve their competitive context, which refers to the quality of the business environment in the location(s) in which the organisations operate.

Furthermore, Heslin and Ochoa (2008) argue that effective CSR initiatives are those that are derived from careful analysis of every organisation’s unique culture, competencies and strategic opportunities. Therefore, CSR should be undertaken in a strategic manner by making both social and environmental contributions only in ways that enable tangible business benefits.

Thus, infusing CSR strategy into the core of business strategy is of vital importance as investors seek to incorporate concepts such as sustainability and responsible corporate behaviour into their assessments of a company’s long-term value (Mendonca & Oppenheim, 2007:1).
1.5 Research Methodology

The aim of this section is to provide a brief guide to the research process which is to be followed in finding the answers to the research question. Both the concepts of corporate strategy and CSR are investigated so as to gain insight into the workings of each concept and also to identify ways to infuse them with the aim to establish a link between these concepts and to further help management understand the importance of making CSR an integral part of strategy.

1.5.1. Research Design

This study attempts, purposively, to achieve its research objectives, first by researching the CSR policies and practices in line with corporate strategic objectives of a specifically identified organisation that is heavily involved in strategic CSR initiatives and is rich in information relating to these initiatives.

This information, guided by the reviewed literature, is then used to guide the compilation of a questionnaire aimed at determining how CSR can become an integral component of corporate strategy.

Secondly, the questionnaire is then used during interviews with the representatives of and document analysis of the six to eight conveniently selected organisations that engage in CSR in South Africa.

All the information gained from interviews and/or document analysis is recorded and analysed according to the aspects that are being measured. The findings resulting from this analysis will be used to gain insight and understanding as to how corporate strategy can progress CSR.

Below is Figure 2 and it depicts the Research Methodology to be followed in this study:
1.6 Division Of Study

This study consists of seven Chapters, with the background and the problem statement already covered in this Chapter.

Chapters Two and Three provide a summary review of literature used in this study. Chapter Two contains a review of the existing literature on corporate strategy. The primary objective of this chapter is to gather and analyse any relevant information that stems from previous studies on the subject.

Chapter Three details the review of the existing literature on corporate social responsibility and strategic corporate social responsibility. This chapter also highlights the link between CSR and corporate strategy as found in the reviewed literature.

Chapter Four describes the research methodology followed during the research process. This chapter details the research approach, and research
design followed in the study. Both the population and the sample from which data is collected are described as well as the data collection method and measurement instrument.

Chapter Five presents the results and includes a statement of how the findings answered the research questions.

Chapter Six provides insight gained from the research and links this back to the reviewed literature.

Chapter Seven summarises the major findings of the study and is followed by recommendations and suggestions for further areas of research.

1.7 Conclusion

The aim of this Chapter was to provide the reader with reasonable insight into the background of the research study, while clarifying the research problem and providing the objectives of the research and giving a brief account of the literature reviewed, followed by a description of the method of research to be followed in the study.

The primary objective of this research study is to establish how corporate strategy can progress CSR. The secondary objectives of the study include recommendations on the manner in which corporate strategy can be linked to CSR.

The following Chapter reviews and discusses literature that is relevant to this study.
Chapter TWO

Literature Review – Corporate Strategy

2.1 Introduction

The term ‘Strategy’ is used loosely and widely within business. When referring to what business should be doing, especially during economic challenges and/or opportunities, the term strategy seems to take centre stage. Furthermore, businesses often talk of ‘corporate strategy’, which in itself is a term that is also not always clearly understood even though it is widely used.

Mintzberg, Ahlsrand and Lampel (1998:9) assert that “managers use the word strategy both freely and fondly and it is considered to be the high point of managerial activity.” Thus, the important question of what strategy is and how it is viewed by both business and the public is raised.

In answering the above question, the concept of “strategy” is researched within relevant literature and the meaning thereof is ascertained, through the understanding of the origins of this concept and also its evolutionary path to being part of the business context.

From this follows the attempt to analyse, understand and define the meaning of corporate strategy within the business environment.

This will offer management and Corporate Social Responsibility (CSR) practitioners a clearer understanding of what corporate strategy is and how strategy can be used to enhance CSR initiatives.
2.2 Origins of strategy

Most strategy scholars agree that the concept of strategy has its origins in the military. Horwarth (2006:1) asserts that “while the underpinnings of the concept of strategy can be traced back to military ancestry, the business application has gained in popularity and following”. Drotskie (2009:58) agrees by stating that “strategy has its origins on the battlefield” and Luke (2003:4-5) also highlights that the concept can be traced back in history to many situations of which one of them is war. Mintzberg (1987:11) goes to the extent of defining strategy as perceived and understood in the military, by stating that “strategy is concerned with drafting the plan of war…shaping the individual campaigns and within these, deciding on the individual engagements”.

It is generally understood within relevant literature that the term “strategy” derives from the Greek word, strategos, meaning “generalship” or “what a general does” (Haugstad, 1999; Horwath, 2006; Pietersen, 2002). However, it is important to note that this meaning is not directly translated or adopted to the theory of strategy within the business fraternity.

Horwath (2006:1-5) provides a concise review of what is termed “the seven phases of business [corporate] strategy evolution.” These phases are split as follows:

- **Phase I: Budgetary Planning (1950 – 1960)** – characterised by financial control through operating budgets, which also took into account investment planning and project appraisal.

- **Phase II: Corporate Planning (1960 - 1968)** – characterised by forecasting, investment decision-making and the creation of long-term (5-10 years) plans.

- **Phase III: Corporate Strategy (1968 – 1975)** – largely characterised by portfolio planning and large companies needing to establish synergy between the business units and corporate parent. This phase was largely influenced by the Growth/Share Matrix, which assesses the market growth rate in relation to a firm’s relative market share, as developed by the Boston Consulting Group and the PIMS (Profit Impact
of Market Strategy) study in an attempt to understand the correlation between performance and strategy.

- **Phase IV: Industry and Competitive Analysis (1975 – 1985)** – characterised by firms taking a closer look into their choice of industries, their markets, segments and positioning within those segments. From this phase came out the great scholar of strategy Porter when he published his findings on what is termed the “Five Competitive Forces” that shape industry competition, namely
  - **Threat of New Entrants**
  - **Threat of Substitute Products or Services**
  - **Bargaining Power of Buyers**
  - **Bargaining Power of Suppliers**
  - **Rivalry amongst Existing Competitors**

- **Phase V: Internal Sourcing of Competitive Advantage (1985 – 1995)** – characterised by the move from seeking competitive advantage to seeking internal sources of competitive advantage within the firm. This phase gave birth to the coining of the term “core competencies”, which is understood to refer to a bundle of skills and technologies that enables a company to provide a particular benefit to customers, representing the sum of learning across individual skill sets and individual organisational units.

Thus from this perspective, the sourcing of internal sources refers to the Resource-Based View of firms “which argues that an organisation can be regarded as a bundle of resources and that resources are valuable, rare, imperfectly imitable and imperfectly substitutable, are an organisation’s main source of sustainable competitive advantage from which sustained performance results” (Thompson et al., 2010:442).

- **Phase VI: Strategic Innovation and Implementation (1995 - 2001)** – characterised by the application of technology to the business process. Central to this phase is the issue of effective implementation of any organisation’s strategy. This phase gave birth to the development of the Balanced Scorecard which is intended to highlight three dimensions of a new management system, namely; **Strategy, Focus and Organisation**.
Thus the five broad categories for successful implementation of strategy are cited as:
  o Setting accountability,
  o Enabling and aligning action,
  o Fixing the organisation,
  o Providing an environment in which people can excel, and
  o Judging and rewarding

- **Phase VII: Strategic Thinking and Simplification (2003 and beyond)**
  - strategic thinking is contrasted to strategic planning, where strategic thinking refers to the frameworks of allowing strategy development to be an on-going, daily occurrence rather than an annual occasion.

Following the above-mentioned brief evolutionary account of strategy in the context of business, Igor Ansoff, a prolific academic and researcher, is said to have formulated the first business definition of the concept of strategy, stating that strategy is “a set of decision-making rules for guidance of organisational behaviour” (Ansoff & McDonnell, 1990:43).

Chandler also offers one of the first definitions of strategy in the business context by stating that strategy is “the determination of long-term goals and objectives of an enterprise [organisation] and the adoption of courses of action and the allocation of resources necessary for carrying out those goals” (Horwarth, 2006:1).

The interest and focus of business on strategy grew during this time and more business leaders started being concerned with the formulation and implementation of corporate strategy by moving from what Porter (1987) refers to as ‘competitive advantage towards corporate strategy.’

A number of academics, such as Ansoff (1964); Andrews (1965); Mintzberg (1987); Porter (1987); Hamel (1989); Ansoff and McDonnell (1990); Hamel and Prahalad (1994); Hax and Majluf (1996), Porter (1996); Hamel (1997) Quinn (1998), Andrews (1998); Kaplan and Norton (2004); Porter and Kramer (2006); Thompson, et al. (2010) spent the last 40 plus years researching and
formulating some understanding of what strategy really is and how it is applied in business, while also attempting to compile a definition of the concept.

In an attempt to define the concept of strategy, the following sub-section of the study considers the most common definitions within relevant literature in order to construct a possibly more concise and easy to understand and agree upon definition.

2.3 Strategy Defined

Allen (1993) defines strategy as ‘the art of war’, ‘a plan of action or policy in business or politics’.

However, strategy has not always been easy to define in a way that would be understood by all in the same context. Strategy evolved as a concept and began to penetrate the spheres of business and is today an important part of business.

As highlighted earlier, Ansoff formulated the first business definition of strategy by stating that strategy is “a set of decision making rules for guidance of organisational behaviour” (Ansoff & McDonnell, 1990:43). Following that, greater focus was given to unpacking and understanding the concept of strategy and many management scholars attributed significant time to defining the concept.

Mintzberg (1987:12) provides a definition of strategy as understood in management and states that “strategy is a unified, comprehensive, and integrated plan...designed to ensure that the basic objectives of the enterprise are achieved”. Consequently, Mintzberg (1987:11 - 16) presents five definitions of strategy, namely: strategy as a plan, ploy, pattern, position and perspective.
**Strategy as Plan:**

As a plan, “strategy deals with how leaders try to establish direction for organisations, to set them on predetermined courses of action.” This definition highlights the purposefulness of strategy formation.

**Strategy as a Ploy**

As a ploy, “strategy can be a specific manoeuvre intended to outwit an opponent or competitor.” In this definition, the competitive moves of an organisation in order to gain an advantage are emphasized.

**Strategy as Pattern**

Strategy, as a pattern, refers to “consistency in behaviour, whether intended or not.” As a pattern, strategy focuses on action – the realisation of the goals that one (an organisation) has set for oneself (itself).

**Strategy as Position**

As a position, strategy is defined as “a means of locating an organisation within an environment.” By this definition, strategy becomes the mediating force between the internal (organisation) and the external (environment) context.

**Strategy as Perspective**

“Strategy is a perspective shared by the members of an organisation, through their intentions and/or by their action.” By this definition, the importance of how intentions diffuse through the organisation and how actions come to be exercised on a collective and consistent basis is emphasised.

Quinn (1998) as highlighted by Haugstad (1999:2) defines strategy as “a pattern or plan that integrates an organisation’s major goals, policies and action sequences into a cohesive whole. A well-formed strategy helps to marshal and allocate an organisation’s resources into a unique and viable posture based on its relative internal competencies and shortcomings, anticipated changes in the environment and contingent moves by intelligent opponents.”
Andrews (1998) writes that corporate strategy is “the pattern of decisions in a company that determines and reveals its objectives, purposes or goals, produces the principal policies and plans for achieving those goals, and defines the range of business the company is to pursue, the kind of economic and human contribution it intends to make to its shareholders, employees, customers and communities.”

Both Andrews (1998) and Quinn (1998) appear to, in some way or another, support Mintzberg’s five definitions of strategy as a plan, ploy, pattern, position and perspective.

Van der Merwe (n.d:13), when echoing Porter, states that strategy is about choices – you can’t be all things to all people. Furthermore, strategy must have continuity as it is about the basic value that one is trying to deliver to one’s customers and about which customers one is trying to serve.

This notion of strategy being about choices brings rise to the importance of competition in business and how competition affects the way managers (should) choose their markets, what products and/or services their business will offer to these chosen markets and how they plan to achieve all this. In doing this, it can be said that companies are setting goals for themselves.

Since by formulating strategy, a company is inevitably choosing ways and means on how to address and achieve its goals in a way that cannot be easily imitated by its competitors, therefore, “competitive strategy is about being different, it means deliberately choosing a different set of activities to deliver a unique mix of value” (Porter, 1996:64). Further to this, Porter goes on to identify three generic competitive strategies, namely;

- Differentiation (product differentiation),
- Cost leadership (low cost producer), and
- Focus (narrow competitive scope within an industry).

According to Van der Merwe (n.d:13), strategy is about making tough choices and deliberately choosing to be different. Strategy is what advantage an
organisation has in order to achieve that desired position in the market, further to this; strategy must start with a different value proposition.

Thompson et al. (2010:6) states that “a company’s strategy consists of the competitive moves and business approaches that managers are employing to grow the business, attract and please customers, compete successfully, conduct operations, and achieve the targeted levels of organisational performance.”

Generally, organisations plan what they do and how to go about doing it. During their planning processes they also plan what resources are required and who is responsible to organise those resources and how these need to be utilised in order to achieve that which is planned in the most cost effective but efficient way. All this planning is part of the strategic management process [to be] undertaken by organisations (Thompson et al., 2010).

In business, it is widely accepted that top management is responsible for the direction that a company is to take, meaning that they are responsible for the business strategy in order to build competitive advantage and sustain it. Therefore, in establishing a different value proposition in order to deliver a unique mix of value, management becomes a critical impetus to what the company stands for and what it can and is willing to offer its chosen market(s).

The above highlights that business planning does not happen in a vacuum since there are externalities that companies need to take into account when formulating their strategies in order to come up with realistic and achievable goals.

Drotskie (2009:59) supports this notion by stating that “decision making rules are required if the organisation strives for orderly and profitable growth…and such rules and guidelines have been broadly defined as strategy or the concept of an organisation’s business.”

Once again, Porter does a sterling job in describing the concept of strategy as related to management when he asserts that “corporate strategy is both the
darling and the stepchild of contemporary management practice – the darling because CEOs have been obsessed with diversification since the early 1960s, the stepchild because almost no consensus exists about what corporate strategy is, much less about how a company should formulate it” (Porter, 1987:1).

Mintzberg et al., (1998:9) argues that “although there may not be one simple definition of strategy, there are some general areas of agreement about the nature of strategy, namely:”

- Strategy sets direction,
- Strategy focuses effort,
- Strategy defines the organisation, and
- Strategy provides consistency.

Every company must therefore choose its value proposition properly in line with its capabilities and competitive advantage in order to achieve sustainability, and according to Van der Merwe (n.d:13) companies should not try and be all things to all people, as that translates into lack of strategic vision by the company.

Therefore, as stated earlier that strategy and or corporate strategy are terms that are not easy to define in a consensus manner and they are not easy to understand, the author of this study relies on Mintzberg’s definition of what strategy is.

Mintzberg (1987:12) provides a definition of strategy as understood in management and states that “strategy is a unified, comprehensive, and integrated plan…designed to ensure that the basic objectives of the enterprise are achieved”.

Overall, the sole purpose of strategy is for organisations to devise a plan on how to create and sustain, for as long as possible, competitive advantage over rivals in order to remain highly profitable in their chosen market(s) while delivering value to their customers, employees, shareholders and communities. However, it is important to note that strategy evolves over time.
as intentions accommodate reality, meaning that a plan is never stagnant but it should adapt to the business landscape in order to achieve its desired goals.

2.4 Levels (Forms) of Strategy

Just as there are some general areas of agreement about the nature of strategy (Mitzberg, 1998:9), and these areas focus on setting direction; focusing effort; defining the organisation and providing consistency, there are also forms of strategy that an organisation needs to distinguish between. The three basic forms of strategy are, namely, General strategy; Corporate strategy and Competitive strategy:

- **General Strategy**: which refers to how a given objective will be achieved? In general, strategy is concerned with the relationships between the results we seek and the resources at our disposal. Strategy and tactics are both concerned with formulating and then carrying out courses of action intended to attain particular objectives.

- **Corporate strategy**: defines the markets and the businesses in which a company will operate. It is typically decided in the context of defining the organisation’s mission and vision, that is, saying what the company does, why it exists, and what it is intended to become.

- **Competitive Strategy**: defines for a given business the basis on which it will compete. hinges on a company's capabilities, strengths, and weaknesses in relation to market characteristics and the corresponding capabilities, strengths, and weaknesses of its competitors.

Diversified companies with larger operations in more geographically dispersed locations operate differently in the their strategy making process in contrast to smaller companies who are less diversified, as in larger companies more managers and key employees get involved in crafting strategic initiatives and exercising a relevant strategy-making role (Thompson et al., 2010:38-39).

Porter (1987:1) asserts that a diversified company has two levels of strategy: business unit (or competitive) strategy and corporate (or companywide) strategy. Competitive strategy concerns how to create competitive advantage in each of the businesses in which a company competes. Corporate strategy
concerns two different questions: [1] what businesses the corporation should be in and [2] how the corporate office should manage the array of business units.

Thompson et al., (2010:39) further argues that in diversified companies, strategic management involves four distinct types or levels of strategy, each of which involves different facets of the company’s overall strategy:

- **Corporate strategy** consists of initiatives to diversify into different industries, boost the combined performance of the set of business the company has diversified into, and figure out how to capture cross business synergies and turn them into competitive advantage.
- **Business strategy** concerns the actions and approaches crafted to produce successful performance in one specific line of business.
- **Functional-area strategies** concern the actions and practices employed in managing particular functions or business processes or activities within a business.
- **Operating strategies** concern the relatively narrow strategic initiatives and approaches for managing key operating units and specific operating activities with strategic significance.

Ketchen (2003:95) proposes that there are three levels of strategy and argues that these are: corporate-level strategy, which is concerned with answering the question, “In what industry or industries will we compete?” while business-level strategy answers the question, “How will we compete in each of our chosen businesses?”, whereas functional-level strategy is tasked with deciding “How will each of the organisation’s functional areas support our business and corporate level strategies?”.

Even though ‘Operating Strategy’ is at the bottom of the strategy making hierarchy, it is still important, since failure to achieve low level strategy can damage the company’s reputation and jeopardise the company’s achievement of its objectives. At this level, strategies are translated into action that will support business and/or corporate strategies.
After having highlighted the origins of strategy, showcased the differing definitions and also distinguishing between the levels of strategy and providing a definition of each of these levels, this body of work now focuses its attention mainly on corporate strategy.

The focus of this study on corporate strategy is based on the prevailing research question of how can corporate strategy progress corporate social responsibility, and help provide management and CSR practitioners with insights on how strategy can be used to enhance CSR initiatives in their organisations.

2.5 Conclusion

The aim of this Chapter was to provide the reader with an in-depth analysis and understanding of the concept of strategy, including its forms and its levels, by exploring its evolution as a discipline and attempting to consolidate the various definitions into one inclusive, descriptive and easy to understand definition that can be accepted by all in business. This is important in order to establish a base definition of strategy and to facilitate a clearer and consistent understanding of the concept of strategy.

Overall, the sole purpose of strategy is for organisations to devise a plan on how to create and sustain, for as long as possible, competitive advantage over rivals in order to remain highly profitable in their chosen market(s) while delivering value to their customers, employees, shareholders and communities. However, it is important to note that strategy evolves over time as intentions accommodate reality, meaning that a plan is never stagnant but it should adapt to the business landscape in order to achieve its desired goals.

The following Chapter discusses the concept of Corporate Social Responsibility (CSR) and its origins through the lens of business/corporate strategy and also focus on the need to develop a strategy for CSR, followed by the possible options of CSR strategy as found in the literature reviewed in this study.
Chapter THREE

Literature Review – Corporate Social Responsibility

3.1 Introduction

Business leaders are increasingly concerned with how their organisation can prosper from addressing social and environmental challenges (Heslin & Ochoa, 2008:125). Consequently, Corporate Social Responsibility (CSR) has become significantly important for business. Katsoulakos and Katsoulacos (2007:355) attest that corporate responsibility issues have attained prominence in the political and business agenda since the early 1990s.

This is evidenced by a number of commentators such as Owen (2007:n.p) who asserts that “the last decade has witnessed expanded awareness among organisations, especially multinationals, of their responsibilities toward the communities they impact”, and Mendonca and Oppenheim (2007:1) who state that executives around the world are increasingly recognising that the creation of long term shareholder value is dependent on the ability of an organisation to understand and respond to increasingly intense demands from society.

Porter and Kramer (2006:78) cement this view by stating that “CSR has emerged as an inescapable priority for business leaders in every country.”

The above highlights the increasing importance of socially responsible investing as it is no longer sufficient for business to just be a good corporate citizen but they must also be seen to be. “CSR cannot be an additional extra – it runs to the core of every company’s ethics…” (Hines & Worcester, 1998:1).

Da Piedade and Thomas (2006b:66) note that “to embrace economic, social and environmental aspects of sustainability in a holistic manner, and to provide maximum development benefits, CSR must be integrated into the core activities and decision making of a company”. Thus, CSR needs to be viewed as a key concern and should be supported by top management.
Galbreath (2006:176) furthers this debate by stating that “firms need to decide on the type of strategy they will pursue. Thus, first, as with any good decision making exercise, a firm needs to understand what its options are with respect to CSR strategies.”

Notwithstanding the emphasis on business’s current focus, the question of what is meant by or understood to be CSR as focussed on so strongly by business becomes important at this point.

It is also important to note that the terms ‘corporate social responsibility’, ‘corporate philanthropy’, ‘sustainable development’ and ‘corporate citizenship’ are terms that are used interchangeably in business in order to refer to the interest shown by business in the impact of its business activities on the social and environmental spheres of the communities they operate in. Therefore, this study considers these terms to have the same underlying meaning, and that they refer to the same concept and therefore the study does not explicitly distinguish between these aforementioned terms.

The following sections in this Chapter attempt to introduce and gain an understanding of the meaning of CSR as a discipline within literature, while also considering the meaning of and exploring the impact of a strategy for CSR within the boundaries of its available strategy options.

### 3.2 Evolution of Corporate Social Responsibility

From what once was the dominant school of thought in business to what is today almost shunned upon as an idea, pure economic profit with less or no regard for the communities or even the environment in which business operates, has almost become “extinct” in today’s business world.

The mid twentieth century was characterised by the view that “the only social responsibility of business was to increase profits. Furthermore, it was believed that the organisation is the shareholder’s instrument and if the organisation makes a contribution (to social responsibility) it prevents the individual
shareholder from making a decision on how to dispose of his funds” (Porter & Kramer, 2002:6).

However, the twenty first century is characterised by a differing viewpoint as organisations have been pressured to not only focus on economic profit but to also consider social and environmental impact and performance.

As a result, corporate social responsibility is increasingly becoming important in the undertaking of any business because general society, investors and other stakeholders and interest groups increasingly make it a point to keep business accountable with regard social and environmental impacts business has on the socio-economic environments in which organisations operate.

Warhurst (2001:60) argues that “the key quest that business has to now embrace is: how can industrial development be undertaken without damaging the environmental or undermining the development opportunities of local communities; and can the benefits be distributed among stakeholders equitably while promoting economic growth?"

Consequently, it can be safely said that business finds itself confronted with a new ‘animal’ to contend with in the form of social responsibility while striving to maximise profit.

According to Wolff and Barth (2005:6), the modern academic debate on CSR started in the 1950s, under the banner of Social Responsibility and it initially focussed on the societal expectations towards business and on the ethical obligations of companies towards society.

The 1970s saw the focus shifting to the capacity of an organisation to respond to its environment – to adapt to specific societal needs. This was coined as the era for Corporate Social Responsiveness. The prevailing question at the time was, “how exactly and with what consequences companies should and could adapt to specific societal needs” (Wolff and Barth, 2005:6).
However, during this same period the concept of Corporate Social Performance (CSP) was emerging and this concept was concerned with the outcomes of CSR by looking into empirical performance and measurable effects of CSR. As a result, CSP was differentiated into principles, processes and outcomes.

Principles referred “to legitimacy, public responsibility and managerial discretion; with processes touching on environmental assessment, stakeholder management and issues management; while outcomes ranged from social policies to social impacts” (Wolff and Barth, 2005:6).

This concept of CSP prevailed throughout the 1980s as well. The 1990s were dominated by the sustainability debate. This debate focused on what is correctly termed the triple bottom line approach, were consideration of the impacts on economic, social and environmental spheres of business. This notion is in direct contrast to Milton Friedman’s assertion that “the only social responsibility of business is to increase economic profit”.

As a consequence, the concepts of Corporate Citizenship (which refers to the rights and obligations of companies in relation to society), Corporate Accountability (a company’s responsibility to be accountable for the consequences of its own actions) and Corporate Governance (management of relations between the management, shareholders and all other stakeholders) would enter and escalate the debate of CSR, and these now dominate the business world today.

Today, progressive companies realise and embrace the importance of CSR as enforced by the journey the business world has gone through in understanding the impact it has on the social and environment spheres.

3.3 Defining Corporate Social Responsibility

Although CSR is a widely used term in business and society today; it is generally not easy to define. Most scholars agree that there is no universally
accepted definition of CSR and that there is also no definitive framework concerning how it should be applied (Da Piedade & Thomas, 2006b:58).

Howard Bowen, referred to as the ‘founding father’ of CSR, defines CSR as comprising the obligations of businessmen to pursue policies, to make decisions, or to follow those lines of action which are desirable in terms of objectives and values of our society (Bowen, 1953:n.p.). This definition highlights the responsibilities and role of business beyond financial benefits. This definition was largely followed in the 1950s, 60s and 70s.

Davis (1973:312) argues that social responsibility refers to the firm’s consideration of, and response to, issues beyond the narrow economic, technical and legal requirements of the firm.

According to Frederick (1960:60), social responsibility means that businessmen should oversee the operation of an economic system that fulfils the expectations of the people. This definition implies that a societies economic and human resources are used for broad societal ends and not simply for the benefit of private individuals.

Johnston (1971:50) states that a socially responsible firm is one whose managerial staff balances a multiplicity of interests instead of striving only for larger profits for its stockholders.

Caroll (1979:497) argues that the social responsibility of business encompasses the economic, legal, ethical and philanthropic expectation that society has of organisations at a given point in time.

CSR, according to Stanwick and Stanwick (1998:n.p.), is based on the legitimacy with society, public responsibility within the organisation and managerial discretion by each individual with the organisation.

Wilson (1997:50) states that “the role and responsibility of business extends well beyond the critical importance of wealth creation”. Wilson further
articulates that “a profitable business sector is vital to funding the standard of living and quality of life to which society aspires”.

Galbreath (2006:176) attempts by conceptualising CSR as business’s economic, legal, ethical and philanthropic responsibilities. This definition aligns to the notion of keeping organisations socially accountable by endorsing the need for business to consider their environment and surrounding communities in their business operations.

Owen (2007:n.p) defines CSR as “the realisation of business contributions to sustainable development goals”. This definition refers to how business takes account of its economic, social and environmental impacts in the way it operates.

Finally, the European Commission, according to Van de Ven and Jeurissen (2005:299), defines CSR as “a concept whereby organisations integrate social and environmental concerns in their business operations and in their interactions with their stakeholders on a voluntary basis, as they are increasingly aware that responsible behaviour leads to sustainable business success.”

In conclusion, it is evident that a multitude of alternative definitions exist in the literature with no clearly defined and/or agreed upon definition present, but ultimately the outcome of them all can be said to be the same, and that is, CSR deals with business taking a genuine interest in the fundamental impact of its activities in the social and environmental sphere of the communities in which business operates through the promotion of social development.

This notion is also supported by Heslin and Ochoa (2008:126) when they state that the most shared theme of CSR is that of engaging in economically sustainable business activities that go beyond legal requirements in order to protect employee well-being, communities and the environment.

The world of business has changed considerably since Friedman’s theories on CSR. This is also highlighted by Azary and Salehi (2009:65) in that “society in
general has become more demanding in the selection of products and service and in addition they demand that companies exercise moral judgement towards communities, societies and the environment."

As a result, companies find themselves having to pursue economic profit while taking a genuine interest in the social well-being of all stakeholders. Thus the questions of how can companies invest in socially responsible, yet sustainable initiatives that will benefit society without negatively affect the bottom-line, arises.

This question therefore creates room for business to find strategies that will better respond to the demands of societies and other stakeholders for businesses to take a genuine interest in their social and environmental well-being. This therefore introduces the notion and the importance of creating a strategy for CSR.

3.4 Understanding Strategic Corporate Social Responsibility

CSR deals with business taking a genuine interest in the fundamental impact of its activities in the social and environmental sphere of the communities in which they operate through the promotion of social development. This builds up a case that CSR does not take place in a vacuum, and it is the responsibility of all organisations.

Therefore, given that top management is responsible for the direction that a company is to take, meaning that they are responsible for the business strategy in order to build competitive advantage and sustain it. It becomes important to then ask, who is responsible for the management of CSR?

As highlighted earlier, “to embrace economic, social and environmental aspects of sustainability in a holistic manner, and to provide maximum development benefits, CSR must be integrated into the core activities and decision making of a company” (Da Piedade & Thomas, 2006b:66). Thus, CSR needs to be viewed as a key concern and should be supported by top management.
Therefore, when top management views social responsibility as a key concern, it makes sense to include it in the business strategy so as to avoid seeing it as an additional extra to the core of the business. In advancing this idea, Heslin and Ochoa (2008:125) argue that “effective CSR initiatives are those derived from careful analysis of each organisation’s unique culture, competencies, and strategic opportunities.”

Van de Ven and Jeurissen (2005:299), support the above argument by stating that “a firm has to develop its own strategy for social responsibility, in light of its competitive position, as well as ethical considerations, furthermore, corporate social investment should make sense from the perspective of overall competitive strategy of a firm and should be treated as an integral part of it…”

Hines and Worcester (1998:2) further argue that “CSR is a fast developing and increasingly competitive field, and its importance continues to grow while increasing numbers of organisations are taking it on board and developing prowess”. Therefore, CSR has to make business or strategic sense for it to receive buy in from shareholders and management.

Porter and Kramer (2006:78) also argue that CSR can be much more than a cost, a constraint, or a charitable deed, [but] it can be a source of opportunity, innovation, and competitive advantage…and that when looked at strategically, CSR can become a source of tremendous social progress, as business applies its resources, expertise and insights to activities that benefit society.

From the school of thought that “the only social responsibility of business is to maximise profit”, it is clear that CSR is narrowly viewed as a means of squandering shareholder wealth.

However, the foregoing arguments highlight that CSR does not have to be a ‘drainage system’ for any organisation’s wealth. Business has to seek ways that would simultaneously create tangible business benefits while sustaining society and the environment.
Therefore in understanding what strategic CSR is, one has to ask oneself what it means to manage CSR initiatives in such a way that these initiatives will add strategic value to the existence of one’s business.

Werther and Chandler (2006:49) define strategic CSR as the philosophy of integrating CSR into a firm’s strategic perspective and operations.

Porter and Kramer (2006:87) argue that for CSR to be strategic, CSR must contribute to the firm’s value chain practices and/or improve the context of competitiveness.

Bruch and Walter (2005:51) states that only strategic CSR initiatives that can both create true value for the beneficiaries as well as enhance company’s business performance, [are] seen as sustainable in the long run.

So how does one move CSR to be strategic? Galbreath (2006: 176-179) provides a baseline view of the available options that could provide one with a choice of which type of strategy one can pursue in order to form a strategy for CSR. Table 1 below provides a summary of these CSR strategy options:

**Table 1: Corporate Social Responsibility Strategic Options**

<table>
<thead>
<tr>
<th>Shareholder Strategy</th>
<th>Goal</th>
<th>Vehicles</th>
<th>Measurement</th>
<th>Benefactors</th>
<th>Benefits</th>
<th>Time Frame</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Profit</td>
<td>Rationalization; Self-interest</td>
<td>Financial results</td>
<td>Shareholders; Others indirect</td>
<td>Financial</td>
<td>Short-term vision</td>
</tr>
</tbody>
</table>

| Altruistic Strategy  | Give back            | “Check-book” Philanthropy       | Donations            | Community Groups and Causes | Benefits may not be measured | Intermittent; Possibly timed (e.g. annually) |

| Reciprocal Strategy  | Mutual benefits       | Public Relations; Sponsorship; Partnerships; Community activity; Volunteering; Cause Related Marketing | Activity-based reporting | The Firm and the Community | Performance; Market Goals; Human Resources | Medium to long-term planning |

| Citizenship Strategy | Responsibility; Transparency; Sustainability; Accountability | Governance; Applied Ethics; Stakeholder dialogue; Input/Outflow of Corporate Strategy | Triple Bottom Line; Holistic | To firm: Survival, position, role; To partners of all sectors; To wider society | Tangible plus potentially Intangible | Long-term horizon |


These strategies are briefly explained below:

- **Shareholder strategy**: focused on maximising shareholder returns through maximising profits while obeying minimum legal requirements for operation. This is aligned to Milton Friedman’s views on the role of business.

- **Altruistic strategy**: encompasses ‘doing the right thing’ by giving back to the community in which a firm operates, without expecting anything in return. This can be said to be just an act of goodwill on the part of the firm, and it is normally on an *ad hoc* basis.

- **Reciprocal strategy**: seeks to resolve the conflicts between economic objectives (profits) and intense social, moral and environmental expectations of society. Thus, this strategy can be said to be better suited to forming of partnerships between firms and non-government organisations, with clear rationale for both firm benefit as well as for positive societal returns. This strategy is medium term focused.

- **Citizenship strategy**: focuses on a broader scope than the above options. This involves the recognition by business that various stakeholders have different interests and expectations. These stakeholders include customers, employees, suppliers, specific communities, shareholders, environmentalists, special interest groups etc. This option is cognisant of the fact that stakeholder demands are different and that stakeholders cannot be treated as equals, thus the need to differentiate between primary and secondary stakeholders. More importantly, in this strategy, stakeholder needs are integral to corporate strategy and social objectives are also integrated with economic goals. This strategy is long term focused as it is interested in forging sustainable relationships with all relevant stakeholders, and furthermore it develops means of managing and measuring their accountability to those stakeholders.
In support of these strategic options, Bruch and Walter (2005:51-53) highlights the four common approaches to corporate social responsibility, and these are depicted in the figure below.

![Figure 3: Types of Corporate Social Responsibility (Philanthropy)](image)


As shown in figure 3 above, there are four common approaches to CSR and these are guided by two overarching perspectives, namely ‘Market Orientation’ and ‘Competence Orientation’.

Market orientation refers to a strong emphasis on the expectations of stakeholders by organisations striving to enhance their competitiveness by designing their social responsibility initiatives according to external demands. This is aimed at achieving improved marketing and selling capabilities, higher attractiveness as an employer or better relationships with governmental and nongovernmental organizations.

Competence orientation refers to a strong emphasis on internal issues, meaning the alignment of social responsibility initiatives with the organisation’s abilities and core competencies. This is aimed at enhancing the efficiency of social responsibility activities while avoiding distractions from core business and creating unique value for beneficiaries.
The four common approaches are explained below:

- **Peripheral Philanthropy (CSR):** social responsibility activities that are driven by external demands and stakeholder expectations. These are usually unrelated to the core business activities but aimed at reputational management. These may lack credibility and appear superficial at times.

- **Dispersed Philanthropy (CSR):** social responsibility activities that are characterised by a lack of strategic direction, no comprehensive view of organisational activities and no clear-cut criteria for selection of initiatives. Neither external stakeholder needs nor internal business considerations guide the organisation’s social responsibility engagements. This may result in minimal social impact.

- **Constricted Philanthropy (CSR):** social responsibility activities that aim to use synergies between the organisation’s main activities and charitable activities. This approach can achieve social benefits, but it largely neglects the perspective of the external stakeholder, their needs and expectations. and this may result in conflicting views of the social outcomes.

- **Strategic Philanthropy (CSR):** the most effective approach to CSR, as it integrates an internal and external perspective. It applies the same professional management principles to CSR as to any other field of business operations. It also aligns CSR efforts with the core competencies of the organisation, thus using the organisation’s unique abilities to benefit society while taking into account stakeholder and market expectations.

It is important at this point to highlight that none of the two (market and competence orientations) perspectives is fully beneficial on its own. This is as a result of the market orientation potentially yielding towards influencing stakeholder attitudes more than caring about social outcomes, while the competence orientation may result in the social responsibility activities not being aligned with external stakeholder interests.
Thus, Bruch and Walter (2005:52) advocates that the most effective approach is one that is characterised by a combination of strong external (market) and internal (competence) orientations, and this is referred to as Strategic CSR. This is in line with the definition that states - strategic CSR is the philosophy of integrating CSR into a firm’s strategic perspective and operations (Werther and Chandler, 2006:49).

It is therefore important for individual organisations to note that no single strategy, as per Galbreath (2006), can be sustained throughout the lifetime of an organisation. Just as corporate strategy changes given the business landscape and opportunities at any given point in time, so does the strategy for CSR, as it is to be developed in order to speak to core business as highlighted earlier by Van de Ven and Jeurissen (2005:299), that “a firm has to develop its own strategy for social responsibility, in light of its competitive position...”.

Every organisation has the obligation to pursue a strategy that best fits its own business objectives and CSR objectives, but no organisation can ignore the importance of taking responsibility for the impact of its operations on society, social and environmental spheres in which it operates. Thus making it important for every organisation to be cognisant of the fact that in order to achieve any real benefits and create sustainable value, it must strive to achieve a level of strategic CSR as depicted by Figure 3 above.

3.5 Conclusion

The aim of this Chapter was to provide the reader with an in-depth analysis and understanding of corporate social responsibility by exploring its evolution as a discipline and attempting to consolidate the various definitions into one inclusive, descriptive and easy to understand definition that can be accepted by all.
Furthermore, the Chapter focused on looking at CSR through the lens of business/corporate strategy and the need to develop a strategy for CSR, followed by the possible options of CSR strategy as found in the literature.

Thus, it is now clear that every organisation has the obligation to pursue a strategy that best fits its own business objectives and CSR objectives, while ensuring that it does not ignore the importance of taking responsibility for the impact of its operations on society, social and environmental spheres in which it operates. It is also important for every organisation to be cognisant of the fact that in order to achieve any real benefits and create sustainable value, it must strive to achieve a level of strategic CSR.

The detailed importance of the linkages between corporate strategy and CSR, as contained in the literature examined in both this and the previous chapters, is important at this point as it serves to provide a baseline for comparative purposes in this study.

The following Chapter discusses the research methodology followed in addressing and satisfying the objectives of this study.
Chapter FOUR
Research Methodology

4.1 Introduction

The aim of this Chapter is to provide a guide into the research process which is to be followed in finding the answers to the prevailing research question by satisfying both the primary and the secondary objectives of this study.

In order to satisfy these objectives, the researcher must gather data with the aim of identifying ways in which corporate strategy can progress Corporate Social Responsibility (CSR) while attempting to assist management understand the importance of making CSR an integral part of strategy.

This Chapter describes the methodology used in gathering data, the research approach and design, including the sampling strategy, data collection and analysis methods used, as well as the ethical considerations taken into account with regard both the organisations and the respondents.

4.2 Research Approach

According to Mouton (1996:36) research methods refer to the means required to execute a certain stage in the research process. These could be anything from quantitative, qualitative or participatory research methods.

This study attempts to achieve its research objectives in two ways. Firstly by identifying an organisation that is heavily involved in strategic CSR initiatives, is deemed to be following a strategic CSR process in all its initiatives, and is rich in information relating to these initiatives. Secondly, the study continues its attempt at meeting these objectives by conveniently selecting six to eight organisations that engage in CSR in South Africa with the aim of researching the CSR policies and practices in line with corporate strategic objectives of these organisations.
In order to do this, the researcher based this study on a qualitative data collection and analysis method of research. Kumar (2005:12) refers to this method of inquiry as an “unstructured approach”, which aims to explore the nature of the research problem. This method of inquiry, as highlighted by Zikmund (2003:111), provides the researcher with a greater understanding of a concept(s) rather than the provision of precise measurement.

Mouton (1996:169) asserts that in qualitative research, the researcher works with a wealth of descriptive data that is collected through observation, interviewing or document analysis methods.

Therefore, in order to meet the research objectives, a better understanding of the CSR information and initiatives of the identified and selected case study was undertaken and was followed by the gathering of information on the six to eight conveniently selected organisations, with regard their respective CSR strategies and overall organisational strategic objectives through questionnaire guided interviews and the analysis of related and accessible organisational literature.

4.3 Research Design

Kumar (2005:84) states that a research design is a plan, a structure and a strategy of investigation that is developed to obtain answers to research questions and/or problems. Furthermore, Kumar (2005:84) suggests that a research design is an operational plan undertaken to obtain valid, objective and accurate answers to the research questions.

Zikmund (2003:65) supports this by stating that a research design is a “master plan specifying the methods and procedures for collecting and analysing the needed information.”

As a result, this study attempts, purposively, to achieve its research objectives, firstly by researching the CSR policies and practices in line with corporate strategic objectives of a specifically identified organisation that is heavily
involved in strategic CSR initiatives and is rich in information relating to these initiatives. This is done in order to gain an understanding of the practical linkage of corporate strategy and CSR as it is currently applied in business. This method of research is referred to as a case study method.

Yin (1984:23) defines the case study method as an empirical inquiry that investigates a contemporary phenomenon within its real-life context; when the boundaries between phenomenon and context are not clearly evident; and in which multiple sources of evidence are used.

This case study information, guided by the reviewed literature, was then used to guide the compilation of a questionnaire aimed at determining how CSR can become an integral component of corporate strategy.

Secondly, the questionnaire was used during interviews with the identified CSR representatives within the six to eight conveniently selected organisations that engage in CSR in South Africa so as to determine how CSR is currently viewed within these conveniently selected organisations.

All the information gained from interviews and/or document analysis was recorded and analysed according to the aspects that are being measured. The findings resulting from this analysis are used to gain insight and understanding as to how to link corporate strategy and CSR in order to determine how corporate strategy can progress CSR.

In the following page is Figure 4 and it depicts the Research Methodology followed in this study:
4.3.1. Literature review

A literature review is a description of the literature relevant to a particular field or topic. Hart (1998:1) defines the literature review as “the use of ideas in the literature to justify the particular approach to the topic, the selection of methods, and demonstration that this research contributes something new.

Webster and Watson (2002:13) define an effective literature review as one that “creates a firm foundation for advancing knowledge. It facilitates theory development, closes areas where a plethora of research exists, and uncovers areas where research is needed.”

Cooper (1988:104) states that a literature review uses, as its database, reports of primary or original scholarship, and does not report new primary scholarship itself. The primary reports used in the literature may be verbal, but in the vast majority of cases reports are written documents. The types of scholarship may be empirical, theoretical, critical/analytic, or methodological in
nature. Secondly a literature review seeks to describe, summarise, evaluate, clarify and/or integrate the content of primary reports.

From the above definitions, this study explored and reviewed literature on both corporate strategy and CSR in order to provide a descriptive, evaluated and summarised collection of theory within the fields of corporate strategy and CSR so as to achieve the objectives of this study through the creation of a firm foundation of research that already exist and to also contribute to the advancement of knowledge within the area of research.

4.3.2. Case Study

Yin (1984:23) defines the case study method as an empirical inquiry that investigates a contemporary phenomenon within its real-life context; when the boundaries between phenomenon and context are not clearly evident; and in which multiple sources of evidence are used. This means that a case study is a unique way of observing any natural phenomenon which exists in a set of data.

Zikmund (2003: 115) asserts that a case study method is an exploratory research technique that intensively investigates one or a few situations similar to the researcher’s problem situation.

Noor (2008:1602-1603) states that a case study is not intended as a study of the entire organisation, rather is intended to focus on a particular issue, feature or unit of analysis...case studies become particularly useful where one needs to understand some particular problem or situation in great depth, and where one can identify cases rich in information.

Therefore, the study focuses on one specific organisation’s CSR environment and the organisation is known as Impala Platinum Holdings Limited (hereafter referred to as Implats), and is extensively involved in strategic CSR initiatives and is rich in information relating to these initiatives while having a well documented history of its CSR endeavours over the years.
Implats have recently won the “Top 100 Companies: Corporate Social Investment Award” for the second year running, as reported by the Business Times on 30 October 2011.

The article states that “the judges of the award were impressed that Implats sought a return on investment with a project that has a significant social effect on its participants. They felt that Implats was ambitious in its aims and achievements and provided a superior example of interventions aligned to its business.”

To this effect, in order to satisfy the objectives of the study, Implats appears to be engaging in what is defined as strategic CSR, where any initiatives that are undertaken by the business have to have a positive effect on the company’s strategic objectives while achieving sustainable benefits for the community.

To this end, Implats has developed and adopted a Corporate Social Affairs Policy which it is currently implementing as a corporate citizen, and is committed to the socio-economic development (SED) of the communities in which it operates and within its labour sending areas. Through its SED programmes, Implats is committed to empowering a broad range of its stakeholders, with greater emphasis on the youth, women and people living with disabilities.

The philosophy of Implats is based on meaningful participation that will ensure a positive contribution to some of poverty alleviation, mainly skills development, enterprise development, preferential procurement and ownership programmes.

In order to guide Implats’ engagement within the SED space, Implats enforces a “criteria for selection of initiatives”. These criteria detail how all initiatives and programmes supported by Implats through Corporate Social Affairs are selected, and the criteria are as follows:

- Aligned to the company’s strategic objective

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- Geographical boundaries highlighted in the mission statement
- Long term sustainable projects
- Partnership initiated projects with other industries
- Pre-planned budgeted projects
- Focus on identified target group (women, youth and people living with disabilities)
- Beneficiaries constitute more than 75% black in accordance with the BBBEE Scorecard
- Assist in capacity building of NGOs, CBOs and local Municipalities

As a result, the case for Implats is explored in this study as a means to understand the link between corporate strategy and CSR as it is currently viewed within business, and it also forms the basis for the development of a questionnaire that is used in guiding the gathering of the required data in this research study.

4.3.3. Questionnaire

A questionnaire is a written list of questions, the answers to which are recorded by respondents (Kumar 2005:126). This list of questions is developed in an interactive style, which means that respondents should feel as though they were talking to someone.

The study designed and compiled a list of questions, based on a combined view established through the reviewed literature and the selected case. The questionnaire was separated into predetermined thematic sections and was used during personal interviews with the respondents in an attempt to satisfy the objectives of the study. The actual questionnaire used in this study can be found in Annexure A of this document.

4.3.4. Qualitative Research

Kumar (2005:12) refers to qualitative research as an “unstructured approach”, which aims to explore the nature of the research problem. This method of inquiry, as highlighted by Zikmund (2003:111), provides the researcher with a
greater understanding of a concept(s) rather than the provision of precise measurement.

Mouton (1996:169) asserts that in qualitative research, the researcher works with a wealth of descriptive data that is collected through observation, interviewing or document analysis methods.

This method is used in the study as a basis for forming conclusions from purposefully rearranging and summarising the descriptive data obtained through the research so as to better understand how corporate strategy can progress CSR.

4.3.5. Document Analysis

One of the techniques of data analysis used in qualitative research is known as Content analysis. Content analysis, as defined by Holsti (1969:14), is any technique for making inferences by objectively and systematically identifying specified characteristics of messages. Stemler (2001:n.p) attests that Content analysis is also useful for examining trends and patterns in documents. It is one of numerous research methods used to analyse text data. This means that the researcher looks at the documents and/or text in order to see what themes emerge.

Therefore, in order to partly satisfy the objectives of this study, the researcher started by researching the CSR policies and practices in line with corporate strategic objectives of the six to eight conveniently selected organisations which engage in CSR in South Africa.

The contents of these documents were analysed in order to determine any emergent themes that may provide guidance as to the importance, if any, of including CSR as an integral part of corporate strategy.

Content analysis involves three approaches, namely conventional, directed and summative content analysis (Hsieh & Shannon, 2005:1277). For the purpose of this study, summative content analysis was employed. Summative
content analysis is an approach that identifies and quantifies certain words or content in text with the purpose of understanding the contextual use of these words or content (Hsieh & Shannon, 2005:1283). This involves the process of interpretation of content known as latent content analysis, where the focus is on discovering underlying meanings of words or the content. The actual Document Analysis Checklist used in this study can be found in Annexure C of this document.

4.3.6. Interviews

Personal interviews refer to the gathering of information through personal contact with an individual (Zikmund, 2003:199).

In an interview, the interviewer asks the questions (and if necessary, explains them) and records the respondent’s replies on an interview schedule (Kumar, 2005:126).

The researcher conducted structured and questionnaire guided personal interviews, firstly to explain the purpose of the research and to give the respondents an opportunity to clarify any areas of concern prior to completing the questionnaire.

4.3.7. Data Analysis, Interpretation and presentation

In analysing the research data, the researcher will undertake a process of rearranging, ordering or manipulating data in order to provide descriptive information that will answer the research question. This process is rightly referred to as descriptive data analysis (Zikmund, 2003:473).

Descriptive data analysis as highlighted by Zikmund (2003: 473) refers to the “transformation of raw data into a form that will make them easy to understand and interpret”.

Therefore, descriptive analysis will be undertaken for each organisation in order to identify emerging themes in the form of similarities in the sampled
organisations. Furthermore, the screening of each organisation’s documentation will be assessed through a subjective process of finding out possible links between each organisation’s strategic objectives, as listed in their strategic plan, and CSR. This will be done through the technique of content analysis. When analysing the content, the researcher focuses on key terms, such as ‘strategy for CSR’, ‘social responsibility strategy’, ‘corporate citizenship’, ‘sustainable social responsibility’, ‘social responsibility policy’, ‘ethical social responsibility’, ‘objectives of social responsibility’, ‘role of social responsibility’, ‘the business of social responsibility’, etc. Thus, the link will be identified as existing should the strategic objectives list CSR as part of the list of its objectives.

Overall, the chosen methodology followed a structured approach which comprised of the review of relevant literature, selection of a case study followed by the design of a questionnaire based on the reviewed literature and insights from the case study.

Once the questionnaire design was complete and approved, the conveniently selected sample undergoes a form of qualitative research, which is a combination of a questionnaire assisted interview and document analysis where possible, in order to collect the required data.

The collected data will be analysed in order to ascertain any themes that may present themselves, following which these results will be compared to the reviewed literature to understand if they are aligned to literature or they present new findings that will add to the body of knowledge in the field of this study.

4.4 Sampling Strategy

In order to explore how corporate strategy can progress CSR, the researcher has conveniently selected to interview six to eight organisations that engage in CSR in South Africa. These organisations conveniently cover some of the differing industries within the South African economy and they include the
following sectors, namely; Utilities, Energy, Telecommunications, Logistics, Motor Industry, Financial Services, Products and Business Services.

However, before this exploration, the researcher used a specifically identified organisation in order to understand how CSR is currently viewed in business. This organisation is known as Implats and is heavily involved in strategic CSR initiatives while it is also rich in information relating to these initiatives. Implats has a rich and well documented history of its CSR endeavours over the years and produces a Corporate Responsibility Report and a Sustainable Development Report (which is governed by the Sustainability Policy) on an annual basis detailing their involvement and partnerships for sustainable development. Implats has recently started producing an Integrated Annual Report and the financial year ended 30 June 2011 was the second time such a report has been produced.

Furthermore, Implats has a strategic focus that drives its CSR initiatives and this is documented in the organisation’s social responsibility documentation. Implats states that Sustainability objectives form part of the key performance indicators of management and the executives. There is a Sustainable Development Forum that is responsible for ensuring the implementation of strategies relating to sustainability, overseeing the overall performance of the Group’s non-financial indicators.²

4.4.1. Population

Zikmund (2003:369) defines a population as a group of entities that share a similar set of attributes.

According to Babbie (2001:110) a population can be defined as a group, usually of people, about whom one wants to draw conclusions.

Therefore, the population in this research study can be said to be all the organisations in South Africa that participate in CSR as part of their business, for which the exact number is unknown.

4.4.2. Size of Sample

Zikmund (2003:369) highlights that the process of sampling encompasses any procedure that uses a part of the population in order to make conclusions regarding that population. Thus, a sample can be defined to be a subset of the greater population.

Kumar (2005:165) supports this by asserting that a sample is that small group which is used to collect the required information in order to estimate certain attributes about the population.

Therefore, the six to eight organisations identified in this study are organisations that have, as part of their business, CSR initiatives and are conveniently and readily available to participate in this study. Furthermore, the selection of respondents was based on their job responsibilities, position and involvement in the subject being studied.

4.4.3. Sampling Technique

As stated by Zikmund (2003:380), there is a particular method of sampling known as convenience sampling, which refers to “sampling people who are most conveniently available”.

Thus the respondents to this study were selected by the researcher through the use of convenience sampling as described by Zikmund (2003: 380). From the organisations that are selected, a number of individuals, both management and non-management, whose daily operational engagements are to deal with the companies CSR programmes, are selected as respondents in the study.

The selection of these respondents is based on a non-probability sampling technique that is called a purposive or judgemental sampling technique. According to Zikmund (2003: 382), a purposive sample is a sampling
technique in which a sample is selected based upon suitable characteristics of the sample members.

These suitable characteristics for the purpose of this study are informed by the role and responsibility of the respondent in furthering the cause of CSR in their respective organisation.

4.5 Data Collection Method

In order to obtain the required information from the respondents, a human interactive medium known as personal interviews was used. Personal interviews refer to the gathering of information through personal contact with an individual (Zikmund, 2003:199).

Personal interviews help the interviewer obtain complete and precise information since the interviewer has the opportunity to probe and clarify complex concepts, thus providing an opportunity for feedback (Zikmund, 2003:199).

The interviews were used as means to; firstly explain the purpose of the research, secondly to give the respondents an opportunity to clarify any areas of concern prior to completing the questionnaire and lastly for the researcher to determine the respondents level of involvement in CSR.

As a result of the above, a questionnaire was distributed via an online web link (that could be accessed via internet) to all the CSR managers within the sampled group and through this process the data was collected.

Furthermore, in order to aid the capturing of this data and obtain more insight, information relating to CSR policy documentation and organisational overall strategic objectives was gathered from CSR managers so as to ascertain each organisation’s management and strategic outlook on CSR.
4.5.1. Secondary Data

The collection of primary data, through distributed questionnaires, provided insights into how the sampled organisations view corporate strategy and its role in enhancing CSR within these organisations.

However, secondary data in the form of literature review and the selected case study will be used to inform theory on corporate strategy and CSR and also how corporate strategy can enhance CSR in order for organisations to move to what is known as strategic CSR, which will satisfy both the primary and secondary objectives of the study. Some aspects of the secondary data were used to create the questionnaire that will help in satisfying the objectives of the study.

4.5.2. Considerations in Compiling the Questionnaire

The questionnaire comprises of four sections in which Section A contains a research covering letter. This letter explains in detail the questionnaire’s purpose, the procedure to be followed when completing the questionnaire as well as the rights afforded to the respondent in completing this questionnaire.

Section B of the questionnaire comprises the questions that will guide the researcher in soliciting basic demographic information that will assist in determining the level of involvement of the respondent in the organisation's CSR initiatives.

Sections C and D of the questionnaire comprise the body of questions that will guide in soliciting all the required information in order to satisfy the objectives of the study.

In order to ensure that the questionnaire does not overlook any important aspects that will aid in the success of the research study; the questionnaire was be pre-tested before it is distributed to the research sample.
Approval to conduct this research has been sought from the respective sample organisations before the questionnaire could be distributed and interviews undertaken.

Further approval to distribute the questionnaire and undertake the intended interviews has been sought from the CSR Managers of the six to eight participating organisations. This also includes the approval to schedule interviews with some of their CSR employees. The managers will be the point of contact and distribution of the online web link to the questionnaire will be done from the manager's desk, so as to avoid a low non-response rate.

In order to circumvent time constraint issues on the respondent’s time demands, the questionnaires has been designed in a such a way that it would take more that 15 minutes to complete and submit online.

4.5.3. Administering the Questionnaire aided Interviews

The online web link to the questionnaire is distributed via email from the researcher to the Manager prior to the scheduled interview. The reason for this is to allow the respondent some time to obtain an understanding of what is contained in the research questionnaire.

Following which the researcher will go through the purpose and procedures of the research as well as the rights of the respondent during the interview prior to completing the questionnaire electronically. The questionnaire will then be collected, electronically by the researcher after each electronic completion of the questionnaire by the respondent.

4.6 Data Analysis Method

Descriptive data analysis as highlighted by Zikmund (2003: 473) refers to the “transformation of raw data into a form that will make them easy to understand and interpret”. This is done through a process of rearranging, ordering or
manipulating data in order to provide descriptive information that answers research questions (Zikmund, 2003:473).

Therefore, descriptive analysis will be undertaken for each organisation in order to identify emerging themes in the form of similarities in the sampled organisations. The screening of each organisation’s documentation will be assessed through a subjective process of finding out possible links between each organisation’s strategic objectives, as listed in their strategic plan, and CSR. The link will be identified as existing should the strategic objectives list CSR or elements thereof as part of the list of its objectives.

4.6.1. Recording of Data

Each respondent will electronically record his or her own answers by marking a particular response box and/or providing detail where necessary, thus ensuring that the data is recorded accurately as per the respondent’s response. The researcher will personally retrieve every completed questionnaire from each respondent for record purposes and further analysis.

4.6.2. Structuring of Data

After all completed questionnaires have been retrieved by the researcher, these will be checked for completeness before they are analysed. Once completeness is ascertained, these responses will be coded, summarised and arranged into emerging themes. In order to facilitate this, the questionnaire will be split into thematic sections with section relevant questions.

4.6.3. Analysis of Information

After the data has been captured, coded and summarised, the information resulting from this exercise has been grouped by the emergent theme. These themes will be used to identify the trends and to also allow for conclusions to be formulated in an attempt to describe these emergent themes. The researcher has represented some of the data graphically in order to depict
some of the factors as percentages of the overall responses with the aim to determine the relevance of that factor to the sampled group.

4.7 Ethical Requirements

This study has certain ethical considerations that pertain to the respondents that are contained herein. These are as follows:

- The researcher has explained the purpose, implications and benefits of the study.
- The researcher has explained the respondent’s right to choose whether to still continue with the research or not.
- The researcher did not lead the respondent to the desired outcome of the objectives of the study.
- The researcher did not and will not share in any way or use for any other purpose other than this study the information submitted by the respondent. All information submitted by the respondents is considered as confidential.
- The respondent has been made aware of his or her right to anonymity.
- The respondent’s time demands have been taken into consideration by accommodating him or her with a short, understandable and easy to complete questionnaire.

4.8 Conclusion

In obtaining the required information to satisfy the objectives of the study, the researcher must ensure ethical behaviour at all times during the study. The researcher must ensure integrity when gathering the information and ensure that the methodology used to carry out the research will not lead to unbiased conclusions.

The researcher must ensure ethical and objective presentation of the findings that will be easily understood. Further to this, the researcher must ensure the
drawing of meaningful conclusions from the research results in order to increase the body of knowledge.
Chapter FIVE
Presentation of Results

5.1 Introduction

Chapters Two and Three discussed the concepts of Corporate Strategy, Corporate Social Responsibility (CSR) and Strategic Corporate Social Responsibility. Chapter Two focused on providing an in-depth analysis and understanding of the concept of strategy, including its forms and its levels, by exploring its evolution as a discipline and attempting to consolidate the various definitions into one inclusive, descriptive and easy to understand definition that can be accepted by all in business.

In Chapter Three the researcher discusses the concept of Corporate Social Responsibility (CSR) and its origins through the lens of business/corporate strategy and also focuses on the need to develop a strategy for CSR. This is followed by the possible options for developing a CSR strategy as found in the literature. These options provide CSR practitioners with tools to consider when developing their CSR strategies in order to ensure alignment to corporate objectives.

In discussing the above concepts, the author highlights the need to determine what the link is between CSR and corporate strategy and further uncovers the problem that exists, which is, ‘it is not clear how corporate strategy can progress CSR’.

Chapter Four discusses and promotes the need for investigating the above-mentioned problem by administering a questionnaire in the business environment. The literature on corporate strategy and CSR is used in conjunction with lessons from a case study as the theoretical basis for the questionnaire. In determining the link between CSR and corporate strategy and understanding how corporate strategy can progress CSR, CSR practitioners (managers and non-managers) in six to eight conveniently selected organisations are asked to respond to an interview aided electronic
questionnaire. The data obtained is presented, analysed and interpreted following the structure as presented in the questionnaire.

5.2 Presentation of Results by Questionnaire Sections

Table 2 below represents the responses received from the sampled organisations with CSR initiatives.

Table 2: Overall Response Rate

<table>
<thead>
<tr>
<th>Organisation</th>
<th>Responses Received</th>
<th>Responses Planned</th>
<th>Response Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>MTN</td>
<td>1</td>
<td>2</td>
<td>50%</td>
</tr>
<tr>
<td>Transnet</td>
<td>1</td>
<td>2</td>
<td>50%</td>
</tr>
<tr>
<td>Eskom</td>
<td>1</td>
<td>2</td>
<td>50%</td>
</tr>
<tr>
<td>SAB Miller</td>
<td>1</td>
<td>2</td>
<td>50%</td>
</tr>
<tr>
<td>Tracker</td>
<td>1</td>
<td>2</td>
<td>50%</td>
</tr>
<tr>
<td>Sasol</td>
<td>0</td>
<td>2</td>
<td>0%</td>
</tr>
<tr>
<td>Accenture</td>
<td>2</td>
<td>2</td>
<td>100%</td>
</tr>
<tr>
<td>Investec</td>
<td>0</td>
<td>2</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>7</strong></td>
<td><strong>16</strong></td>
<td><strong>44%</strong></td>
</tr>
</tbody>
</table>

5.2.1. Responses to Section B: Demographics

In Section B respondents were asked questions that are intended to guide the researcher in soliciting basic information required in determining the level and duration of involvement of the respondent in the organisation’s CSR initiatives. Questions One and Two were purely administrative questions designed to obtain the respondents’ name and organisation they represent.

The results in this section (questions three to six) are detailed in the tables below;
### Table 3: Respondents Position

<table>
<thead>
<tr>
<th>Answer Options</th>
<th>Response Percent</th>
<th>Response Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior Manager</td>
<td>57.1%</td>
<td>4</td>
</tr>
<tr>
<td>Middle Manager</td>
<td>28.6%</td>
<td>2</td>
</tr>
<tr>
<td>Administrator</td>
<td>14.3%</td>
<td>1</td>
</tr>
<tr>
<td>Other (please specify)</td>
<td></td>
<td>0</td>
</tr>
</tbody>
</table>

### Table 4: Respondents duration of employment

<table>
<thead>
<tr>
<th>Answer Options</th>
<th>Response Percent</th>
<th>Response Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between 1 and 2 years</td>
<td>0.0%</td>
<td>0</td>
</tr>
<tr>
<td>Between 2 and 5 years</td>
<td>42.9%</td>
<td>3</td>
</tr>
<tr>
<td>Between 5 - 10 years</td>
<td>28.6%</td>
<td>2</td>
</tr>
<tr>
<td>More than 10 years</td>
<td>28.6%</td>
<td>2</td>
</tr>
</tbody>
</table>

### Table 5: Respondents’ immediate/line manager position

<table>
<thead>
<tr>
<th>Answer Options</th>
<th>Response Percent</th>
<th>Response Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Head</td>
<td>80.0%</td>
<td>4</td>
</tr>
<tr>
<td>Senior Manager</td>
<td>0.0%</td>
<td>0</td>
</tr>
<tr>
<td>Middle Manager</td>
<td>20.0%</td>
<td>1</td>
</tr>
<tr>
<td>Other (please specify)</td>
<td></td>
<td>2</td>
</tr>
</tbody>
</table>

### Table 6: Respondents’ area of focus

<table>
<thead>
<tr>
<th>Answer Options</th>
<th>Response Percent</th>
<th>Response Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>42.9%</td>
<td>3</td>
</tr>
<tr>
<td>No</td>
<td>57.1%</td>
<td>4</td>
</tr>
<tr>
<td>Not formally</td>
<td>0.0%</td>
<td>0</td>
</tr>
</tbody>
</table>

### 5.2.2. Responses to Section C: Corporate Strategy

In Sections C of the questionnaire respondents were asked questions relating to the formulation of corporate strategy within the organisation in order to gain an in-depth understanding and knowledge of who drives strategy formulation and determine if there is a link between corporate strategy and CSR.
Each response to each question (specifically questions seven to 15) is depicted separately in either a table or a figure below.

Table 7: Evidence of Corporate Strategy Document

<table>
<thead>
<tr>
<th>Answer Options</th>
<th>Response Percent</th>
<th>Response Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>85.7%</td>
<td>6</td>
</tr>
<tr>
<td>No</td>
<td>0.0%</td>
<td>0</td>
</tr>
<tr>
<td>Not formally documented</td>
<td>14.3%</td>
<td>1</td>
</tr>
</tbody>
</table>

Table 8: Availability of strategy document to wider organisation

<table>
<thead>
<tr>
<th>Answer Options</th>
<th>Response Percent</th>
<th>Response Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>85.7%</td>
<td>6</td>
</tr>
<tr>
<td>No</td>
<td>14.3%</td>
<td>1</td>
</tr>
</tbody>
</table>

Figure 5: Responsibility for the Development of Corporate Strategy
Figure 6: Evidence of soliciting stakeholder opinion

Table 9: Methods of soliciting stakeholder opinion

<table>
<thead>
<tr>
<th>Answer Options</th>
<th>Response Percent</th>
<th>Response Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>100.0%</td>
<td>7</td>
</tr>
<tr>
<td>No</td>
<td>0.0%</td>
<td>0</td>
</tr>
<tr>
<td>Not formally</td>
<td>0.0%</td>
<td>0</td>
</tr>
</tbody>
</table>

Table 10: Considered stakeholder opinion

12. If you answered "yes" above, please specify which groups are invited for these meetings. (Mark all applicable)

<table>
<thead>
<tr>
<th>Answer Options</th>
<th>Response Percent</th>
<th>Response Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees</td>
<td>57.1%</td>
<td>4</td>
</tr>
<tr>
<td>Consumers</td>
<td>57.1%</td>
<td>4</td>
</tr>
<tr>
<td>Shareholders</td>
<td>42.9%</td>
<td>3</td>
</tr>
<tr>
<td>Suppliers</td>
<td>14.3%</td>
<td>1</td>
</tr>
<tr>
<td>Community</td>
<td>71.4%</td>
<td>5</td>
</tr>
<tr>
<td>Environmentalists</td>
<td>42.9%</td>
<td>3</td>
</tr>
<tr>
<td>Other Interest Groups (please specify)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
13. How is the corporate strategy communicated to the rest of the organisation? (Mark all applicable)

Figure 7: Method for communication of Corporate Strategy

Table 11: Link between corporate strategy and CSR

<table>
<thead>
<tr>
<th>Answer Options</th>
<th>Response Percent</th>
<th>Response Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>100.0%</td>
<td>7</td>
</tr>
<tr>
<td>No</td>
<td>0.0%</td>
<td>0</td>
</tr>
</tbody>
</table>

15. How important do you think social responsibility is to the leadership of the organisation?

Figure 8: Importance of CSR to organisational leadership
5.2.3. Responses to Section D: CSR

In Section D of the questionnaire respondents were asked to give details of their current CSR programmes, confirm if the organisation has a documented CSR policy that guides these programmes, provide evidence of sustainability reporting and also share their view of the impact of these programmes in order to gain an in-depth understanding and knowledge of how CSR is seen and understood in the organisations.

Each response to each question (specifically questions 16 to 31) is depicted separately in this section. In order to facilitate a meaningful analysis, the researcher decided to present the collected data differently from how it was collected by swapping the questions around so as to provide better context to the findings. This is specifically related to questions 16, 17, 18, 19 and 20 of the questionnaire. Questions 19 and 20 form the basis for the context of CSR within the sampled organisations followed by questions 16, 17 and 18 respectively.

Table 12: Organisational Involvement in CSR

<table>
<thead>
<tr>
<th>19. Is the organisation involved in any social responsibility programmes?</th>
<th>Response Percent</th>
<th>Response Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>100.0%</td>
<td>7</td>
</tr>
<tr>
<td>No</td>
<td>0.0%</td>
<td>0</td>
</tr>
</tbody>
</table>

If No, please note that you have reached the end of the questionnaire. Thank you for your participation. Kindly Exit the survey.
Table 13: Involvement of top management in CSR

16. Has anyone from the leadership team (i.e. CEO, CIO, COO, CSRO etc.) participated in the social responsibility programmes that the organisation has embarked on?

<table>
<thead>
<tr>
<th>Answer Options</th>
<th>Response Percent</th>
<th>Response Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>100.0%</td>
<td>7</td>
</tr>
<tr>
<td>No</td>
<td>0.0%</td>
<td>0</td>
</tr>
<tr>
<td>if yes, please specify how many programmes they have participated in/</td>
<td></td>
<td>5</td>
</tr>
</tbody>
</table>

Table 14: Compliance to required % of turnover contribution

17. Does the organisation commit a minimum of 1% of annual turnover to the CSR budget?

<table>
<thead>
<tr>
<th>Answer Options</th>
<th>Response Percent</th>
<th>Response Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>100.0%</td>
<td>7</td>
</tr>
<tr>
<td>No</td>
<td>0.0%</td>
<td>0</td>
</tr>
</tbody>
</table>

Table 15: Involvement with other Industry bodies

18. Does the organisation get involved with CSR industry bodies such as Trialogue, with the purpose of knowledge sharing, forming strategic alliances etc.?

<table>
<thead>
<tr>
<th>Answer Options</th>
<th>Response Percent</th>
<th>Response Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>85.7%</td>
<td>6</td>
</tr>
<tr>
<td>No</td>
<td>14.3%</td>
<td>1</td>
</tr>
</tbody>
</table>
Figure 10: Resources committed to CSR programmes

![Figure 10: Resources committed to CSR programmes](chart)

**Figure 11: Evidence of custodian for CSR and availability of a CSR policy document**

![Figure 11: Evidence of custodian for CSR and availability of a CSR policy document](chart)

**Table 16: Storage of CSR Policy**

<table>
<thead>
<tr>
<th>Answer Options</th>
<th>Response Percent</th>
<th>Response Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Online shared drive</td>
<td>85.7%</td>
<td>6</td>
</tr>
<tr>
<td>Physical file in a storage room</td>
<td>0.0%</td>
<td>0</td>
</tr>
<tr>
<td>On individual files</td>
<td>14.3%</td>
<td>1</td>
</tr>
<tr>
<td>Other (please specify)</td>
<td></td>
<td>2</td>
</tr>
</tbody>
</table>

22. Please answer the following questions by ticking the appropriate box.

![Chart]

23. Where is the corporate social responsibility policy stored?
Table 17: Method for communicating the CSR Policy

24. How does the organization ensure that every employee is aware, understands and can access the policy?

**Answer Options (Varied)**

Presented during inductions and widely communicated
Internal & External PR Exercises (Awareness)
Information given to employees on all policies and how to access them
Global sends communication
Through a company-wide mailer sent to inform of updates
Briefing meetings

| Response Count | 6 |

**Figure 12: Perception of employees towards the benefit to stakeholders**

**Figure 13: Measurability of benefits**
Table 18: Evidence of Sustainability Reporting

27. Does the organization publicly report on CSR engagements relevant to the organization? For example, release a CSR Report, Sustainability Report, Integrated report and the like.

<table>
<thead>
<tr>
<th>Answer Options</th>
<th>Response Percent</th>
<th>Response Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>100.0%</td>
<td>7</td>
</tr>
<tr>
<td>No</td>
<td>0.0%</td>
<td>0</td>
</tr>
</tbody>
</table>

If yes, please provide supporting evidence in the form of an internet address of where this report is publicly available.

Figure 14: Frequency of sustainability reporting

28. How frequent is the report released or made available?

- Monthly: 0.0%
- Quarterly: 28.6%
- Bi-annually: 57.1%
- Other: 14.3%

Table 19: Perception of the contribution of CSR to competitive advantage

29. Do you think having a CSR programme gives your organization a competitive advantage?

<table>
<thead>
<tr>
<th>Answer Options</th>
<th>Response Percent</th>
<th>Response Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>85.7%</td>
<td>6</td>
</tr>
<tr>
<td>No</td>
<td>14.3%</td>
<td>1</td>
</tr>
</tbody>
</table>

If yes, please give examples of this competitive advantage

Table 20: Perception of tangible benefits resulting from CSR

30. Do you think there are tangible economic benefits for your organization in having a CSR strategy and or programmes?

<table>
<thead>
<tr>
<th>Answer Options</th>
<th>Response Percent</th>
<th>Response Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>100.0%</td>
<td>6</td>
</tr>
<tr>
<td>No</td>
<td>0.0%</td>
<td>0</td>
</tr>
</tbody>
</table>

If yes, please give examples of these benefits
Table 21: Perception of the impact on CSR on organisational profitability

<table>
<thead>
<tr>
<th>Answer Options</th>
<th>Response Percent</th>
<th>Response Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decrease</td>
<td>85.7%</td>
<td>6</td>
</tr>
<tr>
<td>No impact</td>
<td>14.3%</td>
<td>1</td>
</tr>
<tr>
<td>Increased</td>
<td>0.0%</td>
<td>0</td>
</tr>
</tbody>
</table>

5.3 Conclusion

The aim of this Chapter was to present a summary of the results as obtained from the respondents for each specific section of the questionnaire.

The respondents answered all the research questions as contained in the research questionnaire. The primary overriding research question in this study is ‘what is the link between corporate strategy and CSR?’

The following Chapter will provide a detailed analysis and interpretation of these results, discuss any identified issues and/or themes and also detail the findings as linked to the literature review with the aim to determine if these address and/or satisfy the objectives of this study.
6.1 Introduction

An in-depth analysis and understanding of the concept of strategy, including its forms, its levels and its evolution as a discipline have been discussed in Chapter Two. These assist in providing one inclusive, descriptive and easy to understand definition of strategy within the business context while highlighting the importance thereof.

This provides the guidelines for managers to the formulation of strategy and the development of sustainable competitive advantage. The understanding of strategy formulation by managers is crucial to the achievement of organisational objectives.

In Chapter Three, the researcher discusses the concept of Corporate Social Responsibility (CSR), its origin, definitions and what it means for business in the 21st century as a ‘licence to operate’.

Furthermore, the Chapter focuses on looking at CSR through the lens of business/corporate strategy and the need to develop a strategy for CSR, by ensuring alignment of CSR initiatives with the organisation’s core business activities in order to achieve maximum impact for all stakeholders.

CSR practitioners are requested to respond to the questionnaire for the purpose of determining what the link is between corporate strategy and CSR in the corporate landscape. The resulting data obtained from the respondents to the questionnaire is presented in Chapter Five, analysed and interpreted in this Chapter following the structure of the questionnaire.

The questionnaire is administered to CSR Managers and/or their subordinates where applicable. The aim is to determine how these CSR practitioners view the importance of CSR to the leadership and the value it
brings to all relevant stakeholders and interest groups in the communities they operate.

6.2 Issues Identified

Table 22: Overall Response Rate

<table>
<thead>
<tr>
<th>Organisation</th>
<th>Responses Received</th>
<th>Responses Planned</th>
<th>Response Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>MTN</td>
<td>1</td>
<td>2</td>
<td>50%</td>
</tr>
<tr>
<td>Transnet</td>
<td>1</td>
<td>2</td>
<td>50%</td>
</tr>
<tr>
<td>Eskom</td>
<td>1</td>
<td>2</td>
<td>50%</td>
</tr>
<tr>
<td>SAB Miller</td>
<td>1</td>
<td>2</td>
<td>50%</td>
</tr>
<tr>
<td>Tracker</td>
<td>1</td>
<td>2</td>
<td>50%</td>
</tr>
<tr>
<td>Sasol</td>
<td>0</td>
<td>2</td>
<td>0%</td>
</tr>
<tr>
<td>Accenture</td>
<td>2</td>
<td>2</td>
<td>100%</td>
</tr>
<tr>
<td>Investec</td>
<td>0</td>
<td>2</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>7</strong></td>
<td><strong>16</strong></td>
<td><strong>44%</strong></td>
</tr>
</tbody>
</table>

The response rates from the sampled organisations are disappointingly low when looked at as a group (44%) but when looked at by individual organisation, it is averagely low and to the region of 50% hit rate at its maximum, with the exception of Accenture respondents achieving the planned response rate of 100%.

A reason for the non-response from Sasol is the fact that their Group Public Affairs division was in the process of undergoing a transformational project that focused on its operating model thus resulting in the unavailability of the manager and staff of the Corporate Social Investment (CSI) arm as they were wrapping up some projects. The researcher made an effort to continually contact, via both email and telephone, the CSI Manager in order to obtain even one response, but without any success. Investec on the other hand opted to exercise their option to withdraw from the survey and their reason was lack of availability. This led to the sample size dropping from eight to six organisations that participated fully in the study.
Furthermore, the researcher made a concerted effort to try and increase the response rate from the other organisations by making continuous contact with the managers. The problem of not receiving a positive response from managers in the attempts to get their subordinates to complete the questionnaire negatively affected the attempt to reduce any bias to paint a positive picture of the nature of CSR in these organisations as managers may have felt that their performance is being questioned.

In order to complete a meaningful analysis the researcher deemed a 50% response rate from each sampled organisation as sufficient for satisfying the objectives of this study.

6.3 Findings linked to reviewed literature

The literature reviewed in this study pertains to the concepts of corporate strategy, its origins, evolution and a clear and understandable definition of the concept of [corporate] strategy, followed by a clear description of Corporate Social Responsibility (CSR), its role and how it has evolved into Strategic CSR by forming a core part of the corporate strategy considerations in some organisations.

6.3.1. Findings linked to Section B: Demographics

Section B deals with the principle of where CSR is ‘housed’ within organisations, who is responsible for executing it and how it makes its way to being represented at top management level.
The results in section B, as represented in Figure 15 above, show that 57.1% of CSR practitioners hold a Senior Management position, while 28.6% hold a middle management position. This provides a platform to influence the direction of CSR within the organisation since decision makers are responsible for driving CSR.

According to Da Piedade and Thomas (2006b:66) “to embrace economic, social and environmental aspects of sustainability in a holistic manner, and to provide maximum development benefits, CSR must be integrated into the core activities and decision making of a company”.

Furthermore, 86% of the respondents report directly to Executive level managers, which demonstrate the seriousness of the role of CSR within the organisations by having a champion at the highest level in the organisation with CSR as his/her key area of focus. This is supported by Mendonca and Oppenheim (2007:1) who state that executives around the world are increasingly recognising that the creation of long term shareholder value is dependent on the ability of an organisation to understand and respond to increasingly intense demands from society.

The results also show that 57.1% of respondents have no ‘split focus’ but rather focus solely on the CSR function and only perform activities relating to
CSR and are their performance is measured against these activities. However, 42.9% still hold and perform other non CSR related activities and this may signal that CSR is either being relegated to a ‘compliance’ exercise and not core to corporate strategy or it is not yet a big portfolio in relation to the organisation’s strategic objectives.

Overall, the majority of the respondents have been working for these organisations for between two and five years as CSR practitioners, while 28.6% has been around for five to ten years and another 28.6% for more than 10 years. However, it is important to note that even amongst those that have been in the employ of the organisation for more than 5 years, they did not start in the CSR space but they grew into it as the organisations began to realise the importance thereof.

The above cement the fact that CSR has now become an important consideration for businesses and it has dispelled all myths about the only social responsibility of business being to increase profits, as once exclaimed by Milton Friedman (Porter & Kramer, 2002:6):

Warhurst (2001:60) argued that “the key quest that business has to now embrace is: how can industrial development be undertaken without damaging the environmental or undermining the development opportunities of local communities; and can the benefits be distributed among stakeholders equitably while promoting economic growth?”

Thus, this supports the now increased role of and focus on CSR within the business context.

From the collected data one can observe that there is a greater focus by individual organisations on the role of CSR and also on the level in which it is recognised within the organisation. The data shows that a trend is beginning to establish itself where a ‘champion’ for CSR is identified at the executive level and has direct access to information relating to activities happening in this area through his/her direct report who is in charge of the CSR function.
6.3.2. Findings linked to Section C: Corporate Strategy

Section C deals with the concept of strategy, its formulation, who is responsible for formulating it, who contributes to the development of strategic objectives, how strategic intent is communicated with the rest of the organisation and how CSR is perceived, in relation to strategy, within the organisation.

It is important to revisit the definition of strategy at this point. Strategy is “a set of decision-making rules for guidance of organisational behaviour” (Ansoff & McDonnell, 1990:43). Thus this section aims to uncover these decision making rules of the sampled organisations.

Furthermore, strategy is a unified, comprehensive, and integrated plan…designed to ensure that the basic objectives of the enterprise are achieved (Mintzberg, 1987:12). This section also attempts to understand how the basic objectives are formulated and achieved.

The collected data in this section shows that 85.7% of the organisations do have a documented and a well communicated corporate strategy that sets the direction.

This strategy is mostly developed by top management (71.4% of respondents). Notwithstanding the development by top management, all the organisations hold some sort of formal special meeting with stakeholders to solicit opinions and to understand their key concerns when developing their strategy. Figure 16 below shows the distribution of stakeholder groups that are consulted.
The above results demonstrate that managers are no longer just and only committed to economic profit but they are more interested in the impact their businesses have on the environment and social spheres of where they operate.

As summarised by the author [in Chapter Two of the study] , the sole purpose of strategy is for organisations to devise a plan on how to create and sustain, for as long as possible, competitive advantage over rivals in order to remain highly profitable in their chosen market(s) while delivering value to their customers, employees, shareholders and communities.

In communicating the resulting strategy to the rest of the business, the collected data shows that 66.7% of the time, the communiqué is via meetings and/or road shows, while 83.3% of the time it is via electronic mail (email). In all instances, according to the respondents, the corporate strategy makes reference to social and environmental responsibility.

This is also supported by involvement of top management, in all the sampled organisations, in the CSR programmes that these organisations embark on as priority initiatives thus emphasising the level of importance of CSR to the leadership teams.
Figure 17 below shows the level of importance of CSR to the leadership across the sampled organisations as perceived by employees.

According to the above results, CSR as a function of business is deemed to be very important. 85.7% of the respondents perceive CSR to be important to the leadership of the organisation, and this is supported by the high level of participation by top leadership in these organisations.

As highlighted in Chapter Two by the author, in business, it is widely accepted that top management is responsible for the direction that a company is to take, meaning that they are responsible for the business strategy in order to build competitive advantage and sustain it. Therefore, in establishing a different value proposition in order to deliver a unique mix of value, management becomes a critical impetus to what the company stands for and what it can and is willing to offer its chosen market(s). This is evidenced by the above results.

6.3.3. Findings linked to Section D: CSR

Section D deals with the concept of Corporate Social Responsibility (CSR), its existence, who is responsible for driving it, who contributes to the achievement of its programmes, how the strategy for CSR is formed, how its policies are
communicated with the rest of the organisation and how CSR is measured, in relation to strategic objectives, and how these are shared with the general public.

CSR has increasingly become important in the undertaking of any business because general society, investors and other stakeholders and interest groups increasingly make it a point to keep business accountable with regard social and environmental impacts business has on the socio-economic environments in which organisations operate.

The sampled organisations all have a CSR programme that is well documented by means of a CSR policy that is easily accessible by employees and is also well communicated within the organisation. 71.4% of the respondents stated that part of the employee induction process comprises of the introduction to the organisation’s CSR policy and related programmes in order to create awareness and promote participation.

Each organisation has a formally appointed custodian of social responsibility at board level.

Figure 18: Evidence of custodian for CSR and availability of a CSR policy document
The results also show that the organisation’s CSR initiatives form part of the corporate strategies as evidence in Table 23 below.

**Table 23: Link between corporate strategy and CSR**

<table>
<thead>
<tr>
<th>Answer Options</th>
<th>Response Percent</th>
<th>Response Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>100.0%</td>
<td>7</td>
</tr>
<tr>
<td>No</td>
<td>0.0%</td>
<td>0</td>
</tr>
</tbody>
</table>

Furthermore, the importance of CSR is shown by the regular participation of organisational leadership in social responsibility programmes of these organisations.

Warhurst (2001:60) argued that “the key quest that business has to now embrace is: how can industrial development be undertaken without damaging the environmental or undermining the development opportunities of local communities; and can the benefits be distributed among stakeholders equitably while promoting economic growth?”

From the data collected it can be inferred that these sampled organisations deem CSR to not only be an imperative for business but for all and sundry within the social development space as 86.7% believe in getting involved with other industry bodies such as NGOs through the Trialogue forum which aims to share industry knowledge and promote strategic alliances between private sector, public sector and not-for-profit organisations.

Over and above the participation of leadership, the organisations all comply with the legal requirement for allocating a minimum of 1% of annual turnover to their CSR budget. However, the majority of these organisations do not restrict their contributions to the legally required monetary amounts; they direct funding to their chosen areas of involvement as required by the identified need. This shows that the organisations do not see CSR as a tick-box compliance exercise but an integral part of their sustainability agenda.
As Porter and Kramer (2006:78) argued that CSR can be much more than a cost, a constraint, or a charitable deed, but it can be a source of opportunity, innovation, and competitive advantage...and that when looked at strategically, CSR can become a source of tremendous social progress, as business applies its resources, expertise and insights to activities that benefit society, and the collected results further demonstrate the impact of collectively developing a plan on how to create and sustain, for as long as possible, competitive advantage over rivals in order to remain highly profitable while delivering value to customers, employees, shareholders and communities.

As a result, these organisations have opted to do more than just provide funding where needed but to also offer their expertise and insights to social development activities through the programme of employee volunteerism during normal working hours (85.7% of sampled organisations) and other forms of giving “time” to the social and or environmental needs of society, thus moving from charitable deeds to expediting social progress. Employees are further encouraged to participate in other social responsibility programmes outside of the ambit of the organisation in their own time.

Figure 19 below shows the proportion of resource types committed by these organisations to their identified social responsibility programmes.

![Figure 19: Resources committed to CSR programmes](chart.png)
Up to this point, the collected data strongly suggests that top management views social responsibility as a key concern, and it makes sense for their organisations to include it in the business strategy as they do not see CSR as an additional extra cost to the core of the business but an integral part of their business.

In order to advance this notion, it is important for business to effectively manage this process and ensure that objectives are measurable and can be met. This forms part of strategic management process as highlighted by Thompson et al. (2010:6) when stating that “a company’s strategy consists of the competitive moves and business approaches that managers are employing to grow the business, attract and please customers, compete successfully, conduct operations, and achieve the targeted levels of organisational performance.”

Therefore, in selecting where these resources will be directed, it is important for the organisations to assess where the greatest impact with regard social development can be achieved and where value can be created. The only strategic CSR initiatives that can both create true value for the beneficiaries as well as enhance company’s business performance, are seen as sustainable in the long run (Bruch and Walter, 2005:51).

The results show that these organisations are clear on where their resources are to be directed as they understand that they can’t be “all things to all people as that translates into a lack of strategic vision” (Van der Merwe, n.d). Figure 20 below shows the organisations’ chosen areas of participation.
About 86% of respondents participate in both primary and tertiary levels of educational assistance programmes, another 86% focuses on HIV/AIDS awareness and prevention related initiatives, with about 43% taking part in sports related initiatives while 100% of the respondents focus on community development initiatives.

The respondents also highlighted that their areas of participation are mainly driven by a combination of the national priorities (i.e. poverty alleviation, HIV/AIDS, rural sports development, access to primary education, skills development, etc.), business needs, and community requirements.

The above provides evidence of the practicality of what Van de Ven and Jeurissen (2005:299) advocate, and that is “a firm has to develop its own strategy for social responsibility, in light of its competitive position, as well as ethical considerations, furthermore, corporate social investment should make sense from the perspective of overall competitive strategy of a firm and should be treated as an integral part of it...”
Thus the above makes a compelling case for business to measure their performance in relation to the impact they are making, if any, to the communities they operate in.

Research results, as per Figure 21 below, show that the following stakeholders stand to benefit from these social responsibility initiatives.

![Figure 21: Perception of employees towards the benefit to stakeholders](image)

The Community appears to derive the most tangible benefits as direct beneficiaries of these programmes, while employees also derive the second highest benefit as it relates to personal satisfaction and potential direct gains as they also form part of the community in which these businesses operate.

The benefits to the organisation and its shareholders can be said to be an indirect consequence as a result of greater brand awareness which has the potential to lead to the community associating itself with that brand as it may be seen to be improving the lives of the community. This may result in greater patronage due to the development of brand loyalty thus having a positive impact on the bottom line of the respective organisations. However, it is important to note that such measurements are highly subjective as they are mere inferences from the tangible benefits received by the community.
It is further inferred that when the competitiveness of the organisation improves, the resulting effect will be translated to an improvement of monetary benefits to the rest of the value chain – specifically upstream to the suppliers. Figure 22 shows support the above assertions.

![Figure 22: Measurability of benefits](image)

When the organisations are transparent about the impact their operations have on the communities and the environment in which they operate, and they are prepared to address these in a positive manner that will further benefit society as a whole, this improves the organisation’s position to be seen as a caring corporate citizen, thus alleviating the pressure of accountability by the general society, investors and other stakeholders and interest groups.

As a requirement of King III, all the organisations publicly report on their sustainability practices and 57% of the sampled organisations produce these reports on an annual basis, while 29% is quarterly 14% is bi-annually. These serve to promote transparency of these social responsibility initiatives.

As highlighted by the author in Chapter 3, the sole purpose of strategy is for organisations to devise a plan on how to create and sustain, for as long as possible, competitive advantage over rivals in order to remain highly profitable in their chosen market(s). Furthermore, every company must therefore
choose its value proposition properly in line with its capabilities and competitive advantage in order to achieve sustainability, and according to Van der Merwe (n.d:13).

According to Porter and Kramer (2006:78) CSR can be much more than a cost, a constraint, or a charitable deed, but it can be a source of opportunity, innovation, and competitive advantage...

This is evidenced by the perception that is held by the organisations in that CSR does give an organisation a competitive advantage and that profitability can also be linked to the presence or absence of CSR initiatives by the organisations. Table 24 below provides a summary of the perception of whether competitiveness can be gained through CSR initiatives.

Table 24: Perception of the contribution of CSR to competitive advantage

<table>
<thead>
<tr>
<th>Answer Options</th>
<th>Response Percent</th>
<th>Response Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>85.7%</td>
<td>6</td>
</tr>
<tr>
<td>No</td>
<td>14.3%</td>
<td>1</td>
</tr>
<tr>
<td>If yes, please give examples of this competitive advantage</td>
<td></td>
<td>4</td>
</tr>
</tbody>
</table>

It is clear that organisations believe that a major benefit for them resulting from social responsibility is the potential for sustainability of business, over and above the benefits enjoyed by all the other social stakeholders. Furthermore, Table 25 provides evidence that is generally believed across the organisations that depending on how involved the organisation is with social responsibility, profitability could be an indicator of whether to do start engaging or continue with socially responsible initiatives.

Table 25: Perception of the impact on CSR on organisational profitability

<table>
<thead>
<tr>
<th>Answer Options</th>
<th>Response Percent</th>
<th>Response Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decrease</td>
<td>85.7%</td>
<td>6</td>
</tr>
<tr>
<td>No impact</td>
<td>14.3%</td>
<td>1</td>
</tr>
<tr>
<td>Increased</td>
<td>0.0%</td>
<td>0</td>
</tr>
</tbody>
</table>
About 86% of the respondents believe that cutting down on socially responsible programmes would result in a negative impact on the bottom line of their business.

The above results provide a compelling argument for the importance of CSR in business, how it is viewed and how it is believed to contribute to the bottom line based on its role or afforded position in the formulation of corporate strategy of these organisations.

Thus it can be safely concluded that, as per Galbreath’s view of the available options that could provide one with a choice of which type of strategy one can pursue in order to form a strategy for CSR (Galbreath 2006, 176-179), the collected data shows that these organisation have are operating from a ‘Corporate Citizenship’ strategic point of view.

This strategic option involves the recognition by business that various stakeholders have different interests and expectations. This option is cognisant of the fact that stakeholder demands are different and that stakeholders cannot be treated as equals, thus the need to differentiate between primary and secondary stakeholders. More importantly, in this strategy, stakeholder needs are integral to corporate strategy and social objectives are also integrated with economic goals. This strategy is long term focused as it is interested in forging sustainable relationships with all relevant stakeholders, and furthermore it develops means of managing and measuring their accountability to those stakeholders.

6.3.4. Findings linked to Document Analysis

This section deals with the concept of document analysis by focusing on the method of content analysis from specific strategic, CSR and Safety, Health and Environmental documentation of the sampled organisations. This technique looks at documents or text to see what themes emerge, what do the documents refer to the most, especially in relation to sustainable development and social responsibility.
As defined by Holsti (1969:14), Content analysis, is any technique for making inferences by objectively and systematically identifying specified characteristics of messages. Thus the researcher undertook this technique for six of the eight selected companies as a result of only six being available and willing to participate. An example of the Document Analysis Checklist used can be found in Annexure C.

From a strategy overview, the results show that in each of these organisations, sustainability, in some way or another, is part of the company strategy, as it is found to be included in the corporate vision and forms part of the company values. This is demonstrated by the expressed desire by the organisations to be good corporate citizens towards the environment, communities and including employees.

“The Transnet Foundation’s business is guided by the growth strategy of Transnet Limited, which calls for a ‘Quantum Leap’ in financial performance and operational efficiency. For the Foundation, this translates into the need to do more with less and to pay special attention to safety and environmental issues.” (Transnet Foundation).

Furthermore, this commitment is reflected by the code of business ethics. For example, one of organisation’s core values is ‘Stewardship’ – which refers, “fulfilling our obligation of building a better, stronger and more durable company for future generations, protecting the [organisation’s] brand, meeting our commitments to stakeholders, acting with an owner mentality, developing our people and helping improve communities and the global environment.”

Eskom states it’s business vision as, “Eskom has a responsibility to the country to ensure that sustainable development becomes a reality...the objective is to recognise that Eskom and the communities in which it operates are reliant on each other.” (Eskom Foundation).

“At SAB, we care about our people, we care about our country and we care about our environment. We see this as integral to doing business profitably.” (SAB Limited).
The social responsibility documentation such as the CSR Policy, is the common document amongst the respondents and it serves as a guide as to what role the organisation is to play in the social development space and what initiatives it will partake in. This document is readily made available to all employees and it forms part of the induction training for about 67% of the sampled organisations. One of the organisations articulates this well in their policy by stating, “Tracker’s vision for CSI is to establish itself as a leading and socially responsible organisation that contributes to the sustainable socio-economic development of our communities.” This is to be achieved through education, health and welfare, community safety and staff volunteerism initiatives (Tracker 2010/11 Corporate Social Investment Overview).

All the sampled organisations show commitment to social responsibility and are transparent with regard what they do and they endeavour to track the impact it has on these communities and the environment. This is evidenced by the publication of a sustainability report by 67% of the respondents which is in line with the Global Reporting Initiative Guidelines (G3) that is aimed at advancing sustainability reporting globally. These reports include the detailed review of the organisation’s social initiatives on economic, social and environmental issues.

6.4 Limitations of Study

This research study follows a convenient sampling technique of the population of all organisations who engage in corporate social responsibility, of which the exact number is unknown. Therefore, only those companies that are readily available and willing to participate in this exploratory study where surveyed. This is therefore a major limitation to the study as a result of the small sample group seen against the target population and thus renders it difficult to make a conclusive inference of the analysed results to the larger population.

It is also important for CSR practitioners to note that research pertaining to the need for CSR in South Africa is in abundance, however, research pertaining to
the integration of CSR into core business strategy is limited, albeit the evidence of some companies having already began practising strategic CSR.

Thus, it should be noted that the research findings only denote the CSR practices of the respondents and cannot be assumed to be a true representation of the larger population. These research findings should be use as guidelines, with the discretion of the CSR practitioner, when choosing to practically apply some of these findings.

6.5 Conclusion

The prevailing theme in all the collected data is that Corporate Social Responsibility is indeed an important element for business in the context of our economy and business does take it seriously and they value the positive impact it has on society and the environment. Although businesses have a differing view and agenda for social responsibility, there is enough evidence to suggest that they are all operating at the ‘Corporate Citizenship’ level as detailed by Galbreath (2006: 176-179).

There are a few and subtle differences in the perception of what can be achieved by the organisations through social responsibility, however there is a general theme that is highlighted and explained as, lack of social responsibility initiatives will affect the bottom line negatively and will also reduce competitive advantage.

The overall theme emanating from the collected data is the importance of a CSR champion that will drive the CSR agenda at board level, thus creating a platform for CSR to be a core part of business strategy and also the participation of top management and the encouragement of employee volunteerism in these initiatives. This is further supported by the importance of stakeholder dialogue that is considered during the formulation of business strategy through formal meetings and road shows.
The overall results suggest that each of these organisations have a strategy for CSR and they understand how it fits in to the overall corporate strategy and why it is fundamental to the operations of the business.
Chapter SEVEN
Conclusions and Recommendations

7.1 Introduction

Chapter One states that social responsibility is increasingly becoming important in the undertaking of any business as the general society, investors and other stakeholders increasingly make it a point to keep business accountable with regard to social and environmental impacts business has on the socio-economic environments in which businesses operate.

Therefore the purpose of this body of work is to investigate and uncover guidelines and ways in which corporate strategy can progress Corporate Social Responsibility (CSR), thus providing management and CSR practitioners insights into how strategy can be used to enhance CSR initiatives in their organisations. This work also aims to highlight some of the implications pertaining to the creation and management of strategic CSR programmes that are embedded in the overall organisational strategic intent in order to foster accountability and healthy, yet strategic CSR initiatives.

The purpose of this Chapter is to draw valid conclusions from the collected data with the aim to make relevant recommendations that can assist CSR practitioners build a case for the integration of CSR into the core business strategy within their organisations. The research questionnaire and the document analysis revealed some key guidelines of how the respondents are currently using their business strategy in order to progress CSR. These will be discussed in detailed.
7.2 Conclusion

The primary objective of this research study is to establish how corporate strategy can progress CSR. The secondary objectives of the study include recommendations on the manner in which corporate strategy can be linked to CSR. These are:

- To identify various ways in which CSR can be incorporated into corporate strategy
- To identify some of the trends in establishing and fostering strategic CSR.
- To identify the advantages and disadvantages to corporations in the incorporation of CSR in their corporate strategy.
- To identify ways to ensure CSR is sustained throughout the lifetime of organisations.

The reviewed literature, with the assistance of the case study, shows the link between CSR and corporate strategy as found in the reviewed literature and also provides guidelines as to how corporate strategy can progress CSR, what advantages and disadvantages are present in the incorporation of CSR into corporate strategy. Furthermore, the review also provided guidance as to ways to ensure CSR is sustained throughout the lifetime of organisations.

In order to satisfy these objectives, the researcher instituted a questionnaire with the social responsibility space and the collected data was presented in Chapter Five and analysed in Chapter Six. The questionnaire is purposed at determining what the link is between corporate strategy and CSR in the corporate landscape.

The questionnaire was administered to CSI practitioners (managers and/or their sub-ordinates where applicable). This was to determine how these CSR practitioners view the importance of CSR to the leadership and the value it brings to all relevant stakeholders and interest groups in the communities they operate. The questionnaire was divided into sections covering the theoretical
aspects as discussed in Chapters Two and Three. The obtained results identified the important link between corporate strategy and CSR.

The prevailing theme from these results is that CSR is important for business and for social responsibility to truly achieve a positive impact for all stakeholders, it is important for it to be embodied in the strategy of the organisation as one of the core values of the business, and to be driven from the top by the leadership, while creating a platform for employees to participate through volunteerism. The majority of the respondents emphasised the importance of stakeholder engagement when formulating business strategy.

There are a few and subtle differences in the perception of what can be achieved by the organisations through social responsibility, however there is a general theme that lack of social responsibility initiatives will affect the bottom line negatively and will also reduce competitive advantage.

The following summarises the findings of the different sections of the questionnaire and the resulting content analysis.

7.2.1. Section B: Demographics

Section B deals with the principle of where CSR is ‘housed’ within organisations, who is responsible for executing it and how it makes its way to being represented at top management level. The respondents were asked questions that indicate the level and duration of involvement of the respondent in the organisation’s CSR initiatives.

Senior managers and middle managers are more involved in directing the cause of social responsibility. These managers report directly to an executive level position with regard matters of social responsibility.

Interestingly the majority of these CSR practitioners have only been in their current CSR position for between two to five years. This may suggest the
maturity level of the strategic role being played by CSR in the organisation; however, the study did not explicitly test this.

Managers are more often than not (about 57%) tasked with the sole management of this portfolio of social responsibility and they receive sponsorship at board level.

Thus it can be inferred that by not splitting the focus of the driver of any of these initiatives, the organisation positively contributes to the achievement of strategic objectives relating to social responsibility.

7.2.2. Section C: Corporate Strategy

Section C asks questions relating to the formulation of corporate strategy within the organisation in order to gain an in-depth understanding and knowledge of who drives strategy formulation and determine if there is a link between corporate strategy and CSR.

The collected data shows that having a documented and a well communicated corporate strategy that sets the direction is important for organisations, as this will guide the translation into social responsibility initiatives.

The trend suggests that strategy is mostly developed by top management (71.4% of respondents). However, in doing so, they engage all the relevant stakeholders to solicit opinions and to understand their key concerns before developing and finalising their strategy. This means that managers [or organisations] are no longer just and only committed to economic profit but they are more interested in the impact their businesses have on the environment and social spheres of where they operate.

The different respondents perceive CSR to be important to the leadership of the organisation, and this is supported by the high level of participation by top leadership in these organisations. The concerted effort to drive the vision for social responsibility down the organisation by constantly communicating and
sharing the business strategy and what it means for the employee also supports this.

This suggests that social responsibility can and will only be integrated into the strategy of the organisation as a core element when it resonates with the leadership at the top and they understand the impact of driving socially responsible initiatives and these are driven by the leadership into the rest of the levels in the organisation, with employees fully supporting the desire to be a responsible citizenship. This demonstrates what the organisation stands for and what it can and is willing to offer its chosen market(s) and/or communities.

7.2.3. Section D: Corporate Social Responsibility

Section D deals with the concept of Corporate Social Responsibility (CSR), its existence, who is responsible for driving it, who contributes to the achievement of its programmes, how the strategy for CSR is formed, how its policies are communicated with the rest of the organisation and how CSR is measured, in relation to strategic objectives, and how these are shared with the general public.

The responses received seem to follow the prevailing theme and supports the notion that CSR has increasingly become important in business. All organisations have a CSR programme that is well documented by means of a CSR policy that is aligned to the overall business strategy and is easily accessible by employees and is also well communicated within the organisation.

All respondents agree that social responsibility is not just a business imperative but an imperative for all. This is supported by the formation of strategic alliances with other role players such as government, NGOs and the like.

From the collected data, it appears that CSR practitioners do not see social responsibility as just a cost, a constraint to or charitable deed by the business, but a source of opportunity, innovation, and competitive advantage and a
means for perpetuating tremendous social progress, as businesses apply their resources, expertise and insights to activities that benefit society. Organisations believe that social progress will not only be achieved through philanthropic exercises but through the deliberate effort to use organisational strengths, expertise and insights to promote social development.

All organisations agree that in order to execute successful social responsibility programmes, a strategy for social responsibility must be developed in line with the overall business strategy and this strategy should be clear on how the organisation believes it will contribute and through which programmes. This selection of programmes is based on national priorities, business needs in line with their expertise, strengths and insights, which are seen from the perspective of overall competitive strategy of the organisation and the requirements of the community within which the businesses operate.

The results indicate the importance of measuring the impact of these initiatives on the communities and/or environment. All the organisations conduct an impact analysis and report on the measured impact on all their stakeholders ranging from social, economic and environmental impacts. All but two respondents follow the reporting guidelines of the Global Reporting Initiative which aims to advance global sustainability reporting and promote the transparency of sustainable investments why providing an indication of progress.

Overall, the respondents perceive the presence of CSR initiatives to have a positive impact on the profitability of the business and that it offers a competitive advantage over rivals. This suggests that organisations believe that a major benefit for them resulting from social responsibility is the potential for sustainability of business, over and above the benefits enjoyed by all the other social stakeholders.

7.2.4. Document Analysis

This section deals with the concept of document analysis by focusing on the method of content analysis from specific strategic, CSR and Safety, Health
and Environmental documentation of the sampled organisations. This section looks at documents or text to see what themes emerge, what do the documents refer to the most, especially in relation to sustainable development and social responsibility.

The list of documents analysed in this section provides support to the prevailing theme that CSR is important and should be a core part of the business strategy.

The results show that in each of these organisations, sustainability, in some way or another, is part of the company strategy, as it is found to be included in the corporate vision and forms part of the company values. This demonstrates the desire by the organisations to be seen to be good corporate citizens towards the environment, communities and employees.

All organisations have a CSR Policy, which serves as a guide as to what role the organisation is to play in the social development space and what initiatives it will partake in. This document is readily made available to all employees and it forms part of the induction training for about 67% of the sampled organisations.

All the sampled organisations show commitment to social responsibility and are transparent with regard what they do and they endeavour to track the impact it has on these communities and the environment. This is evidenced by the publication of a sustainability report by 67% of the respondents which is in line with the Global Reporting Initiative Guidelines (G3) that is aimed at advancing sustainability reporting globally. These reports include the detailed review of the organisation’s social initiatives on economic, social and environmental issues.
7.3 Recommendations

The positive responses received from the data collected appear to support the suggested link between corporate strategy and social responsibility. Based on the responses, the researcher can identify particular themes that seem to drive the importance of social responsibility and how to move it from a mere philanthropic exercise to a strategic endeavour that is core to the overall strategic intent. These are:

- The belief by top management in the importance of social responsibility.
- The inclusion of social responsibility in the core values of the business.
- The appointment of a custodian of social responsibility at board level to drive the execution thereof.
- The consideration of key stakeholder socio-economic concerns and/or challenges when formulating business strategy.
- Development of a strategy for social responsibility accompanied by a policy that guides the execution of this strategy.
- Linking of the strategy for social responsibility to the overall business strategy by sticking to programmes which will allow the usage of inherent expertise and insights of the organisations.
- Identifying key measures of success and determining ways to measure these.
- Communicating these strategies effectively and regularly across the organisation.
- Sharing these values and programmes with new hires.
- Encouraging employees to be part of the social difference being made by volunteering their time and skills in order to advance the social responsibility agenda.

The prevailing theme in all the collected data is that Corporate Social Responsibility is indeed an important element for business in the context of our economy and business does take it seriously and they value the positive impact it has on society and the environment. Although businesses have a differing view and agenda for social responsibility, there is enough evidence to suggest that they are all operating (or striving to operate) at the ‘Corporate Citizenship’ level as identified by Galbreath (2006: 176-179) when discussing
the social responsibility strategic options. This shows that these organisations have realised the importance of integrating competence with market orientations as this has the greater potential to balance the needs of the beneficiaries with the skills and competencies of organisations.

The responses in Sections B, C, D and Document Analysis provide strong evidence of the benefits associated with linking social responsibility to the overall corporate strategy. All the respondents believe that their social responsibility initiatives are as a direct result of the overall strategy putting emphasis on sustainable development of communities within which they operate. The practical involvement of the leadership of all these organisations reinforces the belief by employees that social responsibility is important to the leadership and demonstrates how to ‘live the code’ as driven by the organisational core values.

Therefore, CSR practitioners should ensure that their role is not seen to be a cost to the business but a necessary source of opportunity, innovation, and competitive advantage for the organisation. This should be demonstrated through the creation of true value for the beneficiaries as well as the enhancement of the organisation’s business performance. Managers must get buy-in from top management and have a board level sponsor that will drive the social responsibility agenda into the core strategy of the business through the development of company values that strive to improve not just the economic stance of the business but also the social and environmental well being of the communities in which the organisation undertakes its business.

It is also important for CSR practitioners to consider the industry they operate it and determine their expertise and insights so as to be clear on how they can get involved in initiatives that will provide the greatest impact. Managers should look at what the national priorities are in terms of social development, consider the needs of the communities within which they operate and balance that with their business needs, skills and competencies. This will ensure that every programme the organisation gets involved in has the greatest potential for delivering positive outcomes for all stakeholders.
Managers must therefore develop a guiding policy for the social responsibility initiatives which will detail what role the organisation will play in advancing socio-economic development in the country and what programmes will bring about the most benefit, not only for the community and environment, but also for the business and its employees. This will create value and underpin support at top leadership level while encouraging a culture of being socially responsible amongst employees and position the organisation as a socially responsible corporate citizen.

For this reason, managers must measure the impact of these programmes at all levels, meaning socially, environmentally and economically in order to determine the actual value created. Thus this requires the identification and development of key measures of success for their particular business. This can be supported by the usage of the Global Reporting Initiative Guidelines for Sustainable Reporting.

Organisations in the CSR environment may also find it important to consider having a separate entity/ division within the organisation which has a mandate to look after the social responsibility arm of the business without any interference with normal day-to-day operations, except through employee volunteerism programmes. This is another theme that emerges from the collected data and also from the case study, where all these organisations have what they call a ‘Foundation’, which has the sole purpose of implementing socio-economic development projects on behalf of the organisation. This will ensure that the role of CSR is sustained throughout the lifetime of the organisation as it is protected by the existence of a stand-alone CSR focused entity which will endeavour to drive the strategic social intent of the business.

It is for this reason that it is recommended that every organisation chooses a strategy for corporate social responsibility. According to Galbreath (2006: 176-179) there is a baseline view of the available options that could provide one with a choice of which type of strategy one can pursue in order to form a strategy for CSR. These strategies are:
- **Shareholder strategy:** focuses on maximising shareholder returns through maximising profits while obeying minimum legal requirements for operation. This is aligned to Milton Friedman’s views on the role of business.

- **Altruistic strategy:** encompasses ‘doing the right thing’ by giving back to the community in which a firm operates, without expecting anything in return. This can be said to be just an act of goodwill on the part of the firm, and it is normally on an *ad hoc* basis.

- **Reciprocal strategy:** seeks to resolve the conflicts between economic objectives (profits) and intense social, moral and environmental expectations of society. Thus, this strategy can be said to be better suited to forming of partnerships between firms and non-government organisations, with clear rationale for both firm benefit as well as for positive societal returns. This strategy is medium term focused.

- **Citizenship strategy:** focuses on a broader scope than the above options. This involves the recognition by business that various stakeholders have different interests and expectations. These stakeholders include customers, employees, suppliers, specific communities, shareholders, environmentalists, special interest groups etc. This option is cognisant of the fact that stakeholder demands are different and that stakeholders cannot be treated as equals, thus the need to differentiate between primary and secondary stakeholders. More importantly, in this strategy, stakeholder needs are integral to corporate strategy and social objectives are also integrated with economic goals. This strategy is long term focused as it is interested in forging sustainable relationships with all relevant stakeholders, and furthermore it develops means of managing and measuring their accountability to those stakeholders.

It is therefore important for individual organisations to note that no one strategy from the abovementioned can be sustained throughout the lifetime of an organisation. Just as corporate strategy changes given the business landscape and opportunities at any given point in time, so does the strategy for CSR, as it is to be developed in order to speak to core business as highlighted earlier by Van de Ven and Jeurissen (2005:299), that “a firm has to
develop its own strategy for social responsibility, in light of its competitive position...

Notwithstanding the above statement, it is further recommended that each organisation needs to constantly strive to be operating at the ‘Citizenship Strategy’ level more often than not, as this will demonstrate the commitment to responsibility, transparency, sustainability and accountability. This can be achieved through the deliberate effort by organisations to combine strong external (market) and internal (competence) orientations when planning and delivering social responsibility initiatives. This will balance the needs of beneficiaries with the skills and competencies of the organisation, while achieving both social progress and competitive advantage.

7.4 Summary

In summary, organisations must strive to move from a philanthropic based strategy of social responsibility towards a strategic level of CSR where the achievement of greater socio-economic benefits can be derived. CSR practitioners must also assist in driving their organisations towards this strategic CSR level by constantly being innovative in their ways of attempting to address social and environmental challenges.

CSR practitioners must not be afraid to form strategic alliances with other organisations when devising plans to address these challenges. Furthermore, private organisations must collaborate with public sector, non-governmental organisations and their communities as they strive to address the same socio-economic challenges.

7.5 Suggestions for further research

The study highlights the importance of linking corporate strategy to corporate social responsibility initiatives and supports this by showing some of the benefits to both beneficiaries and business in doing so. The study further
advocates the importance of collaboration between private sector, public sector, NGOs and the community in their attempts to resolve or address socio-economic challenges and lists some of the benefits to be achieved by doing this.

However, the study is limited in its nature as it is an exploratory study that does not capture a large enough sample that can warrant inference of these results to the greater population of CSR practitioners. Thus there is a need for an empirical study in South Africa to test the recommendations of this study on a larger sample covering all major industries.

Furthermore, there is a need to research workings of Private-Public Partnerships in the delivery of social responsibility initiatives while working with NGOs and other role players. This pertains to the development of guiding steps on how to establish these partnerships, how to set up memorandums of understanding between the partners, how to manage these agreements while also managing the projects required in the socio-economic development space without losing sight of the overall objective of these partnerships.
Bibliography


Annexure A

Questionnaire Cover letter

Dear Employee,

You have been selected to participate in a research study aimed at establishing how corporate strategy can progress corporate social responsibility. You are in no way compelled to complete this questionnaire but your assistance will be greatly appreciated and will be of great benefit to the researcher and your organisation.

All information supplied by you will be treated confidentially and will in no way be linked to you personally. This questionnaire is used for the completion of a research study at the University of Johannesburg.

It should take you no more than 15 minutes to complete this questionnaire. It would be greatly appreciated if you could provide your honest opinion when completing the questionnaire.

Thank you for your participation.

Kind Regards,

Vuyisile Mfecane
Researcher

Dr. Adri Drotskie
Study Leader (University of Johannesburg)
March 2012
Annexure B

Questionnaire Results
# Annexure C

Document Analysis Checklist

## DOCUMENT ANALYSIS CHECKLIST

### DOCUMENT 1: STRATEGY OVERVIEW

1. Is sustainability part of the company strategy?
2. Does the company vision make reference to the desire to be a good corporate citizen towards environment, communities, employees etc?
3. Has the company adopted King III as part of their corporate governance framework?
4. Is sustainable development a key part of the company values?
5. Does the code of ethics reflect the company's commitment to being socially & environmentally responsible?

### DOCUMENT 2: COMPANY SAFETY, HEALTH AND ENVIRONMENT POLICY

1. Does the SHE policy include sections on Environmental Responsibility, Community Safety and Development?
2. Does the SHE function refer to any sustainable development areas of focus?

### DOCUMENT 3: CORPORATE SOCIAL RESPONSIBILITY POLICY

1. Is the charter or policy made available to all employees, and how is it distributed?
2. Is this clear on what initiatives the company will engage in?
3. Does it state the roles & responsibilities of the custodian of CSR and does it allow for the associated decision making authority?

### DOCUMENT 4: SUSTAINABILITY REPORT

1. Does the company produce a Sustainability Report?
2. Does this report include detailed review of the company’s impact on Economic, Social and Environmental Issues?
3. Does this report follow the Global Reporting Initiative (GRI) guidelines for reporting?

## Additional Comments: