

Corporate Social Responsibility in Gold Mining, a model for Klerksdorp gold mines

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DEDICATION

I dedicated this thesis to:

- God the Almighty, who had the vision of where I would end up with my persistence and hunger for studying.
- My lovely wife, Olebogeng, who was God sent, at a time when my life changed for the worst, but she became a pillar of strength during a decade of being unemployed. She provided financially and encouraged me to further my studies.
- My daughter, Blessing, who represents all the generations of ladies in my family. Her strength and focus are amazing, and I am so proud of her achievements in life.
- Lastly, my bundle of joy, Thandolwethu, my youngest son, who is full of energy, temperament and wild, and reminds me of my times when I was of his age.

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When I was on the verge of completing my degree, there came the pandemic that engulfed the whole world known as the Coronavirus -19, which killed millions of people worldwide. This situation affected my studies tremendously because businesses were closed, and most professionals worked from home, including lecturers. Access to the university became difficult because students were encouraged to communicate via online methods. This predicament did not deter my push to the end. I had already been studying for three years, since the beginning of January 2018.

I would also like to express my appreciation and gratitude to:

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- Ms Antoinette Bisschoff, who helped me with the language editing and layout of this PhD.

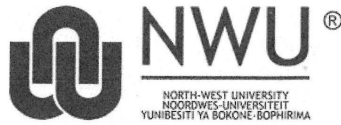
Finally, I am grateful to God almighty for his guidance through all the hardships I encountered during my final year.

ABSTRACT

This research study is an investigation into Corporate Social Responsibility (CSR) in the mining sector and the contribution by the mining organisations towards the social development of the communities in the Klerksdorp area. CSR is a global phenomenon and has different implications for developed and developing economies. In South Africa, CSR is driven mainly by the government towards economic redistribution of resources mostly to previously excluded groups by the apartheid regime through different pieces of legislation. The purpose of this research study is to assess the role CSR activities in gold mines in the Klerksdorp area by examining CSR awareness, purpose, implementation gap and impact. A qualitative research method that employed purposive and snowball sampling techniques were applied in selecting a three-tier sample of managers (decision-makers), employees (decision-implementors) and community leaders (beneficiary representatives). Data was collected from the sample using semi-structured interviews and subjected to thematic analysis. The data coalesced into four relevant themes of CSR: awareness, purpose, implementing gaps and impact. CSR awareness among stakeholders of the gold mining companies in Klerksdorp was found to be very low skewed in favour of the decision-makers in companies. CSR construct remains relevant with a purpose to create harmony and sustainability between the company and the community from which it operates. The policy approach by mining companies that relies on budgets and funding CSR from profits is not consistent with the strategic role of CSR. The community expectations and needs cannot be budgeted accurately, so funding CSR from remnant profits sends an adverse after-thought signal. A gap is, therefore, inherent in the current policy prescriptions for CSR. Little positive impact has been realised by both the mining companies and the community in Klerksdorp. A three-step CSR framework is recommended to develop CSR awareness, repurposing CSR activities and closing CSR implementation gaps towards attaining the ultimate goal of delivering impact and value to the company and the community.

Keywords: Broad-Based Black Economic Empowerment Act, Corporate Social Investment, Corporate Social Responsibility, Gross Domestic Product, HIV/AIDS, mining organisations, Multinational Corporations, Qualitative Data Analysis, triple bottom line.

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CHAPTER 1

NATURE AND SCOPE OF THE STUDY

1.1 INTRODUCTION

The concept of Corporate Social Responsibility (CSR) has emerged as an inescapable priority for business leaders in the contemporary world. In contrast, the flames of its debate have raged into the corporate boardrooms (Sibanda, 2018:1). The public is now more watchful than ever before on what firms are saying about their CSR and what they are doing in practice; this means walking rather than talking (Sibanda 2018:1). Corporate Social Responsibility (CSR) in the mining sector proposes to deal, perhaps not wholly, with the adverse effects of mining activities (Van Heerden, 2016:48). Most mining companies show their commitment by adopting mining companies and by adopting the global standard of CSR as a sign of being responsible to their communities.

One of the pioneer researchers in CSR, Carroll (1979; 1991 & 2016) defined CSR and suggested that companies have four main responsibilities. They are (1) economic responsibility of making profit, (2) legal responsibility of obeying laws of operation, (3) ethical responsibility of working beyond the spirit of the law, and (4) philanthropic responsibility of discretionary giving back to the society (Sibanda, 2018:15). Sibanda (2018:18) also stated that CSR could also be seen as the firm's considerations of, and responses to, issues beyond the narrow economics, technical, and legal requirements of the firm to accomplish social and environmental benefits along with the traditional economic gains which the firm seeks.

There is growing concern that local economic development in the Klerksdorp area has slowed down in concert with the mining activities. The Klerksdorp area focused in this research study consists of Klerksdorp's surrounding towns, Orkney and Stilfontein and their townships of Jouberton, Kanana and Khuma, respectively. On the other hand, evidence of gold mines' CSR activities is visible in the mining community, such as schools, laboratories, stadia and community health facilities especially in the area owned by the mining companies. What is also clear is that mineral resources such as gold ore are depleting as time goes by, together with the economic fortunes of the town (Cities Networks, 2014:11).

The depletion of resources and its impact on society and the local economy as set against CSR's role in lessening the impact of such depletion of such natural resources informed my interest

in exploring the CSR of gold mines in Klerksdorp area. Exploring CSR projects by the gold mines in the Klerksdorp area could profoundly affect the socio-economic and survival of the local community of Klerksdorp strengthened my motivation to prepare this research document. The lesson that could be learnt from the economic changes due to the depletion of natural resources (gold ore) would be vital to the outcome of this research study. The study proposed a new model to highlight the impact or lack of sustainable CSR programmes in the community following the slow-down in mining activity due to the closure of some of the gold shafts in the Klerksdorp area caused by the depletion and deepening of gold ore. The relevance of these levels of CSR was examined to inform the current discourse on CSR, particularly in the gold mining sector.

This research study was undertaken to provide answers to the role CSR has played in the past and present and will continue to play in the future of the Klerksdorp area regarding the three primary responsibilities of CSR in a mining sector, namely the economic, social and environmental activities. The researcher will develop a CSR model drawn from the concept of Carroll's model (1991:42), incorporating empirical findings and ideas generated by the study. It is envisaged that this research study will identify CSR gaps and plans to turn around the economic and social fortunes of the town going forward. In the next section, the background of CSR in the mining sector of South Africa was discussed.

1.2 BACKGROUND TO CORPORATE RESPONSIBILITY

According to Newman *et al.* (2020:01), the concept of CSR has been widely discussed, and there is neither general agreement about its definition nor a common way of quantifying CSR at the individual firm level. Moreover, the literature has varying interpretations about whether CSR improves firm performance and/or whether improvements in CSR levels are necessary for firm survival at given performance rates. CSR and its development have had a rocky history in the mining industry. At the international level, since the 1992 United Nations Conference on Environment and Development in Rio, the mining industry has moved to reorient itself through a series of global initiatives which elaborate ways mining can and does contribute to sustainable development (Frederiksn, 2018:88). According to Mueller-Hirth (2016:53), historical and modern contexts of CSR in South Africa focus on the involvement of the private sector. This is a result of black economic empowerment, which is the set of affirmative action policies adopted by the post-apartheid government to give historically disadvantaged groups economic opportunity.

CSR and customer loyalty have been noticed and recognised by scholars and practitioners as significant and vital business benefits generators. A company's positive image regarding its CSR activities can enhance its profitability to attract new investors and skilled workers. Past studies have associated CSR with improved employee attraction and retention of employees (Raza, 2018:252). According to Guadano and Petroza (2018:02), CSR means complying with a series of principles which are broken down into three areas. Legitimacy means that firms must satisfy the demands and expectations of society and stakeholders. Public Responsibility means that businesses are responsible for solving problems they have caused and issues related to their business operations and interest. Managerial Discretion means that managers have a responsibility to exercise good judgment and do what is right.

In most cases, the business relationship in South Africa has been shaped by the country's divided history of colonialism and apartheid. CSR in South Africa strongly emphasises community development and poverty alleviation, and it is associated with corporate social investment and strategic philanthropy, particularly education and healthcare issues such as HIV/AIDS and welfare programmes (Mueller-Hirth, 2017:52). Unlike in some other developing countries where CSR is predominantly characterised by self-regulation and voluntary codes of practice, the South African government has been very active in defining and motivating corporate social investment (CSI) programmes (referring to the most preferred wording used) (Mueller-Hirth, 2017:58). CSR has been a subject of debate during the last 60 years, and several related matters have been widely discussed.

The concept of CSR can be briefly understood from the discussion of its logical evolution over time. Particular attention was drawn from the paradigm of the stakeholder theory, where corporate activities were believed to satisfy not only shareholders but also various other stakeholders of the company. The stakeholder theory seems to give meaning to the notion of CSR reporting, which was extensively dealt with from a triple bottom line (TBL) perspective. According to Zak (2015:252), TBL is a concept that states that a company must have three different bottom lines, which consist of the traditional measurement of corporate profits, also known as the financial bottom line. Secondly, the bottom line of a company's people accounts, which is a measure in some shape or form of how socially responsible an organisation has been throughout its operations. Thirdly, the bottom line of the company's planet account measures how environmentally responsible an organisation has been. TBL is a means of articulating the concept of sustainable development in the contemporary business world and is widely accepted

guideline to report standard initiatives developed to facilitate CSR management and is recognised as a relevant rating and evaluation scheme for business (Zak, 2015:254). TBL reporting, if properly implemented, will provide information to enable an organisation or a community operation to be sustained. It must be financially secured, as evidenced through such measures as profitability; it must minimise or eliminate its negative environmental impacts, and it must act in conformity with societal expectations (Arowoshegbe, Emmanuel & Gina, 2016:96).

Modern businesses are positioning themselves as champions of CSR, preferably termed Corporate Social Investment in South Africa, and is more visibly through disclosure of annual investments in these activities in the integrated annual reports. However, Wickert *et al.* (201:1169) argued a gap between CSR talk and CSR walk. CSR talk involves impression management, and the creation of symbolic images and documents, while CSR walk concerns the substantive implementation of CSR policies, structures and procedures. CSR talk is used as window dressing to avoid CSR walk being detrimental to the aims of CSR: at the same time, CSR talk can be the initial stage that companies go through to achieve CSR walk. Wickert *et al.* (2016:1169) studied the costs and benefits against the size of the business about CSR talk and CSR walk. Wickert *et al.* (2016:1169) concluded that large enterprises focus on communication and less on implementation due to the advantage of spreading the costs. At the same time, small firms concentrate on execution and less dialogue due to the effects of high costs of marketing involved. An exciting approach will also be to study incentives for focusing on CSR talk versus CSR walk.

These businesses respond to the increasing expectations of the communities they operate from, who are listed in the CSR reports as beneficiaries. The impression created by the growing CSR disclosure trend is that companies are becoming more socially responsible and are working towards developing the communities and protecting the environments they work from, despite growing voices to the contrary. Schrempf-Stirling (2016:701) observed that in the current debate on CSR, corporations are often attacked as human rights violators in their global supply chains, accomplices to repressive regimes, initiators of environmental disasters and also as potential protectors and promoters of human rights or the environment.

According to the Fraser Institute (2012:51), the CSR mining sector refers to voluntary actions undertaken by mining companies to either improve the living conditions (economic, social, environmental) of local communities or reduce the negative impacts of mining projects. Often,

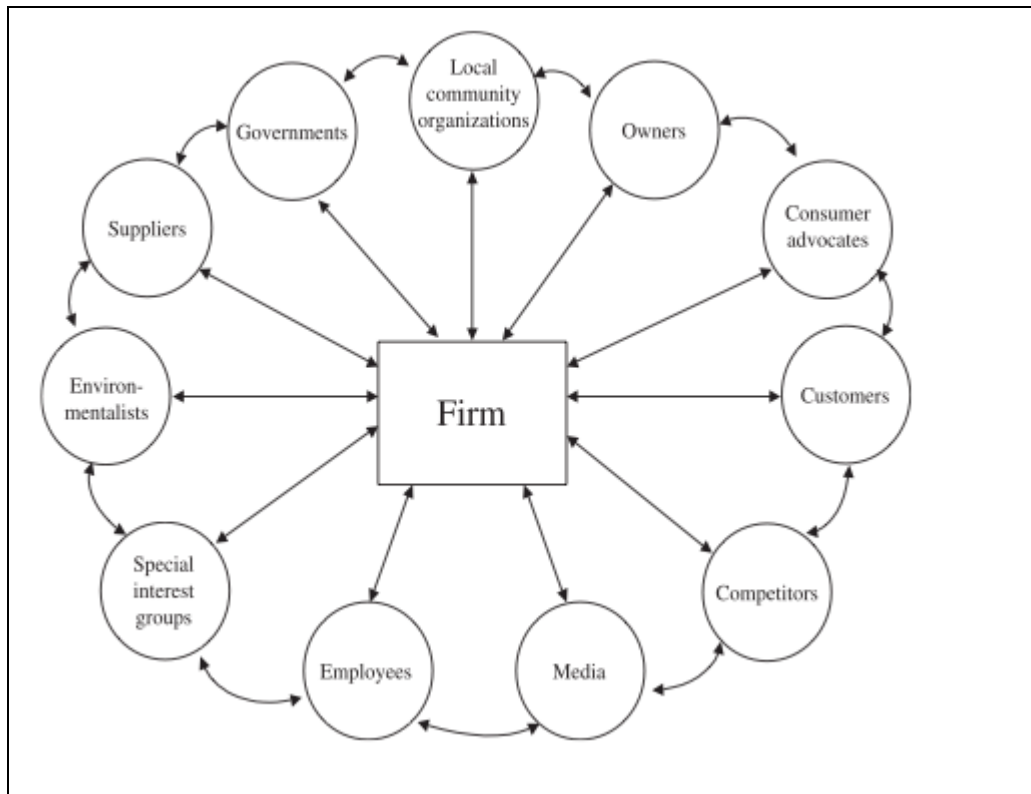
the development of communities and the protection of the environment purported to have been achieved through CSR projects are questionable. The voluntary nature of CSR is becoming problematic. Wickert *et al.* (2016:1169) argued that CSR activities are advancing despite being misunderstood and sometimes contradictory alongside corporate scandals and concerns that they may be harmful. There is a proliferation of fears that CSR activities have a marginal impact on social and environmental conditions. Hamann and Kapelus (2015:85) had argued that there is a need to engage business critically towards more real versions of CSR. Mutti *et al.* (2011:212) observed that institutional and social stakeholder networks often strongly oppose the idea of voluntary self-regulation implied by CSR in situations characterised by weak governance.

In the backdrop of these opposing arguments, Mutti *et al.* (2011:212) posited that mining companies cause the most significant and often irreversible damage to the natural environment, and negative social and environmental impacts in the mining sector manifest themselves to the extremes. These include industrial accidents, environmental degradation, as well as health and safety issues. According to South African Cities Networks (2014:20), mining contributes 18% of the gross domestic product (GDP) in the Klerksdorp area. In comparison, the local economy has experienced a 75% decline in mining activities as measured by the number of mine shafts closed.

To understand the role of CSR in communities, particularly the Klerksdorp mining community, which is the context of this study, the stakeholder theory and expectation theory are relevant theoretical frameworks to launch such an understanding. Freeman and Dmytriyew (2017:11) stated that Stakeholder theory mainly looks at the company from the perspective of the company itself and from the perspective of the company's immediate stakeholders and this perspective is formed by stakeholder theory's claim that the company has the responsibility to operate in the interests of all its stakeholders. Furthermore, stakeholder theory posits that stakeholders are interdependent, and creating value for one stakeholder creates value for the others (Freeman & Dmytriyew 2017:11). The differences between the stakeholder theory and CSR can be explained by analysing the two concepts separately. When analysing the company holistically, taking into account its overall purpose, mission, values, effectiveness, productivity, and its impact on all company stakeholders such as customers, employees, financiers, suppliers, and communities then stakeholder theory can be a useful tool to guide how the company should operate overall (Freeman & Dmytriyew 2017:11). The diagram below

shows the organisation's stakeholders that can act independently, but all need the organisation's attention.

Figure 1: Stakeholder Model



Source: Freeman as cited in Peble (2005:419)

According to Mutti *et al.* (2011:213), the stakeholder theory posits that firms are responsible for delivering benefits to all stakeholders rather than only to shareholders and customers. Four basic components of the stakeholder theory include the flow of benefits and potential threats between companies and stakeholders, varied or discrepant issues or interest, stakeholder networks and the roles and stakeholder engagements. They are said to be relevant to the analysis of CSR in developing countries. Olajide (2014:16) stresses that, beyond the shareholders, another group of stakeholders is interested in the firm's actions and decisions and, consequently, they compete for organisational resources. Due to this complexity of stakeholders, the firms must identify suitable strategies for managing such stakeholders' issues. Stakeholder management issues involve effectively allocating resources and costs among the stakeholders to achieve a win-win outcome (Olajide, 2014:17). Ackermann and Eden (2011:179) stated that the senior management must balance up the demands of various

stakeholders during the organisation's strategic planning process. On numerous occasions, the stakeholder theory approach has been used in the analysis of the environmental and social issues, and, mostly, many research studies have been devoted to the motivation, evolution, and consequences of environmental and management strategies (Olajide, 2014:213)..

Many corporate businesses are paying attention to making a profit and increasing shareholder wealth and seeking to positively impact society by maintaining positive and cohesive relationships with their stakeholders (Khalid *et al.*, 2017:3). The management of such stakeholders depends on the stakeholder salience, which is the degree to which the managers prioritise competing stakeholder claims (Ackermann *et al.*, 2017:180). According to Olajide (2014:13), CSR projects are executed in response to expectations placed on the company by society. Such expectations can be economic, legal, ethical and discretionary. Society expects companies to be profitable, obey the law, be ethical and be good corporate citizens. The following problem statement could be derived from the above theory and discussion, namely the mining management and the community as the primary stakeholders of interest. It is within this background that this study examines the CSR activities of gold mining in the Klerksdorp area.

1.3 RESEARCH PERSPECTIVE

According to Sibanda (2018:25), the globalised world caused CSR to acquire an undeniably high degree of relevance and scope in many sectors. The South African government, as previously noted, has had to legislate much more on social issues than many other countries, and this is due to South Africa's unique past and the desire of the government to fast track the socio-economic development of its citizens (Anwana, 2018:29). Businesses need to become more socially responsible by considering the interests of society and taking responsibility for the impact of their activities on their various stakeholders and the environment (Rampersad 2015: 314). This research study seeks to highlight the role of CSR by the Klerksdorp Gold Mines in the Klerksdorp area. The study will also examine the history and present knowledge of CSR among the interview participants.

The declining local mining activity is an existing phenomenon for research where the CSR activities of gold mining companies in Klerksdorp could shed more light on the CSR debate. The immediate implication for the decline in mining activities could translate to mining companies cutting back on CSR budgets, abandoning CSR projects, poor maintenance of existing CSR projects, and depriving communities of the benefits of CSR projects. This was

exacerbated by a decline in the gold price at the end of the 20th century (Tawiah & Tuokuu, 2017:1). According to Van Heerden (2016:3), South African gold mines are in decline due to the depletion of gold ore, which has seen the operating costs escalating, leading to downscaling and some mining companies closing down.

1.4 PROBLEM STATEMENT

According to Anwana (2018:01), in South Africa, there has been growing discontent at the slow progress of socio-economic transformation, almost two and a half decades into the new democratic dispensation. Such growing discontent has triggered many instances of civil and labour unrest across the country. There is growing concern that the gold mines that had appeared to be champions of CSR activities through several community investments have not done enough to make mining communities sustainable (South African Cities Networks 2013:19). It is also reported that mining activities have declined by more than 75% from peak activities. The threats of further mine closures are worsening concerns over mines' agenda in CSR activities should have been (South African Cities Networks, 2013:14). The decline in the mining activities will reduce the support of CSR projects by mining companies in the Klerksdorp area. Another negative impact is on the supply chain demand of those companies that do business with these gold mines. According to Van Heerden (2006:03), the South African gold mining industry is in decline, with available ore being depleted, and the consequences of mine closures on host communities where mining is the main economic driver are often devastating and traumatic.

Despite abundant evidence of gold mining companies' CSR activities in the Klerksdorp community, the question of whether these CSR activities were or are effective remains unanswered. In other words, have the CSR activities achieved what they were intended to accomplish, and is that enough? In particular, the community is faced with job losses, as further constriction in the local mining activities takes place. The decline of the economic fortunes will result in a negative socio-economic impact on the Klerksdorp area community, for example, a rise in crime, unemployment and children of the retrenched miners may not be able to further their education. The local government will be affected by reducing the rates, taxes, and other funds that it receives from the mining companies.

It is clear that the impact, both good and evil, of mining, began before mines were even established and will not disappear due to the mine closures (Mathabatha, 2011:10). CSR

projects must provide alternative business skills so that the community could reduce dependence on one business activity and consequently ensure sustainability if the economic climate changes. Therefore, the role of CSR projects must stretch beyond the mine closures. Therefore, this research study is organised to answer whether CSR activities of gold mines accomplished their mission and whether such an accomplishment is enough despite several events of the mining companies under CSR.

From the theory it is evident that the South Africa mining sector has witnessed growing discontent at the slow progress of socio-economic transformation, which has triggered civil and labour unrest across the country (Anwana, 2018:01). The gold mining companies have done everything possible to support the community through CSR projects. Still, the community have not been happy with the contribution the mining sector has done so far. There has not been a clear position the government has taken in supporting the CSR projects to mitigate the community's needs. The government has not come up with clear economic policies to support the private sector in driving local investment. There is also growing concern that the gold mines that had appeared to be champions of CSR activities through several community investments have not done enough to invest in alternative skills for such communities to be self-sustainable (South African Cities Networks 2013:19). It is also reported that mining activities have declined by more than 75% from peak activities. The threats of further mine closures are worsening concerns over mines' agenda in CSR activities should have been (South African Cities Networks, 2013:14).

1.5 RESEARCH OBJECTIVES

- To identify the past role of CSR activities in the Klerksdorp gold mines.
- To assess the present/existing role of the CSR activities implemented by gold mines in the Klerksdorp community.
- To identify the gaps concerning what the concept of CSR endeavours to achieve in mining communities.
- To evaluate the impact or benefits of CSR projects by the gold mines in the Klerksdorp area.
- Make recommendations and develop a model for the role players in CSR activities in the future direction and scope of CSR activities in the Klerksdorp mining community.

1.6 RESEARCH QUESTIONS

The study was organised to provide viable answers to the following research questions:

- What is the level of CSR awareness among stakeholders in the Klerksdorp gold mining area?
- What is the purpose and relevance of CSR projects in the Klerksdorp gold mining area.
- What are the existent gaps in the implementation of CSR activities in the Klerksdorp area?
- What are the gaps in the implementation of CSR in Klerksdorp area?
- What is the impact of CSR projects among stakeholders in Klerksdorp?
- Recommendations are made with regards to CSR in the Klerksdorp gold mines.

1.7 CONCLUSION

The introduction section started off with the discussion by the various authors and academics of how complex CSR has been since the early 1960s. The ever-changing nature of CSR has been shown by how different businesses have used it on strategic level social and environmental purposes. Earlier, researchers like Carroll described some responsibilities that companies have to show towards the community where they are operating from, including safeguarding the environment for the benefit of the future survival of the community. This research study will be guided by the research questions and research objectives set above.

1.8 LIST OF ABBREVIATIONS

ACD:	Acid Mine Drainage
ART:	Anti-Retroviral Therapy
B-BBEEA:	Broad-Based Black Economic Empowerment
BEE:	Black Economic Empowerment
CAFOD:	Catholic Agency for Overseas Development.
CFP:	Corporate Financial Performance
Covid-19:	Corona Virus-19
CRIRSCO:	Committee for Mineral Resources International Reporting Standards

CS:	Corporate Sustainability
CSI:	Corporate Social Investment
CSP:	Corporate Social Performance
CSR:	Corporate Social Responsibility
CWB:	Community Well-Being
DMR:	Department of Mineral Resources
EEA:	Employment Equity Act
EIRIS	Ethical Investment Research and Information Service
ESG:	Environment Social and Governance
EVB:	Environmental values-behaviour
GER:	Green Economic Revolution
GDP:	Gross Domestic Product
GSD:	Geological Survey Department
HDSA:	Historically Disadvantaged South Africans
IC Model:	Intersecting Circle Model
IELTIS:	International English Language Testing System
IC model	intersecting circle model
ILO:	International Labour Organisation
ISO:	International Standard-setting Body composed of representatives from various national standards organisations.
KPI:	Key Performance Indicators
LED:	Local Economic Development
HDSA:	Historically Disadvantaged South Africans
HIV/AIDS:	Human Immunodeficiency virus/Acquired Immune Deficiency Syndrome
JSE:	Johannesburg Stock Exchange

LDC:	Least Developed Countries
MBB:	Microalgae-Based Biofuel
MMSD:	Mining, Minerals and Sustainable Development Project
MNC:	Multinational Corporations
NDP:	National Development Plan
NGO:	Non-Governmental Organisations
NSSD:	National Strategy for Sustainable Development
OCB:	organisational citizenship behaviour
PPPs:	Public-Private Partnerships
QDA:	Qualitative Data Analysis
SLO:	Social Labour Organisation
SLPs:	Social Labour Plan
SMMEs:	Small, Micro, Medium Enterprises
SR:	Social Responsibility
SRI:	Social Responsible Investment
SSA:	Sub-Saharan Africa
TBL:	Triple Bottom Line
TSE:	Total Sample Error
UN:	United Nations
UNIDO:	United Nations Industrial Development Organisation
WBCSD:	World Business Council for Sustainable Development
ZRA:	Zambezi River Authority

CHAPTER 2

LITERATURE REVIEW

2.1 INTRODUCTION

The literature review started off by analysing five dimensions of CSR and there after discussed the various CSR definitions by different academicians and scholars. Even at the end it was evident that there was no single definition that was appropriate to define the meaning of CSR satisfactory. The literature review is covered under the following topics:

- CSR definitions,
- CSR awareness and purpose of CSR,
- Gap on the implementation of CSR and the impact of CSR projects,
- Dimensions of CSR,
- Theories shaping CSR,
- CSR regulation,
- CSR disclosure,
- CSR performance and CSR problems/critics.

The concept of Corporate Social Responsibility (CSR) has increasingly become a common term in the political, academic and business spheres over the last century. Although many different theories exist of the notion of CSR and the terms associated with it (sustainability, Corporate Governance, sustainable development), very few have managed to develop a comprehensive model of CSR or sustainability. Instead, most concentrate on either one or a few stakeholders within specific contexts or examples (Claydon, 2009:260). The relationships between business and society have been studied for decades, with outcomes being influenced by the prevailing economic paradigm at a specific point in time (Moir, 2001:16). Cochran (2007:450) argues that the term corporate social performance was first coined by Sethi (1975), expanded by Carroll (1979), and then refined by Wartick and Cochran (1985). CSR is currently enjoying renewed interest from business managers and executives, marketers and public

relations managers who seem to recognise the value of investing time, money and effort in CSR despite its inconclusive contribution to the organisational bottom line.

Porter and Kramer (2011:16) postulate that CSR is a fragmented practice rarely coordinated with other organisational functions. Porter and Kramer (2011:16) also believed that investing time, money and effort in CSR activities would benefit the organisation in the long. Wigley's (2008:03) study, titled 'Gauging consumers' responses to CSR activities: revealed that consumers would be more willing to purchase products if they were more aware of the CSR activities of organisations. According to Zelazna *et al.* (2020:01), enterprises overuse available natural resources and emit hazardous pollutants. Thus, they contribute to the advancing degradation of existing ecosystems, causing severe threats to the biological diversity of our planet. Hence, there is an urgent need to undertake diverse actions to reduce the adverse impact of businesses, households, and whole societies on the environment and stop its degradation (Zelazna *et al.*, 2020:1). For many years, public relations managers and lately business managers have clamoured for business to be more socially responsible. Still, business managers' efforts have been met with mixed success, perhaps partly because organisational goodwill activities like CSR projects have not been firmly connected to other organisational activities (Porter & Kramer, 2011:16). Consequently, in today's environment, executives must either embrace Corporate Social Responsibility or risk serious consequences. CSR definitions are discussed in the next section.

2.2 CSR DEFINITION

2.2.1 Introduction

The following section deals with the common CSR definitions from different authors that have triggered studies to explore further meanings and definitions. As a result, several CSR definitions have been adopted by different groups, specific to their own interests and purposes. The definitions below were discussed to support the objectives and research questions.

According to Zabin (2013:75), CSR is a prominent feature of the business and society literature, corporate social performance, global corporate citizenship, and stakeholder management. Firstly, Carroll (1999:268) reviewed various definitions of CSR from the early 1950s to the 1990s and found that they lacked a proper construct. Freeman and Hasnaoui (2011:419) also explored various definitions of CSR as published on the Internet by governments in four countries, i.e., the UK, France, the USA and Canada, and concluded that

no clear definition of CSR existed. Isa (2012:327) observed that definitions have been hampered by a lack of clarity in a theoretical framework and empirical methods for the CSR definition. Isa (2012:327) then examined the definitions to come up with a clear and common definition of CSR to overcome the confusion. Bharti and Sarkar (2016:43) cited the United Nations Industrial Development Organisation (UNIDO) in defining CSR as a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders and hence CSR being generally understood as the way through which a company achieves a balance of economic, environmental and social imperatives, while at the same time addressing the expectations of shareholders and stakeholders.

According to Kumar (2019:54), there is no single, commonly accepted definition of CSR. There are different perceptions of the concept among the private sector, governments and civil society organisations. Generally, Corporate Social Responsibility (CSR) is a concept whereby companies integrate social, environmental and health concerns in their business strategy (policy) and operations and their interactions with stakeholders voluntarily (Kumar, 2019:54). While the concept of CSR has been widely discussed, there is neither general agreement about its definition nor a common way of quantifying CSR at the individual firm level (Newman *et al.* 2020:01).

The concept of CSR appears through the commitment of organisations and business firms where they consider a beneficial contribution to society or any other person who can be affected by their social implements and activities (Abbas *et al.* 2019:07). According to Rhamman (2019:533), Corporate Social Responsibility simply refers to strategies corporations conduct their business in a way that is ethical and society friendly. That is, it can involve a range of activities such as working in partnership with local communities, socially sensitive investment, developing relationships with employees, customers, and their families, and involving in activities for environmental conservation and sustainability. According to Zinenko and Rovira (2015:499), the newly released social responsibility (SR) guidance standard ISO 26000 provides the most recent definition of social responsibility as the responsibility of an organisation for the impact of its decisions and activities on society and the environment, through transparent and ethical behaviour that contributes to sustainable development, including health and welfare of society and it takes into account the the expectations of

stakeholders, compliance with applicable law and consistent with international norms of behaviour and is integrated throughout the organisation and practised in its relationships.

(CSR reporting has become mainstream for larger companies both internationally). However, recent research on CSR reporting found evidence of credibility concerns, specifically the lack of relevance, consistency, and comparability (Wilkins, 2017:464). CSR disclosure in the financial statements is important to those who use such information. It is believed that organisations that report positive CSR performance reduce financing costs and create easy access to funding. Nour (2020:22) stated that the World Business Council for Sustainable Development (WBCSD) defined CSR as participation in achieving economic development and better living conditions for workers, their families, and society through commitment of businesses to act ethically and continuously. CSR concerns how to behave, act and deal with society, contribute to the economy and protect the environment, whether by using self-motivation or by obeying laws and regulations (Nour & Sharabati 2019:24). Most companies disclose their CSR activities on their financial statements, which is an act of publicity intended to improve their relations and image to acquire their positive interactions with other stakeholders.

Freeman and Dmytryev (2017:10) mentioned that CSR is an umbrella concept for company's activities oriented toward society at large that includes charity, volunteering, environmental efforts, and ethical labour practices. CSR focuses on the organisation's responsibilities towards the communities and society to ensure the organisation delivers on its promise. Anwana (2018:22) examined the views of some early scholars in CSR like Friedman, Brammer up to (Rossouw & Van Vuuren, 2010:86). Authors like Friedman believed the social responsibility was to create profit for its shareholders and compared CSR to socialism and hence believed it was the government's responsibility to support the community.

According to (Anwana 2018:23), CSR is the social responsibility that encompasses the economic, legal, ethical and discretionary expectations that society has at a given point in time is always reflecting a move away from the single focus shareholders only. Arieqat and Rumman (2019:533) stated that Corporate Social Responsibility simply refers to strategies corporations conduct their business in an ethical and society friendly way. It can involve a range of activities such as working in partnership with local communities, socially sensitive investment, developing relationships with employees, customers, and their families, and involving in environmental conservation and sustainability activities.

Stutz (2018:9) cited a classic definition by (Carroll 1991:4) describing CSR as encompassing the economic, legal, ethical and discretionary that society has of organisations at a point in time. According to Glavas and Kelley (2014:171), CSR is defined as: “caring for the well-being of others and the environment to also create value for the business and CSR is manifested in the strategies and operating practices that a company develops in operationalising its relationships with and impacts on the well-being of all of its key stakeholders and the natural environment”. According to Ismail (2006:199), CSR refers to strategies corporations or firms that conduct their business in a way that is ethical, society friendly and beneficial to the community in terms of development.

According to Gallardo-Vazquez *et al.* (2020:03), CSR involves an integrated approach to business management, production, marketing, and relationships with third parties, for example, workers, customers, suppliers, distributors, or regional communities. Therefore, an organisation is expected to be socially responsible when it meets all expectations of its stakeholders that interact with it through its operations. Sibanda (2018:21) argued that CSR means different things to different people because of its use during implementation and its purpose. Sibanda (2018:21) mentioned that the difficulty to compile one definition of CSR is due to:

- CSR in its modern incarnation is a relatively new phenomenon
- The concept is rapidly evolving
- It has many facets
- Companies that are candidates of adopting CSR recipes are different in terms of size, culture, composition, products and services
- Companies’ owners seek different aims when implementing the new doctrine
- There is a lack of consensus as to whether CSR involves only non-binding ethical rules and standards or whether it also involves legal norms, including public criminal law rules
- More and more elements are intended to be encompassed by this concept.

Sibanda (2018:23) summed up by defining CSR as a business system that enables the production and distribution of wealth for the betterment of its stakeholders through the implementation and integration of ethical systems and sustainable management practices.

According to Guadano *et al.* (2018:1), CSR means that managers must go beyond the mere satisfaction of the shareholders and take steps to establish balanced relations with all their stakeholders. As a result, there are several reasons for pursuing CSR activities, some of which are external to the company, for example, global competition, legal obligations) while others are internal, for instance, management and/or employee initiatives).

According to Tivaringe (2019:01), the South African government recently adopted an education policy that attempts to achieve socio-economic redress through expanding free university education to first-year students from low-income backgrounds as its social responsibility. To address the opaqueness of the relationship between university qualifications and labour market outcomes, (Tivaringe, 2019:03) explored the link between higher education and labour force participation to show that labour force participation was still overwhelmingly shaped by structural social factors – what he termed the social unemployment gap – that constrain the ability to turn college degrees into meaningful employment. Dobers and Halme (2018:3) cited the Commission of the European Communities in 2001 as a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders voluntarily. There are different approaches to the purposes of CSR between developed and developing countries. Among the developed countries, companies are encouraged to implement CSR on a voluntary and market-oriented basis, while in the developing world like South Africa, CSR is driven mainly by government regulations.

According to Saluja and Kapoor (2017:158), CSR (also known as corporate responsibility, corporate citizenship, responsible business and corporate social opportunity) is a concept whereby organisations consider the interests of society by taking responsibility for the impact of their activities on customers, suppliers, employees, shareholders, communities and other stakeholders, as well as the environment. These companies are not expected to perform according to those CSR projects only. Still, they are expected to do more than to only meet the requirements and show how ethical they act on social matters like social development and environment. Visser (2006:474) mentioned that CSR in developing countries represent the formal and informal ways in which business contributes to improving the governance, social, ethical, labour and environmental conditions of the developing countries in which they operate while remaining sensitive to prevailing religious, historical and cultural contexts.

Visser (2006:474) went on to mention that the rationale for focusing on CSR in developing countries as distinct from CSR in the developed world is fourfold:

- developing countries represent the most rapidly expanding economies, and hence the most lucrative growth markets for business.
- developing countries are where the social and environmental crises are usually most acutely felt in the world.
- developing countries are where globalisation, economic growth, investment, and business activity are likely to have the most dramatic social and environmental impacts (both positive and negative).
- developing countries present a distinctive set of CSR agenda challenges which are collectively quite different to those faced in the developed world.

In conclusion, the various definitions of CSR are explained in support of objectives and the research questions. The definition by Visser (2006:474) was focused on CSR in developing countries of which this research is investigating. At the same time, some researchers elaborated the definitions of CSR according to how other organisations implement it.

2.3 CORPORATE SOCIAL RESPONSIBILITY AWARENESS

2.3.1 Introduction

Corporate Social Responsibility awareness was discussed as the knowledge and experience of the local communities in their interaction with companies as they implement CSR projects in the community they operate from. The following section deals with CSR by banking industry activities towards the upliftment of society and the environment from where they operate.

Girija (2020:16) stated that the banking industry is giving due importance to CSR and they try to cater to all important areas to be focused on, like health, education, and sanitation. In a nutshell, such commitment by some banks, shows that the state of mind by some banks towards CSR is changing due to tough competition in the banking sector (Girija, 2020:16). If studies about CSR awareness are held by bankers, policy makers, international bodies in evaluating and improving the CSR activities, it will help to bring about a change in the community by increasing the awareness and how it is perceived by various people (Girija, 2020:16).

The discussion above shows that the state of mind by some banks towards CSR is changing due to tough competition in the banking sector, and most banks would therefore align their CSR projects to create awareness of their social responsibility towards the local community.

The following paragraph discusses awareness of the young adults (millennials') CSR awareness and their attitude towards sustainability and responsible investment. The discussion of these millennials is focused on their contribution to the workforce and as consumers. In this section, protection and promotions of consumers in this age group (millennials) is assessed, and improvements of services are implemented where necessary.

According to Chatzopoulou and de Kiewiet, 2020:01, millennials are more aware of company activity than any other generation. So, this presents a crucial opportunity for marketers to explore the gap between consumer attitudes and consumer purchasing behaviour by improving their understanding of this unique generation. Chatzopoulou and de Kiewiet (2020:01) stated that millennials are becoming an important demographic for researchers to consider, especially as the generation grows and begins to constitute a more significant proportion of the workforce. Over a similar timeline, Corporate Social Responsibility (CSR) has moved closer to the forefront of contemporary literature as consumers become more aware and socially conscious. According to Formankova, Trenz and Sladkova, (2019:1), research was conducted about the awareness of Millennials on CSR and their attitude to sustainable and responsible investment (SRI). Hence raising consumerism was compensated by raising the responsibility of the new generation, the so-called "millennials" where CSR was believed to be an integral part of their life. Saxena (2019:55) stated that CSR is an all-year activity and responsibility that companies do for the environment around them, for the best working practices, for their engagement with society and their brand recognition as brand names depend not only on quality, price and features but on how they interact with their workforce, society and environment.

The section above discussed the impact of millennials as part of the workforce and as consumers in society. It is essential for companies to have information for millennials for marketing, CSR awareness, and ready to enter the workplace. In the next section, different authors discuss CSR and its implementation to society and the protection of the environment. These authors emphasise how complex different organisations can use the subject of CSR.

Many economists and academics have espoused the benefits of the stakeholder theory, particularly in a global marketplace where long-term strategic planning is more valuable than short-term stock market price movements (Guadano & Petroza, 2018:02). According to Guadano *et al.* (2018:01), CSR means managers must go beyond the mere satisfaction of the shareholders and take steps to establish balanced relations with all their stakeholders. Many corporate businesses are paying attention to making a profit and increasing shareholder wealth

and seeking to make a positive impact on society by maintaining positive and cohesive relationships with their stakeholders (Khalid *et al.* 2017:3). According to Mella and Gazolla (2016:331), creating a good working environment and developing the internal CSR strategies ensure that companies stimulate productivity and satisfaction. Most companies use CSR to motivate, encourage commitment and improve performance among employees.

According to Glavas and Kelley (2014:165), CSR is positively related to employee performance and commitment, attractiveness to prospective employees, organisational citizenship behaviour, engagement, retention, identification with the organisation, creative involvement and improved employee relationships. Glavas *et al.* (2014:08) studied the effect of CSR on employee attitude and concluded that social responsibility has an additional effect on employee attitudes and behaviour beyond environmental responsibility. They refer to this reason for the relational component of social responsibility.

Yasmin *et al.* (2014:10) suggested that CSR should be made compulsory as a subject in higher studies to create awareness about CSR among the community. CSR activities should be extended to small, medium and large corporate houses to build partnerships among all stakeholders. According to Leventhal (2012:3), as CSR became more widespread, companies realised that it was important for their employees to become directly involved for several reasons. Hence, such involvement could have a strong impact on employees' satisfaction and commitment well as on better marketing and branding results. CSR regulations were also enacted to enforce awareness amongst role players such as the community, employees and managers. The information from employee interview participants was not consistent with arguments in Leventhal (2012:3) as the employees seemed to be excluded from the CSR awareness drive by the company

Peters and Roes (2010:16) stated that government can combine various types of complementary interventions, for example, (a) Awareness-raising representing a tool for disseminating the idea of CSR and providing incentives to adopt it, using policy instrument like tax exemptions for social or philanthropic investments, Internet platforms and award schemes that increase visibility of CSR activities, (b) Partnerships that combine expertise, competencies and resources of the public sector with those of business and other societal actors to address action areas within the CR agenda, thus creating benefit for all. According to Velasco *et al.* (2009:538), frontline employees must believe in Corporate Social Responsibility (CSR)

programs to achieve their goals. In light of this, the current study explores which organisational capabilities and factors foster employees' positive attitudes toward CSR.

Detomasi (2007:3) stated that CSR is increasingly high on corporate agendas. While the comprehensiveness and the degree of compliance with CSR norms remain a critical question, they are part of an emerging global governance structure, which an increasing number of large, multinational corporations (MNCs) can no longer afford to ignore.

In South Africa, the scope of CSR is not clearly defined. Hence, various charters, like the Agri BEE charter regulating CSR in the agricultural sector and the Mining Charter that governs the mining industry, exist (Klopper & Fourie, 2013:3425). The implication for community leaders' lack of CSR awareness meant that very little pressure was exerted on the mining companies to perform CSR projects, resulting in some social development lagging. In Vietnam, as Donah and Gadmoska (2020:51) indicated, CSR is perceived as the commitment of companies that undertake to contribute to sustainable development through their activities, for example, by improving the working environment increasing workers' living standards or quality of products and services.

According to Baskentli *et al.* (2018:502), the prominence of CSR on the global business landscape is fuelled in no small measure by consumer demand: the sense provided by companies of the pivotal role of consumers in driving their CSR strategies is matched by marketplace surveys attesting to unprecedented consumer interest in consuming from companies that are socially responsible/sustainable.

Baskentli *et al.* (2018:503) stated that individual-group characterisation of CSR domains is rooted in how people perceive and understand the world, especially a substantial body of work that points to individualism/collectivism as a fundamental cultural dimension defining the self. Some consumers view the world in primarily interdependent/collectivistic (connected to others) terms. Others do so in primarily independent/individualistic (distinct from others) terms (Baskentli *et al.*, 2018:503). CSR projects can involve a range of activities such as working in partnership with local communities, socially sensitive investment, developing relationships with employees, and environmental conservation and sustainability (Areiqat *et al.*, 2019:533). Olajide (2014:13) stated that CSR projects are executed in response to expectations placed on the company by society, and such expectations may be economic, legal, ethical and environmental. In South Africa, the government prefers the companies to implement CSI,

which the government can regulate according to the Companies Act (Klopper & Fourie 2013:3425).

Ismail (2009:208) mentioned that CSR organisations in many developing countries, including Malaysia, consist of local and international firms. As such, this analysis suggests that comparative studies should be conducted on the differences between strategies adopted by the two firms in terms of emphases and orientations in CSR, the specific roles of CSR programs to community and society at large, and specific businesses, people as well as technical skills that the CSR managers should possess. According to Koch *et al.* (2019:05), employees may satisfy individual needs by participating in CSR activities, leading to a perception of benefits that may explain employees' motivation to participate in CSR activities.

Saxena (2019:55) cited Yasmin *et al.* (2014), who suggested that creating awareness about CSR among the community, should be made compulsory as a subject in higher studies, and to develop partnerships among all stakeholders, CSR activities should be extend to small, medium and large corporate houses. According to Okoroba (2020:1132), stakeholder's increasing awareness of their rights serve to hold corporations responsible for their actions and inactions to foster sustainable development in their operational areas, while corporations can meet not all stakeholder demands, managing stakeholder expectations of CSR outcomes proves difficult partly due to the ambiguity of defining the content of development investments. Gallardo-Vazquez *et al.* (2020:01) stated that higher education institutions are also introducing CSR as a common strategy to enhance their performance, ensuring that every university action is socially responsible and oriented towards achieving advantages over competitors.

Guadano and Pedroza (2018:01) stated that CSR means managers must go beyond the mere satisfaction of the shareholders and take steps to establish balanced relations with all their stakeholders. CSR goes beyond the mere satisfaction of the shareholders or owners and establishes balanced relations with all the company's stakeholders. For this reason, we consider stakeholder theory to be a useful approach to guide companies towards creating value for all stakeholders (Guadano *et al.*, 2018:2).

The more CSR became widespread, and companies realised that it was important for their employees to become directly involved for several reasons. Hence, such involvement could have a substantial impact on employees' satisfaction and commitment (Leventhal, 2012:3). According to Mella and Gazolla (2016:331), when a company is engaged in CSR initiatives,

employees are proud of and committed to such an organisation because their personal identities are partly tied up in the companies they work for. CSR projects can involve a range of activities such as working in partnership with local communities, developing relationships with employees and customers, and involving in environmental conservation and sustainability (Areqat *et al.* 2019:533). According to (CSR typically argues on how companies manage the business processes to produce an overall positive impact on society. The business process included the marketplace (comprising shareholders, customers and financial analysts), the workplace (comprising unions and employees), the community (local communities), and the environment (comprising government and non-governmental organisations) (NGOs) (Rosli 2015:156).

2.4 CONCLUSION

There are various reasons for companies to engage in CSR, both for external and internal, external to compete both local and international, and internal, for encouraging a buy-in by management and employees. Every company aims to have a social licence to work in a particular area, and this is done through CSR awareness MNCs operating in the developing world are encouraged to assist in infrastructure development and poverty alleviation through the establishment of CSR projects and to create awareness programs for all stakeholders.

2.5 CORPORATE SOCIAL RESPONSIBILITY AWARENESS

Girija (2020:16) stated that the banking industry is giving due importance to CSR, and they try to cater to all important areas to be focused on, like health, education, and sanitation. In a nutshell, some banks' commitment shows that their state of mind towards CSR is changing as a result of tough competition in the banking sector (Girija, 2020:16). If studies about CSR awareness are performed by bankers, policymakers, international bodies in evaluating and improving the CSR activities, these studies could assist in bringing about a change in the community because it will increase the awareness and understanding of CSR (Girija, 2020:16).

According to Formankova *et al.* (2019:1), research about the awareness of Millennials on CSR and their attitude to sustainable and responsible investment (SRI). Hence, raising consumerism was compensated by increasing the responsibility of the new generation, the so-called millennials, where CSR was believed to be an integral part of their lives. This notion of corporations as social enterprises was carried on with the English Law during the Middle Ages in academic, municipal and religious institutions and later, it expanded into the sixteenth and

seventeenth centuries with the influence of the English Crown, which saw corporations as an instrument for social development (Agudelo, Johannsdottir and Davidsdottir, 2019:3). According to Agudelo *et al.* (2019:5), the anti-war sentiment, that was the overall social context, and growing sense of awareness in society during the late 1960's was translated into a low level of business confidence to fulfil the needs and wants of the public. Saxena (2019:55) stated that CSR is an all-year activity and responsibility that companies do for the environment around them, for the best working practices, for their engagement with society and their brand recognition as brand names depend not only on quality, price and features but on how they interact with their workforce, society and environment.

Many economists and academics have espoused the benefits of the stakeholder theory, particularly in a global marketplace where long-term strategic planning is more valuable than short-term stock market price movements (Guadano and Petroza, 2018:02). According to Guadano *et al.* (2018:01), CSR means managers must go beyond the mere satisfaction of the shareholders and take steps to establish balanced relations with all their stakeholders. Many corporate businesses are paying attention to making a profit and increasing shareholder wealth, and seeking to make a positive impact on society by maintaining positive and cohesive relationships with their stakeholders (Khalid *et al.* 2017:3). According to Mella and Gazolla (2016:331), creating a good working environment and developing the internal CSR strategies ensure that companies stimulate productivity and satisfaction among employees. Most companies use CSR to motivate, encourage commitment and improve performance among employees.

The body of literature has always emphasised that CSR awareness was one of the important factors driving the success of CSR projects (Haviz, 2015:155). According to Glavas and Kelley (2014:165) CSR is positively related to employee performance, commitment (attractiveness to prospective employees, organisational citizenship behaviour engagement, retention, identification with the organisation, creative involvement and improved employee relationships. Glavas *et al.* (2014:08) studied the effect of CSR on employee attitude and concluded that social responsibility is having an additional impact on employee attitudes and behaviour beyond environmental responsibility. They refer to this reason for the relational component of social responsibility.

Yasmin *et al.* (2014:10) suggested that CSR should be made compulsory as a subject in higher studies to create awareness about CSR among the community. CSR activities should be

extended to small, medium and large corporate houses to develop partnerships among all stakeholders. According to Leventhal (2012:3), as CSR became more widespread, companies realised that it was important for their employees to become directly involved. Hence, such involvement could have a strong impact on employees' satisfaction and commitment and better marketing and branding results. CSR regulations were also enacted to enforce awareness amongst role players such as the community, employees and managers. The information from employee interview participants was not consistent with arguments in Leventhal (2012:3) as the employees seemed to be excluded from the CSR awareness drive by the company

Peters and Roes (2010:16) stated that government could combine various types of interventions that can be complementary, for example, (a) Awareness-raising representing a tool for disseminating the idea of CSR and providing incentives to adopt it, using policy instruments like tax exemptions for social or philanthropic investments, Internet platforms and award schemes that increase the visibility of CSR activities, (b) Partnerships that combine expertise, competencies and resources of the public sector with those of business and other societal actors to address action areas within the CR agenda, thus creating benefit for all. Martin *et al.* (2009:3) mentioned that CSR is a corporate objective whereby business organisations are asked to consider and assume responsibility for the impact of their activities on customers, suppliers, employees, shareholders, communities and the environment in all aspects of their operations.

There are various reasons for companies to engage in CSR, both for external and internal, external to compete both local and international, and internal, for example, where management strategies and employee initiatives. Most MNCs are no longer focused on exclusive shareholder wealth maximisation because of the shift in the focus of global business towards all stakeholders. MNCs operating in the developing world are encouraged to assist in infrastructure development and poverty alleviation by establishing CSR projects and creating awareness programs for all stakeholders. Risse (2007:3) stated that CSR is increasingly high on corporate agendas. While the comprehensiveness and the degree of compliance with CSR norms remain a critical question, they are part of an emerging global governance structure, which an increasing number of large, multinational corporations (MNCs) can no longer afford to ignore.

In South Africa, the scope of CSR is not clearly defined. Hence, various charters like Agri BEE charter regulating CSR in the agricultural sector and Mining Charter that regulates the mining industry (Kloppers & Fourie, 2013:3425). The implication for community leaders' lack of CSR

awareness meant that very little pressure was exerted on the mining companies to perform on CSR projects, resulting in some social development lagging.

In Vietnam, as indicated by Donah and Gadmoska (2020:51), CSR is perceived as the commitments of companies that undertake to contribute to sustainable development through their activities, for example, by improving the working environment, increasing workers' living standards or quality of products and services.

Radhika (2020:09) mentioned that organisations with a reputation for CSR could take advantage of their status and reinforce their appeal as attractive employers by making their commitment part of their value proposition for potential candidates. According to Baskentli, Sen, Du and Bhattacharya (2018:02), the prominence of CSR on the global business landscape is fuelled in no small measure by consumer demand. The sense companies provide of the pivotal role of consumers in driving their CSR strategies is matched by marketplace surveys attesting to unprecedented consumer interest in consuming from socially responsible/sustainable companies.

Baskentli *et al.* (2018:503) stated that individual-group characterisation of CSR domains is rooted in how people perceive and understand the world, especially a substantial body of work that points to individualism/collectivism as a fundamental cultural dimension defining the self. Some consumers view the world in primarily interdependent/collectivistic (connected to others) terms. Others do so in primarily independent/individualistic (distinct from others) terms (Baskentli *et al.* 2018:503). CSR projects can involve a range of activities such as working in partnership with local communities, socially sensitive investment, developing relationships with employees, and being involved in environmental conservation and sustainability (Areiqat *et al.*, 2019:533). Olajide (2014:13), stated that CSR projects are executed in response to expectations placed on the company by society, and such expectations may be economic, legal, ethical and environmental. In South Africa, the government prefers the companies to implement CSI, which the government can regulate according to the Companies Act (Klopper & Fourie 2013:3425).

According to Radhika (2020:11), when corporations can implement the tasks and activities to promote community well-being effectively, they can also render a significant contribution in alleviating the societal problems of poverty, illiteracy, homelessness and unemployment. According to Koch *et al.* (2019:5), the term benefit is defined as an advantage perceived by

employees resulting from participation in organisational CSR activities, for example, a higher level of self-esteem. Saxena (2019:4) cited Yasmin *et al.* (2014:10) suggested that creating awareness about CSR among the community should be made compulsory as a subject in higher studies and to develop partnerships among all stakeholders, CSR activities should be extended to small, medium and large corporate houses. According to Okoroba (2020:2), stakeholder's increasing awareness of their rights serves to hold corporations responsible for their actions and inactions to foster sustainable development in their operational areas. While corporations can meet not all stakeholder demands, managing stakeholder expectations of CSR outcomes proves difficult partly due to the ambiguity of defining the content of development investments. Gallardo-Vazquez (2020:52) also stated that higher education institutions are introducing a strategy to enhance their performance to ensure that every university action is socially responsible and oriented towards achieving advantages over competitors.

Guadano and Pedroza (2018:01) stated that CSR means managers must go beyond the mere satisfaction of the shareholders and establish balanced relations with all their stakeholders. CSR goes beyond the mere satisfaction of the shareholders or owners and establishes balanced relations with all the company's stakeholders. For this reason, we consider stakeholder theory to be a useful approach to guide companies towards creating value for all stakeholders (Guadano *et al.*, 2018:2).

The more CSR became widespread, and companies realised that it was important for their employees to become directly involved for several reasons. Hence, such involvement could have a substantial impact on employees' satisfaction and commitment (Leventhal, 2012:3). According to Mella and Gazolla (2016:331), when a company is engaged in CSR initiatives, employees are proud of and committed to such an organisation because their personal identities are partly tied up in the companies they work for. CSR projects can involve a range of activities such as working in partnership with local communities, developing relationships with employees and customers, and involving in environmental conservation and sustainability (Areiqat *et al.*, 2019:533). According to Haviz (2015:155), CSR awareness is one of the important factors driving the success of CSR projects because it encourages participation from all stakeholders.

2.6 PURPOSE OF CONDUCTING CSR BY KLERKSDORP GOLD MINES

2.6.1 Introduction

Most organisations conduct CSR projects among local communities as part of their social and environmental responsibilities. Mining companies have a responsibility to contribute towards the social upliftment of the local communities through CSR projects. In the following section, various researchers discuss the purpose of conducting CSR by organisations among local communities.

According to Eliasson and Lindmark (2020:16), micro-CSR is more extensively focused on the consequences of employees' perception of an organisation CSR activity grounded in the organisational behaviour. At the same time, scholars have stated that 96% of CSR research has been toward macro levels. That is, the organisation have been the unit of analysis. According to Williams *et al.* (2019:81), understanding what CSR means to any organisation establishes a foundation for reviewing project development processes as it begins to outline its CSR mandate as a first step for setting up a CSR portfolio. The establishment of project development formally and operationally defines the meaning of CSR to the business and local community and how it will be reflected in the processes and procedures that follow. Taking CSR communication as a starting point, research has shown that communication is constitutive for action. That is, organisational leaders talk about CSR, while simultaneously committing to take action (Morsing & Spence, 2019:1921).

According to Elalfy *et al.* (2020:2), the motivations for investing in CSR initiatives and integrating them into business strategy are grounded in a shared desire to ensure a firm's long-term success and survival. By aligning CSR's purpose and values with market drivers and stakeholder demands, CSR practices have become due diligence for preserving the firm's license to operate, avoiding reputational damages, building loyalty, and maintaining competitive positioning. According to Melovic *et al.* (2019:1), in the modern business environment, CSR is more important than ever because it influences employees in every segment within the company, and that is why better perception and implementation of CSR projects is important.

Strategic CSR offers a new lens to underpin CSR focused on strategic and operational integration as a means of improving competitiveness, performance, and profitability (Elalfy *et al.*, 2020:2). CSR influences the attitudes and perceptions of the employees, who represent the

vital portion of an organisation. CSR is one of the most reputational factors considered by employees' human resources policies, such as the participation of workers in decision-making, the possibility to participate in capital, labour flexibility, legal security and union relations all indicate a company's application of CSR concerning its employees (Guadano & Preza 2018:02). According to Guadano *et al.* (2018:02), CSR goes beyond the mere satisfaction of the shareholders or owners and takes steps to establish balanced relations with all the company's stakeholders. The international prominence of CSR in mining can be traced to mining's potentially significant negative social and environmental impacts and the related criticism levied at mining companies from governments, NGOs, and local community organisations (Hamann & Kapelus, 2004:85).

2.7 GAPS IN THE IMPLEMENTATION OF CSR PROJECT

Baman and Skitka (2018:72) mentioned that CSR might promote organisational identification because it can influence the extent of similarity or dissimilarity people to perceive between themselves and the organisation. According to Groen (2019:6), consumers consider themselves as eco-friendly or sensitive to the environment. Still, their behaviour often contradicts their confessed sensitiveness, and a gap called the value-action gap, the environmental values-behaviour (EVB) gap and the green gap is thus created. Njuguna (2019) stated that most CSR projects and programs in Kenya aim to ensure the improved social well-being of citizens. Especially the less fortunate in the society, and hence, very few have purposed to establish deterministic variables influencing sustainability of such projects, which more often collapse once they are left at the mercies of the society. Therefore, this research study sought to address this gap by establishing the influence of organisational leadership, fund availability, organisational policies, and community participation on the sustainability of CSR projects commissioned by Bata Shoe Company and its outlets in Kenya. According to Banda (2019:3), gap analysis was conducted to assess the extent to which Zambia's mining policies and legislation are aligned with the assessment was based on three areas.

Fiscal regime and revenue management are where Zambian mining fiscal regime has not been applied consistently over time. Current fiscal regime does not encapsulate important tax instruments like the windfall tax and capital gains tax, ZRA still seems to have challenges with administrative capacity. In recent years, radical shifts from profit-based to revenue-based tax instruments seem to confirm such challenges all mining revenue is deposited in the

consolidated fund. This makes it lose its identity because it cannot be tracked to any public expenditure.

Geological and mineral information systems where the Geological Survey Department (GSD) is underfunded or poorly resourced, making it difficult to discharge its responsibilities effectively, and where there are no enforceable arrangements for mining companies to deposit information with the department, mining companies have a monopoly on geological and mineral information. Under the environmental and social issues, no clear policy framework and legislation exist to deal with post-mine closure issues. Mining companies voluntarily undertake Corporate Social Responsibility (CSR), and current legislation does not contain any land use policy and law. Developing countries like South Africa have a CSR that is primarily aimed at redressing socio-economic problems such as poverty, diseases, income inequality, unemployment, and lack of basic education. This is in contrast to Western CSR which is generally focused on climate change, consumer protection, fair trade or responsible social investments (Bharti, 2016:43). While making implementing CSR decisions and policies, companies are guided by their business strategy and operation procedures, but when eventually such CSR programmes are made for the benefit of the community members, they might not match the organisation's goals by the company resulting in a gap between the communities' expectations and the implemented CSR activities by the companies (Bharti, 2016:43).

Anglo Gold is a mining company founded under the premise and to earn profits for our shareholders. However, to do to the company must make a real and lasting contribution to their immediate environment and communities (Busacca, 2013:33). The above statement by Anglo American chairman stated that the company's strategic intent was to make profits for the shareholders and contribute towards the social welfare of the communities of the area where they operated from through CSI investment. The Chairman's Fund contributed 25% of Anglo's CSI in South Africa, which focused on a wide array of social issues like education, HIV/AIDS, health, welfare and development, environment, entrepreneurial development, policy and advocacy and arts, culture and heritage. Busacca (2013:39) stated that in 2008, the Fund invested in more than 250 projects, spending R76.8 million on CSI and R21.7 million on health and HIV/AIDS-related projects in disadvantaged communities.

Mining houses engaged in CSR need to close the gap between their CSR initiatives and ever-growing community needs. What is important for the mining houses is to develop a business

strategy that will address the organisational structure (Sustainable CSR and mining in South Africa, 2013:01). After South Africa obtained independence in 1994, Anglo Gold, through the Chairman's Fund, engaged the government to continue to promote long-term sustainability in the country through traditional CSI initiatives which supported capital funding and infrastructural development (Busacca, 2013:39). Such CSI programmes might not be what the communities were expecting the company to do.

Wickert *et al.* (2016:1169) mentioned a gap between CSR talk and CSR walk where CSR talk involves impression management, and the creation of symbolic images and documents, while CSR walk concerns the substantive implementation of CSR policies, structures and procedures. After studying the costs and benefits of an organisation, Wickert *et al.* (2016:1169) added that large enterprises focus on communication and less on implementation because they hold the advantage of spreading their costs. At the same time, small firms concentrate on execution and less dialogue due to the effects of the high costs of marketing involved.

During the implementation of CSR projects, a gap can be created where a company identifies CSR projects in the community while the community's focus is not on such projects. Such gaps are created when companies focus on projects emanating from their strategic intent while local communities expect the company to prioritise the important issues. According to Baumann-Pauly, Wickert and Scherer (2013:13), firm size seems to trigger a specific implementation pattern of CSR, where SMEs tend to be strong in actually implementing organisational CSR-related practices in core business operations. In contrast, MNCs tend to communicate their commitments to CSR effectively, but often lack sophisticated implementation programmes. An implementation gap is therefore created where companies of different sizes are engaged in CSR projects. For example, MNC engaging in CSR usually use media, such as, (advertising, promotion and personalized advertising to showcase their CSR activities) taking advantage of huge budgets to finance such costs. In contrast, small organisations with small budgets prefer engaging in CSR projects using a direct and substantive implementation of CSR policies, procedures and structures using CSR projects.

The gap is thus created as a result of the cost and benefit analysis between the small and big corporations. Large companies with large marketing budgets would prefer communication (personal advertising, marketing and electronic advertisement) and less on implementation due to the advantage of being able to spread the costs over a large marketing budget. In contrast, small firms concentrate on execution and less dialogue due to the effects of high costs of

marketing involved, considering their small budget (Wikert *et al.*, 2016:1169). So, a gap would always occur where two organisations of different size are involved in CSR projects. Van Wyk *et al.* (2008:04) stated that an organisation that encourages CSR goes beyond reporting and focuses on the gaps between policies and practices, thereby assisting civil society groups and corporations in moving beyond philanthropy to more strategic interventions that benefit both the corporation and society.

2.8 IMPACT OF CSR AMONG THE COMMUNITY

According to Akolo-Obisi (2019:08), the challenge for Corporate Social Responsibility in African countries could be said to be framed by a vision that was distilled in 2000 into the millennium development goals of a world with less poverty, hunger and disease, greater survival prospects for mothers and their infants, better-educated children, equal opportunities for women, and a healthier environment. According to Famiyeh (2017:394), firms commonly engage in a myriad of CSR initiatives that promise various societal benefits. For example, Cisco stated that through CSR, we empower social change agents with technology and expertise, our goal being to accelerate global problem solving to benefit people, society, and the planet. According to Kumar (2019:53), the present-day conception of CSR implies that companies voluntarily integrate social and environmental concerns in their operations and interaction with stakeholders and companies that respect and listen to their stakeholders must naturally be concerned by their growth and profitability and to take care of economic, environmental, social and societal impacts of their activities.

Iskandar and Ramli (2019:212), stated that, in some previous studies, the concepts of economic affluence and happiness, life satisfaction, quality of life and social capital had been associated with community well-being (CWB). CSR is a concept that states that an enterprise is accountable for its impact on all relevant stakeholders, and it has the continuing commitment to behave fairly and responsibly and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large (Kumar, 2019:53).

CSR can create opportunities that can help the organisation in conducting a dual purpose of meeting the organisational goal while at the same time helping society through CSR projects (Nazifa, 2019:07). Companies that respect and listen to their stakeholders must naturally be concerned by the growth and profitability of their business and at the same time be aware of

the economic, environmental and social impacts of their activities (Kumar, 2019:53). Abbas *et al.* (2019:2) cited Famiyeh and Moir 2012 in stating that some CSR projects can restrict firms to focus on being socially responsible and contributing to communities and economic growth. This would improve employees' and their families' quality of life at large only, which means, an organisation will be focusing on the welfare of their employees only.

Anwana (2018:08) also added that CSR has become an integral part of business practice over the past two and half decades in South Africa, as in other parts of the developing world. Since the country transitioned from the apartheid regime to a democratic government, some South African companies have embraced CSR and took CSR implementation as a management tool not only for the advancement of socio-economic development of the communities where they operate but also to partake of the many benefits derivable from CSR implementation. CSR projects have a positive impact when such CSR projects improve the economic and social conditions of the community for example, where company using its CSR projects employed unemployed members of the community and such projects assisted local authorities in the development of infrastructure which benefit such communities.

According to Mahajan and Bose (2018:21), three critical areas where the potential of business sustainability can be explored are: (a) resource optimisation through 'recycle, re-use and reduce' strategies in business processes and supply chains, (b) protecting brand value through stakeholder engagement and support including fulfilling regulatory requirements and (c) selling to a niche market of green consumers ready to buy products and services at a premium. Visser (2006:482) stated that, in South Africa, the political changes towards democracy and redressing the injustices of the past had been a significant driver for CSR, through the practice of improved corporate governance, collective business action for social upliftment, black economic empowerment, and business ethics lists more than a dozen examples of socio-economic, environmental, and labour-related legislative reform between 1994 and 2020 that have a direct bearing on CSR. According to Visser (2006:489), the order of the CSR layers in developing countries, like South Africa, is different from Carroll's classic one, and their layers indicate the level of importance according to how they are considered by countries involved. Visser (2006:489) went on to emphasise that, in developing countries, economic responsibilities still receive the most emphasis, followed by the philanthropic responsibilities is given the second-highest priority, followed by legal and then ethical responsibilities

The dominant interpretation of CSR in South Africa continues to be in terms of philanthropy and CSI, particularly emphasising education, health care (especially HIV/AIDS) and welfare programmes (Mueller-Hirth, 2016:58). According to Mersham and Skinner (2016: 115), there are many possible approaches to CSI which can be described in terms of their location on a spectrum, where one end represents CSI activities that seek business benefit, and the other describes those that aim for development impact. Busacca (2013:36) stated that in South Africa since 2001, Anglo Gold made sure that as a company it would be vigilant of its responsibility to its shareholders through making enough profit and engendered trust and delivered a fair share of the benefits of its operations to host governments and communities, ensuring that they have a firm foundation for a sustainable future. A second project embarked by Anglo Gold in 2002 was adopting the Mining Charter with a target of 26% ownership of the mining industry assets within ten years to benefit historically disadvantaged South Africans (HDSA). Such action had a positive impact on all parties involved. Anglo American eventually implemented other initiatives to create management-level recruits, such as math and science programmes for children in mining areas and offered university scholarships (Busacca, 2013:37). In the modern world, CSR is one of the management strategies where companies try to create a positive impact in society while doing business.

Raub and Blunschi (2013:12), stated that CSR projects play a major role in changing the livelihood of communities when they engage in CSR activities that actively contribute to the economic, ecological, or social environment. In August 2002, Anglo American demonstrated its commitment to the mining communities through the establishment of CSI/CSR projects that provided funds for free anti-retroviral therapy (ART) to all of its mine employees, and it was eventually recognised in the mining sector as a champion of CSR (Busacca, 2013:36). CSR projects have a positive impact on the community. Such projects assist the community members to improve their financial, social, and environmental status and where local community members are employed to participate in such projects. Some of such CSR projects could be for the provision of infrastructure such as clean water, housing and reducing air pollution and hence would have a positive impact on the community (Raub *et al.*, 2014:12).

Mathabatha (2011:23) states that the impact of mines on local communities has been an area of growing concern and attention that mining companies, NGOs and governments are grappling with. Recent work in the South African government sets out to explore more specifically the linkages that exist between mining operations and the four dimensions of poverty, economic opportunity,

capability, security, and empowerment in the context of two generically different forms: (i) large scale mining, and (ii) small scale and artisanal mining (2011:23). According to Ndhlovu (2011:3), it is also worth emphasising that CSI is a South African phenomenon that, during the apartheid era, was regarded by the business community as necessary for survival in an uncompromising international atmosphere of sanctions and trade restrictions and growing domestic political unrest.

2.9 FIVE DIMENSIONS OF CSR

According to Arsić, Stojanovic and Mohajlovic (2017:436), CSR's programs, initiatives, and activities are desirable for society and following their social values and goals. Some of the benefits that can thus be accomplished are: creating and maintaining a positive opinion on the company, strengthening the relationship with stakeholders, creating a better, safer and more stimulating working environment, improving the efficiency of business management and facilitating access to financing (Arsić *et al.* 2017:436). Table 2.1 below shows the five dimensions of CSR, each showing CSR elements and example phrases of each dimension (Dahlsrud, 2008:04). Most contemporary researchers have been concentrating on the three CSR dimensions: environmental, social and economic dimensions, while added to these three are stakeholders and volunteering dimensions (Arsić *et al.* 2017:436). According to Dahlsrud (2008:04), the five dimensions of CSR are social, environmental, economic, stakeholder and voluntariness. According to (Arsić *et al.*, 2017:450), the main motive for the implementation of CSR in the company through an understanding of the dimensions, can have a positive influence on better corporate image, better competitive position in the market, the increasing of the economic value of the company, the well-being of society and preservation of ecology. Maynhardt and Gomez (2016:12) mentioned that public value creation means sustaining or increasing individuals' chances of favourable society experiences and thereby helping them develop and grow. The four basic needs are the positive self-evaluation that translates into a moral-ethical value dimension, the basic need for a stable and coherent conceptual system, and for the predictability of cause and effect relationships in one's environment translates into an instrumental-utilitarian value dimension, the basic need for positive relationships effective forms the individual level basis of a political-social value dimension and the fundamental need to avoid pain and experience pleasure is reflected in a hedonistic-aesthetical value dimension and these four dimensions allow dialogue and help relate to different discourses in a way that puts a premium on human nature (Maynhardt & Gomez, 2016:18). Each dimension is discussed

in terms of how they relate to each other and their application and purpose to achieve CSR objectives. In Table 2.1 below, the first and most important dimension is the economic dimension and is discussed below.

Table 2.1 The five Dimensions of CSR

Dimensions	What element of CSR does the dimension refer to?	Example phrases
Environmental dimension	The natural environment	A cleaner environment Environmental stewardship Environmental concerns in business operations
Social dimension	The relationship between business and society	Contribute to a better society Integrate social concerns into their business operations Business operations
Economic dimension	Socio-economic or financial aspects, including	Contribute to the economic development preserving the profitability
Stakeholder dimensions	Stakeholders or stakeholder groups	Interaction with stakeholders organisations interact with employees, suppliers customers and communities
Voluntariness dimension	Actions not prescribed by law	Based on ethical values beyond legal obligations, voluntary

Source: Arsić *et al.* (2017:439)

2.9.1 Economic Dimension

Arsić *et al.* (439) mentioned that a corporation has to meet its economic responsibilities, returning money to investors and achieving a leadership position in the market. Some

companies aim to maximise profits, guarantee the customer's satisfaction and loyalty, offer fair compensation to employees, sell their goods at fair prices to customers, promote their products/services through less costly advertising campaigns (Arsić *et al.* 2017:439). The economic component of the definition suggests that society expects businesses to produce goods and services and sell them at a profit. This is how the capitalistic economic system is designed and functions (Carroll, 1979:500). With the economic value achievement, the organisations strive for long-term sustainability to deal with business risks and provide enough protection to the investors, shareholders, employees, and the communities dependent on them. Lufter (2019:110) maintained that, in an article by Friedman 1970, the social responsibility of a business is to increase its profits. Business responsibilities, management responsibilities, and economic responsibilities claiming are also major drivers. The economic dimension provides economic indicators which have a direct and indirect economic impact on communities through spending power and geographic, economic impact through business process, outsourcing, knowledge, innovation, social investments in employees and customers, taxes, tax incentives, wages, pensions and other benefits paid to employees (Arsić *et al.* 2017:440). The above information about the economic system of companies indicates how important the economic dimension is for all types of organisations. There is usually a need for mining companies to be profitable to meet their other obligations like social, environmental, the world prices fluctuation of minerals, exchange rates and inflation for them to continue operating.

2.9.2 The Social Dimension

According to Yang and Yan (2020:1), Stakeholders are increasingly concerned with the social issues arising from the process of maximising profits by companies in today's business environment, for example, air and water pollution in Europe, child labour in Asia, employee rights in North America, and global climate change and human rights issues in Africa. The social dimension is the most critical component of determining the relationships between business organisations and civil society, and the core objective of social dimension is that corporations should work for building up a better society as a whole and integrate social concerns in their business operations and consider the full scope of their impacts on communities (Nasrullah & Rahim, 2014:28).

Arsić *et al.* (2017:442) stated that social responsibility means being accountable for the company's social effects on people. The basic objective of the social dimension is that

corporations should work to create a better society as a whole, integrate social concerns in their business operations and consider the full scope of their impacts on communities. Anwana (2018:88) stated that South Africa has still not been able to move past the transitioning process to provide a more equal and equitable society for its previously disadvantaged people, which comprises a majority of its population. There is a belief that companies, governments and civil societies share social responsibility obligations to adhere to business practices that drive social transformation and stimulate economic growth (Thomas 2014: 90).

Arsić *et al.* (2017:442) went on to mention that a company is a social actor, is by itself part of the community which should pay attention to serving the purpose of the internal and external communities. That is, it should realise and accordingly respond to their needs, expectations, rights and demands and the well-being society. Sibanda (2018:44) eluded that the corporate social contract concerns a firm's indirect societal obligations and resembles the social contract between government and citizens. In parallel with the social contract, the corporate social theory has been advanced as a theoretical basis for explaining the practice of CSR by corporations so that they receive a contractual foundation.

The use of CSR projects explains that an organisation has responsibilities towards the communities to be part of society. Historically, South African organisations did not have open communication with the communities. South African organisations did not have open communication with the communities supplying them with labour (human capital) before 1994 democracy. Besides, their employees were bound by contractual agreement of employment. This information gap has created militant conditions by the unions since democracy in 1994 towards employers, including the government most of the employees' support. According to Komnitsas (2020:10), important aspects that need to be seriously taken into account in the process of obtaining an SLO for a mining project in the future include (i) the fragile world economy, as was recently confirmed by the COVID-19 outbreak, which may result in problems pertinent to the supply of critical raw materials that are used in various emerging and green technologies, including transport electrification and renewable energy, (ii) the increased future demand for specific metals, due to the rising world population and economic growth and (iii) the fact that the mine of the future, which will involve the deep sea and landfill mining, will be entirely different from the mine of today in all crucial aspects, such as exploration, mining, processing and waste management.

The primary mine of the future is anticipated to exploit mineral raw materials at greater depth than today due to declining ore grades. It will require entirely different approaches compared to today's deep mines. Most activities, including waste management, will be carried out underground, thus lesser material volumes will be transported to the surface and fewer above ground installations will be required (Komnitsas, 2020:5). A company as a social actor, being itself a part of the human community, should pay its attention to serving the purpose of the internal and external human communities (Sciencedirect, 2015).

Local economic development (LED) is often seen as the solution and assumes local, and other actors will collaborate in crafting a future for the region or place (Van Heerden, 2016:03). The organisations that conduct mining in the Klerksdorp area are expected to increase their involvement and assist the government in its NDP and other social development needs that are lagging, such as infrastructure development of a strong business industry that will help reduce unemployment. According to Tivaringe (2019:19), South Africa's policy makers need to move urgently to ensure that the link between attaining higher education and socio-economic mobility becomes real for recent non-white graduates because their prospects of transforming the currency of tertiary qualifications into material employment gains, are increasingly diminishing. Unemployment is another social condition that the government has not managed to bring under control. Most MNC involved in mining always looks for favourable conditions like high profits, favourable exchange rates and lower operational costs.

2.9.3 Stakeholder Dimension

Sibanda (2018:46) mentioned that Freeman was one of the first academics to reject Friedman's perception that a company only has social responsibilities towards its shareholders and instead argued that managers bear a fiduciary relationship to stakeholders (Freeman, 2002:39). According to Freeman and Dmytriyev (2017:7), the main similarity between CSR and stakeholder concepts is that stakeholder theory and CSR stress the importance of incorporating societal interests into business operations. The stakeholders are a key factor for the success of CSR practices. Without their engagement, knowledge, skills, talent and loyalty, the organisation could not achieve its objectives (Nikolova & Arsic, 2017:7).

Business organisations are always part of society, unlike the neoclassical theory suggest that they are separate. At the same time, the two concepts differ in that stakeholder theory posits the key responsibilities of the business overall, i.e. corporate responsibilities. In this case,

responsibility to the society (which is often represented by the communities where the business operates) is very important, but it is only part of other corporate responsibilities. CSR prioritises one aspect of a business, that is, its orientation toward the society at large, i.e. its social orientation not over the other business responsibilities and hence, stakeholder theory posits that the essence of business primarily lies in building relationships and creating value for all its stakeholders (Freeman, 2017:10). Some stakeholders may differ depending on the business sector of the company and business model. The main stakeholders include the suppliers, creditors, Non-Governmental Organisations (NGO) shareholders and employees.

2.9.4 The Environmental Dimension

Arsić *et al.* (2018:446), stated that in recent years companies had been viewed as a major cause of social, environmental and economic problems so as a result of external pressures, companies have started to consider their influence on surroundings and advantages and disadvantages of their actions besides pollution prevention, companies must think about energy savings, labour improvements and efficiency in the use of raw materials as well as control and reduction of waste. According to Frederiksen (2018:496), within the past ten years, the largest mining companies in the world spent a combined \$1.7 billion on community investment, and their budgets have increased the scale and scope of activities undertaken by mining companies under the banner of CSR.

All CSR Projects by mining companies aim to support development through a range of programs like skills training, the use of agricultural inputs, and other activities closely aligned with mining firms, such as local content policies that support purchasing goods and services from local businesses (local procurement). Carlvalho (2017:73) added that current challenges posed to mining include remediation of legacy impacts, implementing better protection of water resources, and generally caring for the environment and human health much better than in the past implementations thereof. Environmental CSR depends on different formal, legal and administrative conditions set by governments and the interests of different groups regarding environmental CSR differ in every business (Arsić *et al.* 2018:446). According to Busacca (2013:23), in South Africa, it is widely recognised that partnerships between the private sector and other relevant stakeholders, such as civil society and non-governmental organisations (NGOs), are crucial in meeting socio-economic development goals. Busacca (2013:25) says that the mining industry contributes to the regional and national economy in

providing export revenues, employment, and infrastructure development. Still, this industry is also responsible for many negative impacts on land use, environmental pollution, and mine closure.

After scrutinising the company budgets and aligning such CSR activities with business operations, senior managers in the boardrooms determine CSR projects. Such projects can be used to strengthen its relationship with the community. Business strategies should consider environmental protection and investments in CSR, and environmental reporting should follow the accounting standard set for such a purpose (Arsić *et al.*, 2018:446). Environmental projects are viewed as additional expenses and a burden to an organisation, and the benefits of such projects are not experienced immediately by the community. In South Africa, some mining companies have been negligent towards local communities. For instance, mining has been erected close to the residential places without precautionary measures to safeguard exposure to air and water pollution, affecting local communities. Nelson and Murray (2013:200) stated that there are very few recorded silica dust measurements from any of the platinum mines. Still, those that are available provide evidence that the silica dust levels to which platinum mine workers are exposed are high enough to cause disease. According to Ochieng *et al.* (2015:3351), water draining from coal and base metal mines frequently contains sulfuric acid and heavy metals at high levels, contaminating streams and agricultural lands when the mine water or mine water-affected stream water is used for irrigation purposes.

Mining by its nature consumes, diverts and can seriously pollute water resources. Changes in laws, technologies and attitudes have begun to address some of the most immediate threats posed by coal development. However, there are still many coal-mining practices and regulations that need to be addressed both in South Africa and on a worldwide scale (Ochieng *et al.*, 2015:3351). Sebake (2019:4) mentioned that South Africa has a long history of mining. However, it has only recently developed and implemented comprehensive legislation to regulate environmental management and mine closure processes. Consequently, many historical mining operations have been abandoned by their operators with little or no regard to the management of the impacts on public health and safety and the environment.

2.9.5 Voluntariness Dimension

Most organisations are expected to be willing to make decisions beyond the prescribed laws or conditions. According to Arsić *et al.* (2017:448), the voluntariness dimension means overcoming the minimum of prescribed standards related to product quality or safety, community support, support to charitable institutions, support to employees in social projects engagement through volunteering and establish corporate foundations. Business ethics must be understood to understand voluntariness in CSR. According to Ward (2005:06), the voluntary CSR agenda gives rise to new laws and legislation –particularly in the corporate governance and company reporting on environmental and social issues. Corporations are responsible for avoiding wrong actions to prevent corporate social irresponsibility (Arsić *et al.*, 2017:448).

Companies' attitude towards overcoming the difficulties they face in selling their goods and services and thus, achieving profitability appears as an important variable that leads to debates on voluntary CSR activities. (Kusku: 2012:73). According to Nitin (2019:54), the present-day conception of CSR implies that companies voluntarily integrate social and environmental concerns in their operations and interaction with stakeholders and CSR also involves applying the concept of sustainable development to the corporate world.

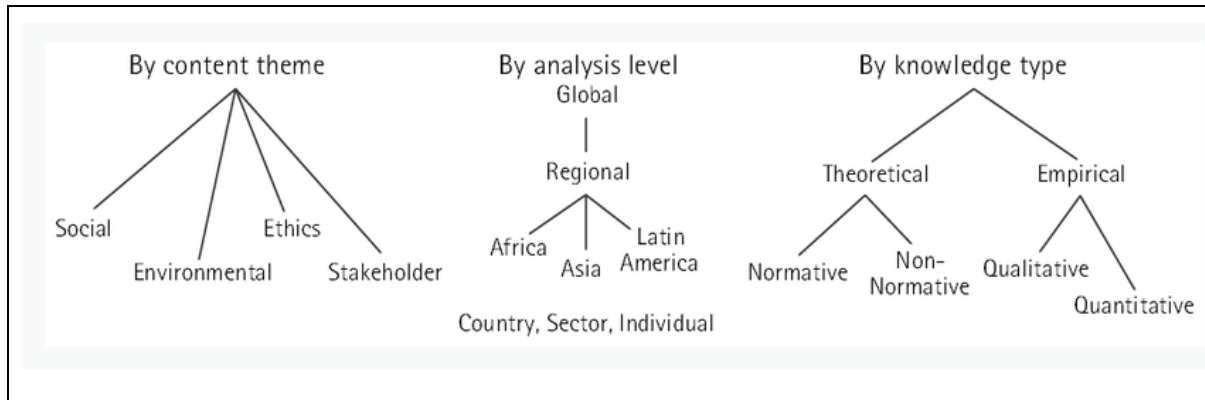
According to Arowoshegbe *et al.* (2016:97), managers' attitudes to their organisation's social and environmental impacts have increased. As such, it is not easy to develop standard accounting similar to those in financial accounting. According to Hamidu (2014:93), the core characteristics of CSR are the same area of focus emphasised by different scholars in defining what CSR stands for. These features depict CSR performed by business organisations starting with voluntary activities, managing external factors, stakeholder management, alignment of social and economic responsibilities, considering practices and values, and finally extending CSR activities beyond philanthropy.

2.10 CLASSIFICATION OF CSR LITERATURE IN DEVELOPING COUNTRIES

Visser (2008:473) cited United Nations, 2006:03 in saying that the challenge for CSR in developing countries is framed by a vision that was distilled in 2000 into the Millennium Development Goals; that is a world with less poverty, hunger and disease, greater survival prospects for mothers and their infants, better-educated children, equal opportunities for

women, and a healthier environment. Unfortunately, these global aspirations remain far from being met in many developing countries today.

Figure 2.1: Classification of CSR literature in developing countries



Source: Visser (2006:475)

The diagram above by Visser (2006:475) gives a separate analysis of content themes, global analysis and knowledge type of literature as envisaged in the developing countries.

2.10.1 Content Theme

Using the same classification of content CSR literature can be grouped into four dominant CSR themes: social, environmental, ethics, and stakeholders and is immediately evident in applying this categorisation to the literature on CSR in developing countries is that, in contrast to most findings, CSR articles in top management journals usually focus on ethical and environmental themes, while most scholarly work on CSR in developing countries focuses on the social theme (Visser 2006:475).

2.10.2 Knowledge type

Visser (2006:476) cited Lockett *et al.* (2006:118) as suggesting that their findings probably reflect the positivist editorial tendencies of many top management journals, rather than the inherent epistemological preference of CSR scholars. And indeed, the CSR and development journals in which most developing country papers are published seem to have more interpretive or epistemologically flexible editorial policies.

2.10.3 Analysis type

Most research on CSR in developing countries to date has either generalised about all developing countries or focused at a national (rather than a regional) level, and despite the

focus on countries in the literature, only about a fifth of all developing countries have had any CSR journal articles published on them, and of these, the most commonly analysed and written about countries are China, India, Malaysia, Pakistan, South Africa, and Thailand (Visser 2006:476). Analysis at a regional level (notably Africa, Asia, and Latin America) is becoming more common, but papers at the sector, corporate, or individual level remain relatively scarce (Visser 2006:476).

Although Africa's return to growth in the 2000s, coterminous with significantly increasing foreign direct investment, has led to renewed interest in human resource management (HRM) on the continent, much of the literature tends to focus on cross-culturally imposed variations in HRM, employment practices, and the impact of foreign investment from the developed world (Cooke *et al.*, 2015:2653). Usually, CSR is designed for long-term implementation to sustain the organisation concerned and uplift the community with human capital. The purpose of every organisation initiating a CSR programme is for both its sake so that it acquires a social licence and assists in areas of need to the community. Most theories and practices of CSR depend on the region and countries influenced by the culture, beliefs, norms and socio-economies of such areas.

The various definitions of CSR indicate that there is no single definition for CSR because most organisations that initiate CSR do so with a different purpose and aim to achieve. CSR is an initiative that had to be started by senior management. They implement it too long-term business strategy with a focus on economic, social, stakeholders interests and environmental areas. In the research study, the researcher observed that the common link among various definitions that renowned researchers and scholars have enlisted is the economic activity (profitability) of every business, social licence and responsibility, voluntarism, and stakeholders' interests. The only area where these definitions fell short is how the decision of CSR came about, which has limited the power of each stakeholder's influence which is another gap that needs to be closed between the business sector and communities. The researcher realised that the CSR programme revolves around the economic dimension of every business as a feeder of the other dimensions, and for its successful implementation needs to be either profitable, or it must be able to raise funds for funding CSR projects. In the developing world, where there is a need for poverty alleviation programmes and economic development needs, the government are usually the driver of economic development programmes through designated ministries tasked with promulgating Companies Acts and guidelines for different

industrial sectors.

Table 2.2: Summary of CSR definitions below used in this research document by the author from various academicians and scholars.

Author	Year	Aim/Objectives
Kumar N	2019	CSR has evolved from being regarded as detrimental to a company's profitability to being considered as somehow benefiting the company as a whole, at least in the long run.
Newman, C. John, N. Tarp, R.F. & Trifkovic, N.	2020	Regardless of CSR having been discussed at length, no common agreement on its definition has been reached or quantified on an organisation level.
Abbs, J. Mahmood, S. & Raza, M.A.	2019	CSR is the commitment of organisations and business firms to reduce and eliminate any unsafe business practices and to increase a firm's contributions to human society.
Rhamman, A.A. & Areiqat, A.	2019	CSR consists of strategies where organisations conduct their businesses in ways that are ethical and society friendly.
ISO 26000	2010	International Standard Organisation defines CSR as the responsibility of the organisation for influence on its decisions and actions over the society and the environment, by using transparent and ethical behaviour, which contributes to stable development, including health and well-being of the society Compliance with the interested people expectations Keeping up the laws and international standards of behaviour.
Wilkins, A.	2018	Explains the importance of CSR reporting to the users of such information due to numerous research documents indicating that firms' disclosure of positive CSR performance reduces financial costs and increases access to finance.
Gallardo-Vazquez, D.G. Fernandez, J. F. & Ojalvo, F.H.	2020	CSR involves an integrated approach to business management, production, marketing, and relationships with third parties (e.g., workers, customers, suppliers, distributors, or regional).

		Communities.
Freeman, E.D. & Dmytrejev, S	2017	CSR is an umbrella concept for company's activities oriented toward society at large, which includes charity, volunteering, environmental efforts, and ethical labour practices.
Vasan, N	2015	CSR reflects the firm relationships to its internal and the external environment, meaning to be a good corporate citizen.
Anwana, E.O.	2018	CSR is the continuing commitment by businesses to behave ethically and contribute to sustainable economic development while improving the quality of life of their employees and their families, as well as local communities and society at large.
Stutz, C	2018	Encompassing the economic, legal, ethical and discretionary expectations that society has of organisations at a given point in time.
Sibanda, V	2018	Listed several different authors with varying definitions of CSR, including Carroll's economic, legal, ethical and philanthropic responsibilities.
Guadano, J.F. & Pedroza, J.H.S.	2018	Describes the extent to which organisations are expected to go beyond the approval of stakeholders and ensure to balance their expectations.
Halme, M.	2018	CSR is concerned with the responsibilities of companies regarding all actors in the society and to be studied in the context of where it is being practised.
Saluja, R.	2018	CSR is a process of self-regulatory by firms to improve organisational activities such as those relating to Labour, environment and human rights matters.
Tefera, J., Milkiyas A., Yuanqiong, H., & Luning, L.	2020	CSR responds to governance challenges in developing countries, supplementing the weak, corrupted and under-resourced government that fall short of delivering basic social services.

2.11 DIMENSIONS OF CSR DEFINITIONS

According to Rahman (2011:166), many definitions for CSR were developed by scholars in the past based on the social, economic, political and environmental context of those periods, but there is no unique definition for CSR. Different definitions during different segments of time represent different dimensions of CSR, as indicated in Table 2.3 below. Hamidu, Harashid and Azlan (2015:85) (in Rahman 2011:173) provides a full summary of all issues mentioned in various definitions of CSR in their ten-dimensional points' view on CSR definitions. These points are (1) the obligation to the society, (2) stakeholders' involvement, (3) improving the quality of life, (4) economic development, (5) ethical business practice, (6) law-abiding, (7) voluntariness, (8) human rights, (9) environmental protection, and (10) transparency and accountability. The table below summarises the scope or dimensions of each definition from different periods.

Table 2.3: Dimensions of CSR Definitions

Period & Focus Area	Summary of Dimensions
<p>1950's – 1960's</p> <ul style="list-style-type: none"> • Religious & Humane philosophies • Community development • Unregulated philanthropy • Poverty alleviation • Obligation to the society 	<p>Philanthropy</p>
<p>1970's – 1980's</p> <ul style="list-style-type: none"> • Extension of CSR commitments • CSR as symbol of Corporate citizenship • Stakeholder relationship management • Corporate reputation • Socio-economic priorities • Bridging governance gap • Stakeholders rights • Legal & Ethical responsibilities 	<p>Regulated CSR</p>
<p>1990's – 21st Century</p> <ul style="list-style-type: none"> • Competitive strategy • Environmental protection • Sustainability • Internationalisation of CSR standards • Transparency & accountability 	<p>Instrumental/Strategic CSR</p>

Source: Rahman (2011:173)

The main features of CSR observed in all CSR practices are included in most definitions that play a significant role in CSR practices. These features consist of the following five characteristics.

2.11.1 Voluntary

In terms of characteristic of voluntary CSR represent all sets of corporate initiatives that are discretionary and extend beyond what the law prescribed. Many companies are by now familiar and more willing to consider responsibilities beyond the legal minimum. The development of self-regulatory CSR initiatives from corporate bodies is often seen as a way of reducing or

avoiding additional regulation through compliance with societal moral norms (Hamidu *et al.* 2015:85).

2.11.2 Internationalising or managing externalities

According to Hamidu *et al.* (2015:86), externalities in CSR refer to all sorts of factors that have impacted different stakeholders' rights and are not directly taken care of in the decision-making process of a business organisation. For example, environmental degradation is typically regarded as an externality since the general public feels the production process's impact. Regulation can force firms to internalise the cost of the externalities, such as pollution fines. Still, CSR remains as a viable discretionary approach of managing externalities like taking more safety measures and reduction of pollution by going green also CSR activity deal with externalities involving workers' rights, minimisation of rationalisation impact, good stakeholder relationship management to reduce unsatisfied legitimate claims pile up and discarding production process and products that are not demanded, harmful or classified as dangerous products (Hamidu *et al.* 2015:86). Some MNC combine their strategies to cover the natural disaster and its impacts, such as the Coronavirus (COVID-19) in 2020 that affected the whole world and other social issues like the reduction of HIV/AIDS.

2.11.3 Multiple stakeholder orientation

According to Hamidu *et al.* (2014:6), the whole idea behind stakeholder management is to identify stakeholders based on the three attributes which define their power to influence decision-making and enforce their will, the legitimacy of the claims or rights they possess to expect fulfilment from the organisation, and the urgent nature in which they require the satisfaction of their needs and expectations. Hamidu *et al.* (2014:6) went on to add that the need to engage them to meet their expectations after identifying and prioritising the stakeholders require the diligent observation and adoption of the eleven steps approach in engaging the stakeholders, starting with creating or appointing the internal leadership team of internal stakeholders representing different departments of the organisation like marketing, communication, operational unit, human resources, investor relations and environmental and government affairs, limiting expectations to a realistic level, conducting proper training through learning effective communication skills, stakeholder research, collective bargaining and good industrial relations, adequate knowledge on crisis and risk management, public relations, dialogue techniques as it relates to different sets of stakeholders, realising the

possibility of facing unavoidable mistakes, comparing stakeholder perceptions and expectations with organisational performance.

2.11.4 Alignment of social and economic responsibilities

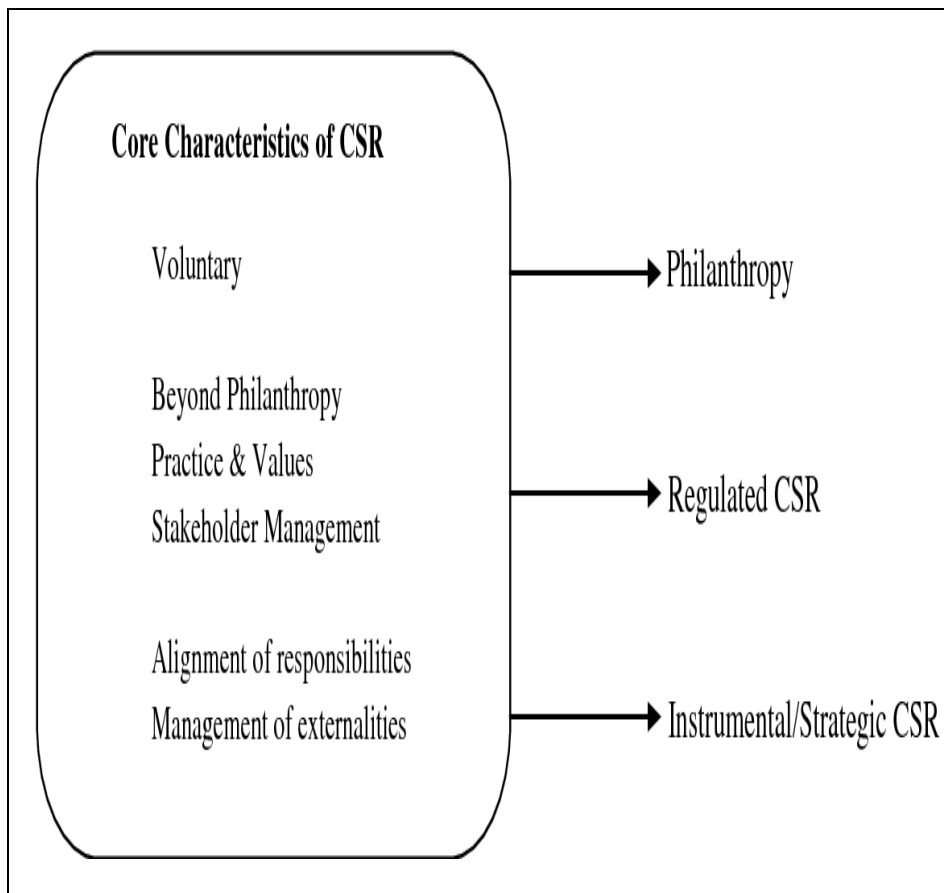
It is important to balance various stakeholders' interests while bearing in mind that, regardless of CSR aimed at going beyond simple prioritising shareholders by making enough profit, it remains paramount not to conflict with the principle of profitability as the priority of every business. CSR is clearly about a particular set of business practices and strategies that deal with social issues. Still, for many people, it is also about something more than that – namely a philosophy or set of values that underpin these practices, and such perspective is evident in CSR initiatives of communitarian or collectivistic societies valuing traditions and cultural practices of their local communities (Hamidu *et al.* 2015:87).

2.11.5 Beyond philanthropy

In some regions of the world, CSR is mainly about philanthropy, that is, corporate discretionary responsibility or voluntarism towards the general public and hence, CSR is currently a mandatory practice backed by regulations and accepted international standard which is shifting from altruistic to an instrumentality or strategic CSR and it extends beyond philanthropy because of its viability to be instrumental or strategic in satisfying stakeholder expectations and its potential capability to the achievement of organisational objectives (Hamidu *et al.* 2015:87). According to Carroll (1991:07), philanthropy encompasses those corporate actions that respond to society's expectation that businesses be good corporate citizens. This includes actively engaging in acts or programs to promote human welfare or goodwill. Examples of philanthropy include business contributions to financial resources or executive time, such as contributions to the arts, education, or the community.

Figure 2.2 summarises the major characteristics of CSR as observed by global scholars and academics in documented CSR research. In developed economies where they practise a free market system, CSR is encouraged as voluntary/philanthropic activity. Organisations are expected to go beyond the objective of just earning profit. They are expected to be involved in the social development of local communities as a social licence to be offered by the social community.

Figure 2.2: Core characteristic of CSR



Source: Hamidu *et al.* (2015:85)

During their studies and analysis of different facets of CSR, researchers have not been able to formulate a suitable definition of CSR because of different influences from their involvement in the CSR subject. Some of the major influences from the authors are culture, religion and purposes and the reason of the business concerned. In South Africa, social labour plans (SLPs) are some of the initiatives that influence social considerations. Applications for mining rights must be accompanied by valid SLPs, which will apply until the relevant closure certificate is issued (Mostert *et al.*, 2016:17).

2.12 Organisational CSR and its components

Vashchenko (2015:35) mentioned that it is necessary to be familiar with the range of CSR-related issues that a company might consider. Hence, the rationale for CSR is to fulfil social and environmental obligations while improving business performance to discuss a portfolio of organisational activities covering distinct CSR profiles. Depending on the goals of a particular organisation and its relationship with other society members, CSR can cover a wide range of

programs and policies which might point in different directions: from eco-efficiency innovations to employee safety issues, from the protection of human rights to community development concerns (Baughn, Dusty Bodie & McIntosh, 2007:189-205). According to Vashchenko (2015:40), a study uncovering CSR components was conducted to analyse whether there are any differences in the level and components of social behaviour between European and North American firms. According to Ismail (2009:199), CSR simply refers to strategies corporations or firms conduct in an ethical and society friendly way. Ismail (2009:199) also added that CSR can involve a range of activities such as working in partnership with local communities, socially sensitive investment, developing relationships with employees, customers and their families, and involving in environmental conservation and sustainability activities.

According to D’Amato, Henderson and Sue (2009:14), the shareholders are regarded as one of many key stakeholders in both the business and academic literature. They are seen as competing for influence with employees, customers, consumers, suppliers, competitors, trade unions, the environment, the local communities, and the society at large, to name a few and the most recurrent ones. Brin and Nehme (2019:26) stated that corporations, especially corporate directors and leaders, could be more responsive to the interests of society as a whole by incorporating the participation of stakeholders in the corporation’s boards of directors. In other words, every stakeholder of a corporation should be represented at least by one person on the corporation's board of directors to share the interest of his group.

Table 2.4: Overview of CSR component typologies

Author(s)	CSR components
Welford <i>et al.</i> 2008	<ul style="list-style-type: none"> • Published social and environmental policies
CSR areas	<ul style="list-style-type: none"> • Good health and safety practices
	<ul style="list-style-type: none"> • Good environmental performance
	<ul style="list-style-type: none"> • Good corporate governance
	<ul style="list-style-type: none"> • Good human resource management and employment practices
	<ul style="list-style-type: none"> • Community investment and employee volunteering
	<ul style="list-style-type: none"> • Codes of conduct on supply chains and factory inspections

	<ul style="list-style-type: none"> • Product and service responsibility and responsible marketing
	<ul style="list-style-type: none"> • Philanthropy and charitable donations
	<ul style="list-style-type: none"> • Support of human rights initiatives
	<ul style="list-style-type: none"> • Partnerships with other businesses and NGOs
	<ul style="list-style-type: none"> • Adherence to international standards and guidelines
	<ul style="list-style-type: none"> • Social and environmental reporting
	<ul style="list-style-type: none"> • Codes of conduct on bribery and corruption

Source: Welford *et al.* 2008:53

According to Welford *et al.* (2008:10), particular CSR categories and examples of CSR activities and initiatives within those categories) have been extracted from the previous discourse in CSR content-related literature.

Table 2.5: CSR components

Author (s)	CSR components	Detailing
Baumgartner and Ebner (2010)	<ul style="list-style-type: none"> • Economic 	- innovation and technology
Corporate Sustainability pillars		- knowledge management
		- processes
		- sustainability reporting
	<ul style="list-style-type: none"> • Ecological 	-resources (materials, energy) including recycling
		-emissions into air/water/ground
		- waste and hazardous waste
		- biodiversity
	<ul style="list-style-type: none"> • Social 	(Internal/External)
		-corporate governance
		- motivation and incentives
		- human capital development

Source: Baugrtner and Ebner (2010:11)

Table 2.5 below shows CSR components that are known as the pillar of corporate sustainability. According to Baumgartner and Ebner, (2006:13), corporate sustainability is incorporated in the organisation when sustainable development is incorporated in the organisation. It then contains, like sustainable development, all three pillars: economic, ecological and social. According to Vashchenko (2015:44), the theoretical and empirical studies presented above indicate various approaches in defining the scope of CSR and describing CSR constituents as it is demonstrated, these approaches differ in the number of CSR elements (from three to fifteen) and in the content of those elements as well as in the extent of elaboration. Vashchenko (2015:44) added that some of the CSR components are close in meaning to or overlap different typologies. For example, those elements related to the environment, community and a company's products/services as well as to employees and hence most of the CSR constituents, explicitly or implicitly, are linked to the three sustainability/CSR pillars: the environmental, social and economic pillars.

Vashchenko (2015:42) separated the idea of fairness from particular CSR dimensions, which, in her opinion, should be integrated into environmental, social and economic organisational concerns since fairness is a vital component of each of the three aspects. Fredericksen (2015:02) stated that CSR had become a strategic business and marketing tool for businesses worldwide. If integrated into an organisation's overall marketing and business strategy, can lead to increased financial returns, a favourable reputation, a more productive workforce and a greater competitive advantage. The first aspect in Table 2.6 below deals with the environmental aspect of CSR. That is, it deals with the ecological impact of business activities and hence several publications concerning relevant ecological influence exist in both academic and normative literature. According to Vashchenko (2015:45), the main issues here are minimisation of emissions, improvement of energy efficiency and reduction of water consumption and waste of other natural resources in the production process and companies are expected to aim at decreasing the overall volume of waste in the production process and increase the percentage of waste products sent for recycling. Organisations should also aim to find alternative kinds of fuel (shredded waste paper, cardboard, textiles) and energy (wind energy, water energy), thus saving fossil fuel for future generations and decreasing greenhouse gas emissions.

According to Ketola (2010:490), there is no denying the fact that some microalgae systems can be designed specifically as one of the methods of wastewater treatment. It is also widely

accepted that comparing agriculture-based biofuel, microalgae-derived biofuel can significantly improve water quality since limited fertilizers that are easily dissolved in rainwater or runoff are needed to be applied to increase biomass yields. First of all, a company should be located where harmful effects on the environment can be minimised, where least waste is generated, close to distribution centres, or far away from protected natural areas. Secondly, companies should aim to minimise the negative environmental impact from transportation by reducing car and lorry haulage and choosing other means of transportation (such as rail or sea) or optimising routes (Pedrini *et al.*, 2011). Finally, companies can contribute to overall sustainable development through involvement in ecological activities and programs and cooperation and partnerships with environmental organisations for example, the WWF and UNEP).

Vashechenko (2015:44), went on to state that the typologies do not allow exploring how an organisational CSR portfolio, which reflects CSR decisions, evolves – whether any changes in the type of CSR activities and initiatives can be found, whether companies address economic, environmental and social aspects differently, and whether companies become more holistic in their CSR efforts over time. According to Baric (2017:133), globalisation, the strong development of information-communication technologies, and the emergence of new burning challenges for the global communities enabled the concept of Corporate Social Responsibility to be perceived as a business model that allows for successful differentiation of companies, as well creating sustainable competitive advantage.

According to D’Amato *et al.* (2009:01), the quality of relationships that a company has with its employees and other key stakeholders (such as customers, investors, suppliers, public and governmental officials, activists, and communities) is crucial to its success, as is its ability to respond to competitive conditions and Corporate Social Responsibility (CSR). Therefore, corporate responsibility or sustainability is a prominent feature of the business and society literature, addressing business ethics, corporate social performance, global corporate citizenship, and stakeholder management (D’Amato *et al.*, 2009:02).

Table 2.6 below shows the organisational CSR portfolio- environmental with categories for CSR Initiatives/activities, examples of CSR initiatives/activities in the categories and the researchers responsible for these categories.

Table 2.6: Organisational CSR portfolio- environmental

Categories for CSR initiatives/activities	Examples of CSR initiatives/activities in the categories	Adapted from
1) energy & water consumption	<ul style="list-style-type: none"> • managing direct & indirect consumption • controlling discharge • organizing recycling • employing alternative energy sources 	<i>Sotorrio and Sanchez (2008), Ketola (2010), Baumgartner and Ebner (2010), Pedrini and Ferri (2011)</i>
2) emission & other waste	<ul style="list-style-type: none"> • managing emission (greenhouse gases, NO, SO, etc.) • preventing ecological catastrophes, spills, etc., occurring due to industrial activity • controlling waste • organizing recycling 	<i>Sotorrio and Sanchez (2008), Ketola (2010), Baumgartner and Ebner (2010), Pedrini and Ferri (2011)</i>
3) materials/ resources/other objects used	<ul style="list-style-type: none"> • ensuring quality • ensuring ecological safety • ensuring recyclability • using recycled materials & objects • managing use and recyclability of packaging materials 	<i>Baumgartner and Ebner (2010), Pedrini and Ferri (2011)</i>
4) impact of products/services impact	<ul style="list-style-type: none"> • minimizing negative ecological impact (from usage) • managing recycling (at end of the life cycle) • managing use and recyclability of product packaging 	<i>Welford et al. (2008), Baumgartner and Ebner (2010), Pedrini and Ferri (2011)</i>
5) location & transportation	<ul style="list-style-type: none"> • controlling land, water & habitats affected by industry (biodiversity) • minimizing transportation of products, materials and people 	<i>Sotorrio and Sanchez (2008), Ketola (2010), Baumgartner and Ebner (2010), Pedrini and Ferri (2011)</i>
6) other environmental activities	<ul style="list-style-type: none"> • “green” donations • participating in ecological projects • supporting environmental NGOs 	<i>Welford et al. (2008), Ketola (2010), Pedrini and Ferri (2011)</i>

Source: Pedrini *et al.* (2011:175)

According to Vishchenko (2015:44), the theoretical and empirical studies presented above indicate various approaches in defining the scope of CSR and describing CSR constituents, and these approaches differ in the number of CSR elements (from three to fifteen) and in the content of those elements as well as in the extent of elaboration.

Table 2.7 below shows organisational CSR portfolio-economic with categories for CSR Initiatives/activities, examples of CSR initiatives/activities in the categories and the researchers responsible for these categories.

Table 2.7: Organisational CSR portfolio- Economic

Categories for CSR initiatives/activities	Examples of CSR initiatives/activities in the categories	Adapted from
1) quality & safety of products/services	<ul style="list-style-type: none"> • ensuring quality (including raw materials used) and safety in use (including related customer training) • contributing to sustainable development (long-lasting product usage/increasing customers' welfare/etc.) • dialogue with customers 	<i>Welford et al. (2008), Sotorrio and Sanchez (2008), Pedrini and Ferri (2011)</i>
2) long-term partnership with suppliers	<ul style="list-style-type: none"> • setting requirements • training & communication • cooperation and support (including investing in) with suppliers (including local & minority groups) 	<i>Welford et al. (2008), Pedrini and Ferri (2011)</i>
3) long-term partnership with other business partners	<ul style="list-style-type: none"> • setting requirements • training & communication • cooperation and support (including investing in) with other business partners (contractors, competitors, distributors, universities, etc. – including local & minority groups) 	<i>Welford et al. (2008)</i>

Source: Pedrini *et al.* (2011:175-187)

Table 2.8 below shows an organisational CSR portfolio-social consisting of categories for CSR initiatives/activities, examples of CSR initiatives/activities in the categories and the authors responsible for these categories.

Table 2.8: Organisational CSR portfolio- social

Categories for CSR initiatives/activities	Examples of CSR initiatives/activities in the categories	Adapted from
1) employee safety & health	<ul style="list-style-type: none"> • dealing with working conditions & safety training • dealing with health programs & policies • dealing with fatalities & diseases 	<i>Welford et al. (2008), Sotorrio and Sanchez (2008), Baumgartner and Ebner (2010), Pedrini and Ferri (2011)</i>
2) employee education & development	<ul style="list-style-type: none"> • managing job-related training programs • managing career development & assessment programs • creating environment & motivation for learning 	<i>Sotorrio and Sanchez (2008), Baumgartner and Ebner (2010), Pedrini and Ferri (2011)</i>
3) retention, satisfaction & fair treatment of employees	<ul style="list-style-type: none"> • supporting staff stability, motivation, satisfaction & involvement • providing competitive salaries/financial support • ensuring non-discrimination & equal opportunities 	<i>Sotorrio and Sanchez (2008), Ketola (2010), Baumgartner and Ebner (2010), Pedrini and Ferri (2011)</i>
4) additional workforce-related responsibility	<ul style="list-style-type: none"> • supporting employees' families • introducing retirement programs • introducing educational programs (universities, schools, etc.) for potential employees 	<i>Sotorrio and Sanchez (2008)</i>
5) ethical principles & human rights	<ul style="list-style-type: none"> • excluding child labor, forced labor, bribery & corruption, personal information disclosure • supporting business ethics (anti-monopoly, fair price) • providing relevant ethical training for employees 	<i>Welford et al. (2008), Sotorrio and Sanchez (2008), Ketola (2010), Baumgartner and Ebner (2010), Pedrini and Ferri (2011)</i>
6) local community relationship & philanthropy	<ul style="list-style-type: none"> • supporting local communities • developing local infrastructure • providing business-related & other donations • involving employees • cooperating with NGOs 	<i>Welford et al. (2008), Sotorrio and Sanchez (2008), Ketola (2010), Baumgartner and Ebner (2010), Pedrini and Ferri (2011)</i>

Source: Pedrini *et al.* (2011:175-187)

Where a company has CSR categories mentioned in Table 2.8 above, it stands to reap or benefits from CSR initiatives mentioned in the second column of Table 2.8. An organisation should provide appropriate working conditions (following health and safety norms and

standards), promote health among its employees, develop their skills and knowledge and encourage them to participate in organisational decision-making (Vashchenko, 2015:48).

The proposed organisational CSR portfolio includes all main CSR constituents that can help allocate organisational time and resources to various CSR components while avoiding asymmetry in the organisational CSR efforts, can help to cover a holistic perspective on economic, environmental and social dimensions (Vashchenko, 2015:49). Carroll (1979:497) suggests a social responsiveness continuum that ranges from doing nothing to doing many responses to characterise the extent to which managers can react to the social expectations of their environment. According to Lindgreen *et al.* (2010:11), A corporate strategy for social responsiveness might be reactive, defensive, accommodative or proactive.

A reaction strategy features resistance or opposition, including fighting against a stakeholder's interests or completely withdrawing and ignoring the stakeholder. In contrast, a defensive strategy addresses stakeholders' expectations "to escape being forced into it by the external forces" (Joyner & Payne 2002:300), such as legal, regulatory or social pressures. In contrast, accommodation is a more active mode, where the organisations address social issues that exist, take responsibility for problematic behaviours and act positively to rectify them Lindgreen *et al.* (2010:12). The organisations that adopt a voluntary approach to handling social issues act before forcing them to do so by outside forces. Lastly, proactivity involves doing a great deal to address a stakeholder's issues, including anticipating and actively specific concern or leading an industry effort (Jawahar & McLaughlin 2001:400). Lindgreen *et al.* (2010:12) concluded that a proactive organisation moves to prevent potential issues constructively and resolve latent problems or protect against unethical behaviour.

The above three pillars of CSR, economic, social and environmental, have been emphasised by most researchers and academics, solidifying the importance of CSR in the contemporary world that encourages MNCs to acknowledge and offer assistance to the developing world in furtherance of human economic development. But considering CSR as an opportunity rather than damage control or a PR campaign requires dramatically different thinking (Porter & Kramer 2006:91), so in the CSR cultural embedment phase, acknowledging the crucial links between CSR and innovation becomes vital a key element of the CSR development process.

2.13 THEORIES SHAPING CSR

2.13.1 Introduction

The following section discusses different theories that were involved in shaping CSR since the early 1960s. The Classic Theory is discussed as one of the first theories by pioneer theorists like Friedman and Carroll that indicated that businesses would operate for making a profit for the benefit of their shareholders only.

2.13.2 The Classic Theory

Stutz (2018:18) cited Carroll (1979, 1991, 2016) as one of the first pioneer classic theorists who wrote extensively about the Classic Theory. Stutz (2018:18) described CSR as economic, legal, ethical, and discretionary responsibilities to local communities and their environment. The classical theorists argued that the responsibility of business is shareholders' wealth maximisation, and social welfare should be the government's responsibility (Stutz, 2018:18). Therefore, the above classical view shows that the purpose of business operations is to make a profit for its shareholders only. Garcia-Madariaga and Rodriguez-de-Rivera-Cremades (2010:05) cited Milton Friedman when he published one of his most famous articles in The New York Times Magazine, entitled "The Social Responsibility of Business is to Increase its Profits." In this article, Friedman argued that the only objective of firms was to increase profits for their shareholders, and they consider any other aim an action against owners' interests.

2.13.3 Institutional Theory

According to Suddaby (2013:384), the institutional perspective is broad. It comes in different variations with different foci, sets of constructs, explanatory mechanisms and levels of analysis, resulting in its application on MNCs being limited. Regardless of such limitations, more information in the international management area has uncovered a chunk of the theory that advances the central notion that organisations are socially embedded in their institutional environments. Katsikas (2017:27) described the institutional theory as a wide range of different views of organised human behaviour with the common assumption that human action is in some way constrained by social structure, which is the product of past social interactions. According to the fundamental assumption of agency theory, a huge board has greater and better monitoring capacities. Thus, it is regarded as an effective governance factor in monitoring management's performance (Riyadh *et al.* 2019:3).

Figure 2.3: Institutional Players determining CSR Activity of an Organisation



Source: Cox *et al.* (2012:73)

According to Narayan *et al.* (2012:97), there are broadly two streams of literature seeking to explain CSR activities, namely the ethical arguments that emphasises CSR to be a selfless, altruistic activity that involves ethical obligations of going beyond the interests of organisations even if it results in unproductive resource expenditure for the company. On the other hand, instrumental arguments explain CSR as a purposive activity involving benefits in the long-term, rectifying past mistakes, and lessening the repercussions of future mistakes. Though CSR as a concept has gained immense popularity, there is a lack of agreement on what it means:

different expectations from different stakeholder groups, standards, and practices lead to a fragmented understanding of CSR (Narayan *et al.* 2018:98). Under the Institutional theory CSR, the organisational context deals with CSR projects, thereby embarking on institutional norms that acquire legitimacy for the organisation. Narayan *et al.* (2018:98) cited Brammer, Jackson and Matten (2012:08), and also Kang and Moon (2012:16) as saying, Institutional theory CSR is where the factors influencing organisational action include pressure from stakeholders and the relationship between institutional norms and organisational legitimacy.

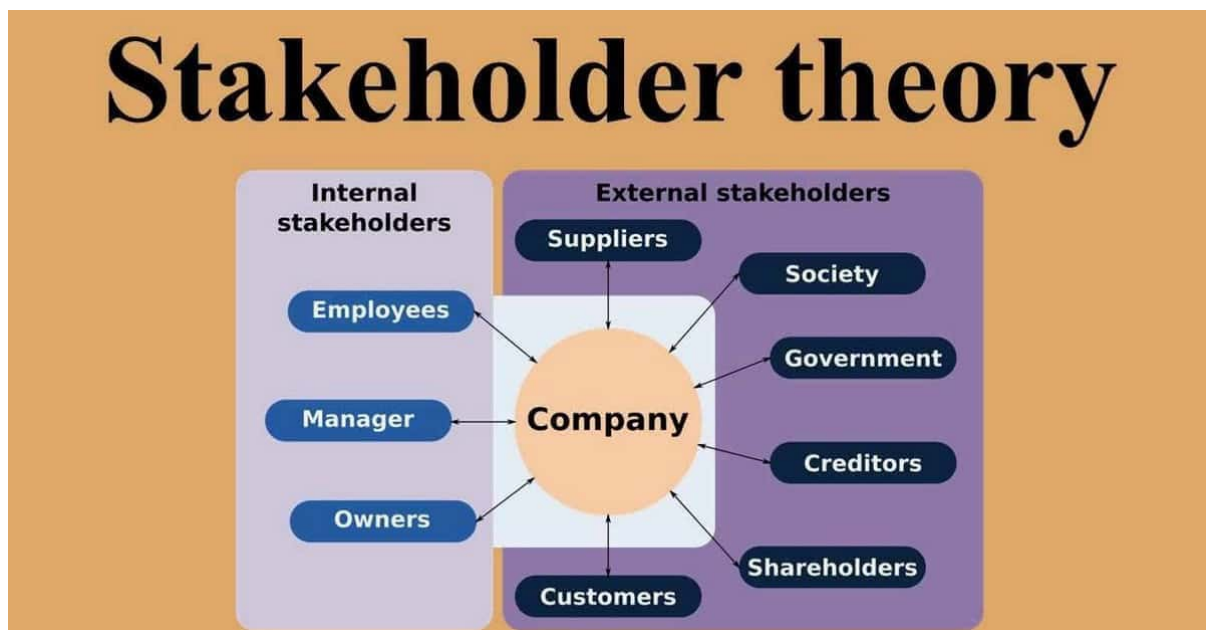
According to Mahmood, Kouser and Masud (2019:3), organisations exist in the institutional environment that deals with how social expectations are incorporated into the decision-making environment. After that, they define different internal and external forces of the society and organisation along with rules and regulations used for legitimacy seeking. The institutional environment is incorporated with different organisational elements through the process of isomorphism, which is the combination of coercive, mimetic and normative pressure that ensures organisational commitment and strategy for societal expectations and organisations' growth (Mahmood, (2019:03).

2.13.4 Stakeholder Theory

Stakeholder theory defines the relationship of different stakeholders (e.g., shareholders, customers, suppliers, creditors, civil society, media, and government) with the organisation, and different stakeholders are considered the most powerful resources of the organisation as they influence the decision process (Mahmood *et al.*, 2019:3). According to Freeman and Dmytriiev (2017:09), Stakeholder theory posits that the essence of business primarily lies in building relationships and creating value for all its stakeholders, even if the composition of stakeholders may be different from one company to the other and business model. The main stakeholders found in business environments include employees, customers, communities, suppliers, and financiers (owners, investors) (Freeman & Dmytriiev, 2017:9). Sustainability reporting is a strategic approach of the organisation that denotes stakeholder's participation and reduces information asymmetry (Mahmood *et al.*, 2019:03). The stakeholder theory states that, a business organisation is a social institution responsible for both internal and external stakeholders and that understanding the perspectives of social actors who affect or can be affected by a company's operations and policies is crucial for the design of effective and appropriate policies (Mutti *et al.*, 2011:213). The social approach suggests that a business is a

part of society and responsible to society as a whole, which satisfies society's needs constructively. Nikolova and Arsić (2017:24) stated that stakeholder theory involves employees, suppliers, customers, the media, local communities, and NGOs. They could be the source of new ideas and opportunities. According to Sachs and Rühl (2011:103), stakeholder interests are inseparably connected in a value creation system in which each stakeholder, value and firm's performance provides resources or influence in exchange for some combination of tangible and/or intangible goods. The CSR practices are based on the stakeholder's value-oriented system. The stakeholder approach indicates that a business is responsible to its owners and has obligations to other stakeholders, such as those mentioned in the figure below (Nikolova and Arsić, 2017:24).

Figure 2.4: Stakeholder theory



Source: Nikolova and Arsić (2017:24)

2.13.5 Legitimacy Theory

According to Mahmood (2019:04) Legitimacy theory defines the social construct between society and organisation, and doing business in the society, firms have to follow the social norms, values and rules. Otherwise, it might face legitimacy threat. Legitimacy also indicates which resources a firm prefers the community and the management might support that. Watts, Fernie and Dainty (2019:08) mentioned that legitimacy theory has previously been used to provide an explanatory insight into the decisions of organisational actors motivated by

legitimacy seeking behaviour. This theory is used in several studies to understand different facets of CSR better and provides a lens to evaluate organisational decisions in their attempts to gain and maintain legitimacy in the eyes of stakeholders. The three forms of legitimacy are:

- **Pragmatic Legitimacy**

This focuses on the practical consequences that arise from exchanges between organisations and stakeholders. It can be further subdivided into three subcategories of legitimacy where: (1) the organisation develops practices they believe will lead to legitimacy (exchange legitimacy), (2) stakeholders believe organisations are acting for wider interests (influence legitimacy), and (3) stakeholders perceive the organisation as having an image associated with genuine societal concern (dispositional legitimacy). It is clear that all three forms of pragmatic legitimacy involve beliefs and perception and, as such, are susceptible to manipulation. It argued that there is a durability pendulum with pragmatic legitimacy being the easiest to obtain but the least durable (Watts *et al.* 2019:08).

- **Moral Legitimacy**

This is achieved where the stakeholder(s) perceives an organisation to be fundamentally doing the right thing, and its subcategories are where: organisations are judged on what they achieve (consequential legitimacy), where socially accepted techniques and practices are adhered to (procedural legitimacy), if its resources can achieve its goals (structural legitimacy), and evaluations are made about those in charge of the organisation (personal legitimacy) (Duff, 2017:06).

- **Cognitive Legitimacy**

This is when stakeholders believe an organisation's motivations mirror their own. Cognitive Legitimacy comprises of comprehensibility where the organisation structures itself in an understandable way to intended stakeholders. When taken for granted, it refers to how stakeholders view the organisation as one of the only available to deliver the service they need. Usually cognitive legitimacy is the hardest to achieve yet the most durable (Belal and Owen, 2015). It is arguably because it operates subconsciously and requires longer-term deep-rooted practices to influence (Watts *et al.*, 2019:08). One study that considers how the categories of legitimacy influence organisational behaviour was conducted by Duff (2017:06) who found evidence of organisations successfully maintaining legitimacy through CSR. Although Duff (2017) fails to

explore the organisational ramifications of maintaining such legitimacy, some organisations use CSR reports to legitimise their operations. Hence it is unclear whether such perceptions are based on symbolical or substantive practices, and equally unclear how this once achieved legitimacy, then impacts future CSR reporting and practice.

According to Schrempf-Stirling *et al.* (2016:702), legitimacy theory responds to environmental pressures involving social, political and economic forces to achieve legitimacy. Burley and Popa (2013:1579) defined legitimacy as a generalised perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs and definitions. Stirling *et al.* (2016:705) mentioned that we could not dismiss the possibility that members of other cultures or future generations may conclude that we were wrong. Legitimacy theory is believed to be a mechanism that supports organisations in implementing and developing voluntary social and environmental disclosures to fulfil their social contract that enables the recognition of their objectives and survival in a jumpy and turbulent environment (Burlea *et al.* 2013:1579).


2.13.6 Instrumental Theory

Nikolova *et al.* (2017:28) state that the instrumental theory describes a situation where the corporation is seen only as an instrument of wealth creation, and its social activities as a tool to achieve economic results and to maximise shareholder value. The Instrumental theory posits that CSR is part of the business strategy for the sound image, public relations ploy, and the firm's competitive advantage. According to Porter and Kramer (2013:11), CSR consists of firms' actions to become environmentally and socially sustainable beyond their legal obligations.

The Instrumental theory is reflected in the works of Bhattacharya (2012:934) and Rahizah *et al.* (2011), where the CSR initiatives are done as a way of strategically gaining competitive advantage and consequently, companies that embark on CSR projects are strategically believed to be superior to those that do not.

Figure 2.5: Instrumental theories

Instrumental Theories		
Types of theory	Approaches	Short description
Instrumental theories (Focusing on achieving economic objectives through social activities)	<ul style="list-style-type: none"> ▪ Maximization of shareholder value 	<ul style="list-style-type: none"> ▪ Long term value of maximization
	<ul style="list-style-type: none"> ▪ Strategies for competitive advantage 	<ul style="list-style-type: none"> ▪ Social investment in a competitive context ▪ Firm’s view on natural resources and its dynamic capabilities
	<ul style="list-style-type: none"> ▪ Cause-related marketing 	<ul style="list-style-type: none"> ▪ Altruistic activities socially recognized as marketing tool


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Source: Nikolova and Arsić (2017:28)

Under the Instrumentary theory, an organisation focuses on achieving economic objectives through social activities to maximise the shareholders' value. According to Nikolova and Arsić (2017:28), the Instrumental theory is where the corporation is seen only as an instrument of wealth creation and its social activities as a tool to achieve economic results. The only purpose of an organisation expected is to increase business profit as its social responsibility to attain economic results. Under a free market system, an organisation is only expected to increase shareholders’ profit as long as they remain under open and free competition. Nikolova *et al.* (2017:28) stated that this group of theories includes:

- Maximising shareholder value takes shareholder value maximisation as the supreme criterion for corporate decision-making. A decision should be made if it increases of shareholder value, as long as it is within the limits of laws, while any social demand should be rejected if it only imposes a cost on the company. As mentioned before, this

does not exclude taking into account the interests of stakeholders. The term enlightened value maximisation specifies the idea that the company could maximise shareholder value in the long-term by taking care of the interests of the stakeholders.

- The strategies for achieving competitive advantages are discussed below. According to Nikolova *et al.* (2017:28), This group of theories includes three approaches:
 - Social investments in a competitive context. The supporters of this approach argue that investing in philanthropic activities may be a way to improve the context of competitive advantage for a firm and usually creates greater social value than individual donors or governments can.
 - Natural resource-based view of the firm and dynamic capabilities. This approach maintains that the ability of a firm to perform better than its competitors depend on the unique interplay of human, organisational, and physical resources over time and on the organisational and strategic routines by which managers acquire, modify, integrate, and recombine those resources to generate new value-creating strategies.
 - Strategies from the bottom of the economic pyramid, which some authors suggest, should be seen as an opportunity to innovate rather than as a problem. A specific means of tackling the issue is disruptive innovation, that is, products or services that do not have the same capabilities and qualities as those being used by customers in the mainstream markets and thus can be introduced only for new or less demanding applications among non-traditional customers, with low-cost production and adapted to local needs.
- Cause-related marketing aims to boost company revenues and sales or enhance customer relationships by associating the brand with the ethical or social responsibility dimension.

2.13.7 Agency Theory

According to Braun and Guston (2003:303), the principal-agent literature deals with a specific social relationship; this means delegation where two actors are involved in exchanging resources. The principal is the actor who disposes of several resources but not those appropriate to realise the interests, for example, has money, but not the relevant skills. The principal-agent relations, like ‘cheating’ or, as is often said, ‘shirking’ by the agent, may happen because the agent usually has an informational advantage vis-à-vis the principal (Braun & Guston,

2003:303). The agency theory, as reflected in the works of Alvarez, Lorenzo and Sanchez (2011:1711), expresses the relationship between the agents (managers) and the principals (shareholders, investors) where the principals engage the managers to perform some task on behalf of the principal. Agency theory further discusses the relationship between the owners (principals) and managers (agents) and also problems that are likely to surface due to the separation of owners and managers responsibilities and emphasises the reduction of such problem and the theory helps in implementing the various governance mechanisms to control such conflict (Panda & Leepsa 2018:76). According to Andrijasevic and Pasic (2018:1), agency problems generate agency costs, consequently leading to reduced efficiency of corporate governance and the downfall of company market value. There are three theoretical level agency problems which are:

- Conflict of interests between shareholders and management results from dispersed shareholding and inability of shareholders to affect the management than separation of governance from ownership.
- Conflict of interests of the majority shareholder and minority shareholder is solved by promotion of rights of minority shareholders.
- Problem-related to the issue of non-interest of shareholders or multi-interest concept of a company (corporation) with several different holders of interest (risk) (Panda, 2018:1).

Figure 2.6 below shows a diagrammatical interaction between the principals (shareholders) and the agents (managers). In most cases, the conflict is caused by vested interest between managers and owners on how to increase company profit. Such disputes can result in the business's negative performance, resulting in the business failing to meet its funding commitments towards social projects if it has.

Figure 2.6: Agency Theory Model



Source: Andrijasevic and Pasic (2018:01)

Table 2.9 below is a summary of the theories discussed in Figures 2.1 to 2.6 above. These CSR theories were each discussed to show how companies valued and implemented them differently.

Table 2.9: Summary of CSR theories

	Theory	Focus area	Outcome
2.13.1	Classic	a.Business increase shareholder wealth maximisation. b.Government provides social welfare.	a.Business limits social activities & apportions profits to shareholders. b.Institutions serve society and are liable for specific functions.
2.13.2	Institutional	a.Business is concerned with regulatory, social and cultural influences that promote its survival and legitimacy. b.Business manage society expectations and includes them in its business strategy.	a.Business is part of the society and social activities as part of business outcomes b.CSR used to create benefits, rectify mistakes and prevent future mistakes

2.13.3	Stakeholder	<p>a.Business create relationships and value for all its shareholders</p> <p>b.Business is a social institution responsible for both internal & external stakeholders.</p>	<p>a.Business is part of society and responsible to society as a whole.</p> <p>b.Business is responsible to its owners and also has obligations to other stakeholders.</p>
2.13.4	Legitimacy	<p>a.Business uses social norms, values and rules to acquire its legitimacy</p> <p>b.Exchanges between stakeholders and businesses result in exchange legitimacy.</p>	<p>a.Business structures organised for the benefit of its stakeholders</p> <p>b.Voluntary social and environmental disclosures to fulfil a business social contract for its survival.</p>
2.13.5	Instrumental	<p>a.Business is for wealth creation and social activities are used as a tool to achieve economic results (increasing profits) and maximise shareholders' value.</p> <p>b.Business use cause-related marketing activities to boost company revenues.</p>	<p>a.Businesses that embark on CSR projects are believed to be superior to those that do not.</p> <p>b.CSR is used as a business strategy for sound image, public relations, and competitive advantage.</p>
2.13.6	Agency	<p>a.Discussion of relationship between owners and managers.</p> <p>b.Implementation and control of agents' action.</p>	<p>a.Agents costs due to varying opinions to achieve the same task.</p>

Regarding company responsibilities toward employees and customers, CSR mainly focuses on ethical labour practices and environmental efforts, while stakeholder theory tries to embrace company responsibilities toward these stakeholders in full, as well as the stakeholders' responsibilities towards the company and its other stakeholders (so the responsibility is multi-directional) (Freeman & Dmytriiev, 2017:10). The institutional theory believes the

organisation to be a social institution that works for the common good of the firm to remain successful.

The researcher's understanding of the various definitions and opinions about CSR mentioned above shows that CSR can both mean and be interpreted differently by many people depending on how they intend to include it in their strategic intent and apply it in their operations. In simple terms, CSR means different things to different businesses and communities which might be influenced by, culture, religion and governmental or legal framework which are all designed to work together to protect social and environmental matters in areas where the particular organisation is operating from.

2.14 CORPORATE SOCIAL RESPONSIBILITY APPLICATION AND MODELS

In recent years, concerns about businesses' sustainability and social responsibility have become an increasingly high-profile issue in many countries and industries, including the mining industry. CSR concerns have become a high-profile issue because there has been an increase in the social awareness of what role companies can play through CSR. According to Rosil, Said and Fauzi (2015:156), CSR can provide benefits in risk management, cost savings, access to capital, customer relationships, human resource management, and innovation capacity. The awareness seems to have also increased CSR disclosure expectations on companies. Jenkins and Yakoleva (2008:5) emphasised the increasing need for individual companies to justify their existence and document their performance by disclosing social and environmental information as part of their CSR programme. The mining sector is further weighed down by the argument that the discovery, extraction and processing of mineral resources are mostly environmentally and socially disruptive activities undertaken by businesses (Jenkins & Yakovleva 2008:20).

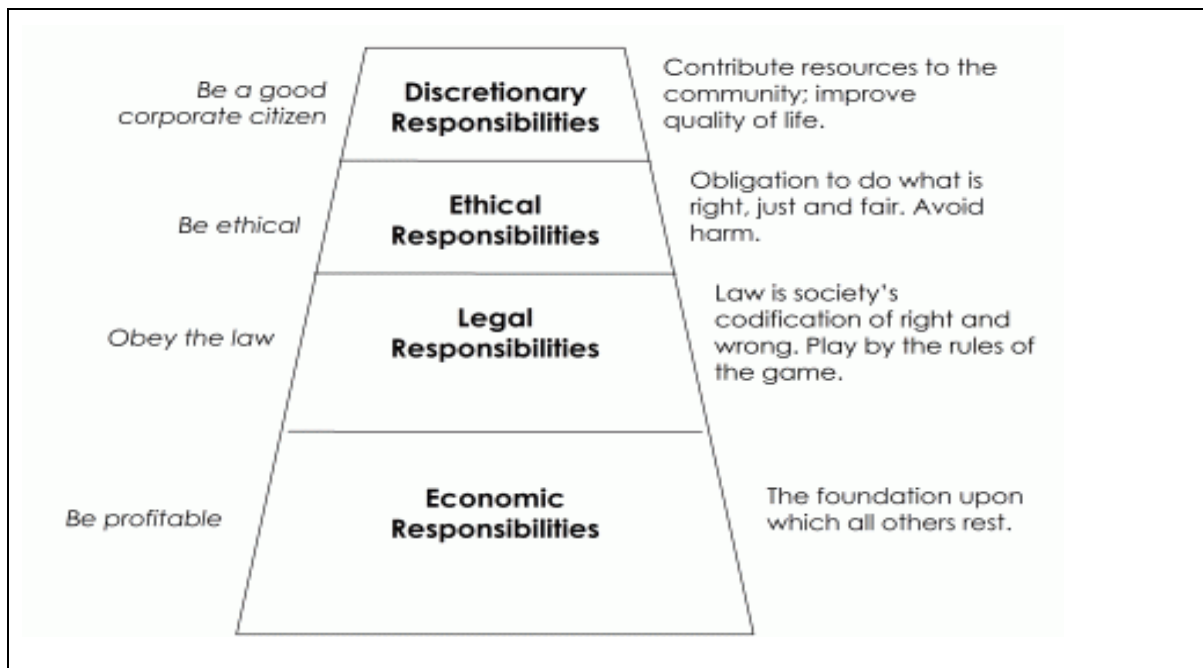
The pressure to justify the existence of mining companies in a community is more realistic than before with mining companies investing more in obtaining social licences and legitimacy. Subsequently, there has been pressure by environmental groups on the government to regulate mining companies' activities as societies are getting dissatisfied with the CSR performance claims of mining companies. The effect of regulatory pressure is to shift the scope and definition of CSR if considered that the CSR activities are beyond the company's requirements. Corporate social and environmental disclosure varies from country to country due to differences in accounting regulations, government actions, national culture, economy, pressure groups, and the severity of social and environmental problems (Jenkins, 2006:11). Klopper and

Fourie (2013:3419) stated that South African businesses prefer corporate social investment (CSI) instead of CSR within the South African context. The preferences are motivated by the desire not to be associated with the injustices of the apartheid past. If proven to be factual, the perspectives of South African businesses and the gold mines in the Klerksdorp area profoundly affect the role and nature of CSR activities in the area. Various theories that shaped CSR are discussed in the next section.

2.15 CSR MODELS

In recent years, the term corporate social performance (CSP) has emerged as an inclusive and global concept to embrace Corporate Social Responsibility, responsiveness, and the entire spectrum of socially beneficial activities of businesses (Carroll,1991:03). Carroll (1991:03), went on to add that the focus on social performance emphasises the concern for corporate action and accomplishment in the social sphere. From a performance perspective, it is clear that firms must formulate and implement social goals and programs and integrate ethical sensitivity into all decision-making, policies, and actions. With a result focus, CSP suggests an all-encompassing orientation towards standard criteria by which we assess business performance to include quantity, quality, effectiveness, and efficiency. Three distinct CSR models, the CSR pyramid, intersecting circles and concentric circles models, have emerged in the literature as the most used in CSR discussions. The CSR pyramid model by Carroll was propounded in 1991 to explain why and how organisations meet their social responsibilities. Carroll's pyramid model suggests that CSR activities are implemented by companies hierarchically, starting by satisfying the economic, legal, ethical and philanthropic responsibilities in that sequence, as illustrated in Figure 2.7 below.

Figure 2.7: CSR pyramid model

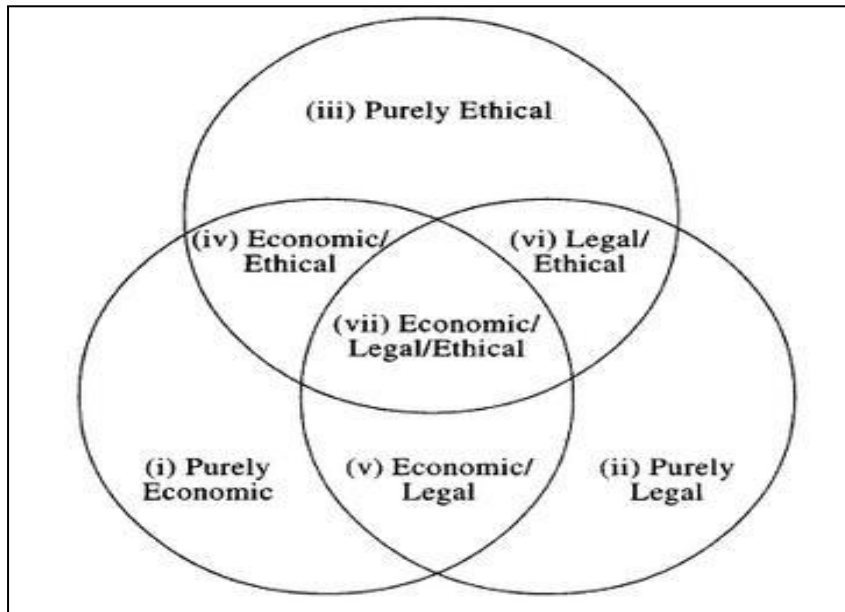


Source: Carroll (1991:42)

The Carroll pyramid model suggests that businesses that are not economically viable may not embark on CSR activities. Carroll's CSR pyramid (1991:42) is one of the original models that explains the four levels that explain the different responsibilities at each level and their importance. According to Carroll, four kinds of social responsibilities that constitute total CSR are economic (make a profit), legal (obey the law), ethical (be ethical) and philanthropic (be a good corporate citizen). Carroll's pyramid model stands in sharp contrast to the contemporary perspective on CSR, which suggests that legal, ethical, social and environmental obligations are obtained at the point of establishing the business regardless of the economic fortunes of the business.

A critical implication of the pyramid model is the positive relationship between CSR and corporate financial performance (CFP), which stresses that the economic component is the foundation upon which all others rest. Another implication of the pyramid model is that economically viable companies do CSR activities. This excludes small businesses that might not be experiencing success during the inception of such business. According to Visser (2017:39), in a country like South Africa, business is being actively encouraged (and in some cases required) to redress the inequities of the past, economic contribution takes on the added dimension of black economic empowerment and employment equity (affirmative action).

Figure 2.8: The Three-Domain Model of Corporate Social Responsibility



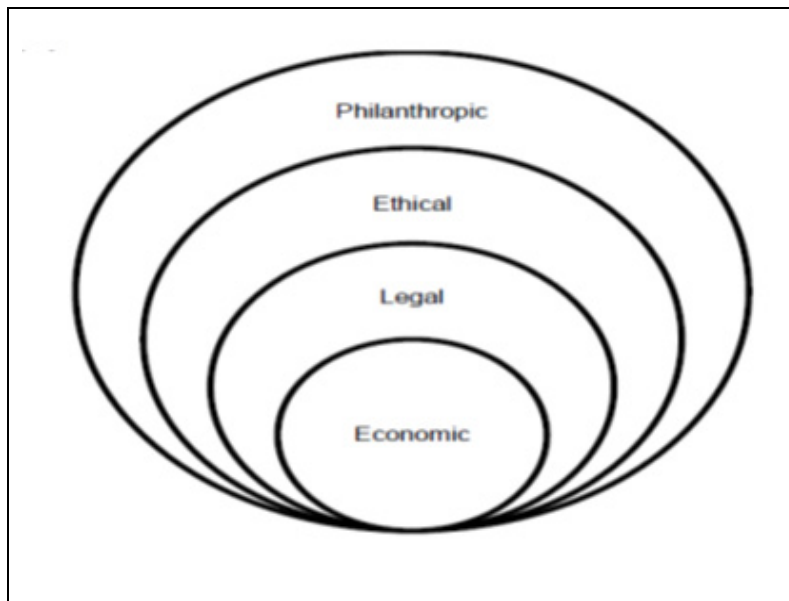
Source: Schwartz and Carroll (2003:509)

According to the intersecting circle (IC) model, all CSR activities are equally important and are not determined by the performance of the business. The IC model is different from the Carroll pyramid model because it does not follow the hierarchical order of its four domains. This model rather approaches the strategies that differ mainly due to varied perspectives on whether to put social benefits on the forefront or financial profits (Kanji & Agrawal 2016:141). The IC model consists of three intersecting economic, legal and moral responsibilities, and there is a competition between economic activity (profit-making) and social activity. Although the purpose of the business is to make some profit, the social element plays a pivotal role through its support to the necessary acquisition of a social licence. If the three circles that make up the intersecting circles model are converted into a Venn diagram, seven categories or classes are formed, which are a combination of the dominance of either economic, legal or moral (ethical) responsibilities (Kanji *et al.* 2016:141). According to the IC models, socially responsible managers are expected to make profits, obey the law, and be ethical at the same time without following any established sequence (Kanji *et al.*, 2016:141). Schwartz and Carroll (2003:520) mentioned that the inherently conflicting nature of the various ethical principles could result in serious difficulties in attempting to classify motives or activities as ethical. For example, activities such as affirmative action and insider trading have received significant debate as to their ethical nature

The IC model implies that the business' CSR practices and initiatives are often not isolated from operating units as well as its philanthropy activity. Under the IC model, the manager responsible for CSR may choose which CSR activity to pursue among the economic, legal or ethical without limitations. Schwartz *et al.* (2003:509) added that a corporation's actions would fall outside of the economic domain if: (i) they are not intended to maximise profit (or minimise loss) when a more profitable alternative exists, or (ii) they are engaged in without any real consideration of the possible economic consequences to the firm. In terms of the outcome or results, if the activity produces a decline in profits or share value, this may indicate a non-economic motive but may also merely represent a flawed business decision (and the action would still be considered to fall within the economic domain).

The IC model can suit all businesses (small, medium or corporations), depending on its scope and objectives. Therefore, there is a justification for the business to embark on CSR activities, despite their size, economic prospects, and view on environmental and social obligations. The IC model implies that gold mines in the Klerksdorp area would have implemented CSR activities as part of their daily operations irrespective of economic fortunes. By extension, therefore, the decline in mining activities should not change the profile of CSR activities any further than the current level of operations. However, the IC model overlooks the essential viability factor that drives the behaviour of most businesses. On that point, the pyramid model makes a more compelling and practical argument that, as long as a business is still battling the viability question, there might not be enough room for anything else, such as CSR projects.

Figure 2.9: Concentric cycle model (Con model)



Source: Kanji *et al.* (2016:141)

According to Kanji *et al.* 2016:141, the concentric circles model proposes that CSR activities pursue four CSR responsibilities, namely economic, legal, ethical, and philanthropic responsibilities. The economic domain is the core of the Con model. It covers the main scope of economic responsibilities, which include generating wealth to improve the nation's standard of living by supplying goods and services and selling them at fair prices, as well as providing employment and fair wages and eliminating poverty holistically within the societal domain, by engaging in CSR projects (Geva, 2014:24). The pyramid model, the Con model, uses its economic role as its primary activity to cater for its social responsibility and other domains. The fundamental assumption of the Con model is that of interdependence among its domains, while the pyramid and IC models usually reflect the tension between business and society.

Furthermore, the Con model indicates the relationships between business and society from two varying angles: outside-in and inside-out (Kanji *et al.* 2016:141). The movement from outside-in indicates the long-standing belief of social control that refers to society's need to impose some standards of behaviour on business activity to preserve the core function of business as an essential instrument for social progress. In contrast, the movement from the inner cycle outwards indicates the internalisation of social norms that are used by the business to strengthen its good image (Geva 2014:24). The company's commitment to social responsibility ensures improvement in the employees' performance, increases competitiveness, ensures the

organisations' long-term success, results in growth and development, and finally balances the social, economic, and environmental sections (Safarzad *et al.* 2017:38). The following paragraph discusses CSR within the South African context.

2.16 CSR WITHIN THE SOUTH AFRICAN CONTEXT

Before discussing CSR in South Africa, the research study will address the central question of what makes CSR in developing countries different from developed countries like America and Europe. Visser (2007:480) stated that, although such differences are not all unique to developing countries, together they build up a distinctive picture of how CSR is conceived, incentivised, and practised in emerging economies. According to Biletska (2014:14), main peculiarities between CSR practices can be distinguished among developed and developing countries:

- In developing countries, responsible activities are primarily associated with charity or corporate philanthropy through financing health, sport, environment, development, education and other community services. In contrast, in well-developed countries, the need in most of the mentioned above activities is obvious and sometimes even state-regulated. Therefore CSR practices are mostly customer- and employee-oriented.
- In developed countries, CSR tends to be more institutionalized or formalised in terms of CSR standards. In contrast, there are rarely CSR standards, reports, codes or management systems in developing countries – even if formal CSR practices are implemented. It is being done by large, high-ranking national and multinational companies, especially those aspiring to have global status. Besides, even if these standards or codes exist, they are applicable to particular industry types, such as agriculture, mining, and textile, or specific issues, like AIDS, supply chain, and fair trade.
- Economic commitments are supposed to be more effective for businesses to make a social impact in developing countries. It is introduced through job creation, technology transfer or investors' attraction.
- In developing countries, business is often involved in solving social problems, e.g. investing in infrastructure, hospitals, schools and housing. Contrary to that in developed countries, it is mainly the government's responsibility, thus not expected or demanded from companies.

- Social issues are given more economical, political or media emphasis in developing countries than stakeholder, environmental or ethical issues.
- The practice and spirit of CSR are often mentioned in the context of financial gains in developed countries. Developing ones are usually associated with traditional communitarian values and religious ideas, for instance, Ubuntu (African humanism) in South Africa.

Visser (2007:481) stated that while many believed that CSR is a Western invention (and this may be largely true in its modern conception), there is ample evidence that CSR in developing countries draws strongly on deep-rooted indigenous cultural traditions of philanthropy, business ethics, and community embeddedness. The CSR drivers were divided into internal drivers who refer to pressures from within the country and external drivers of global origin. Internal drivers refer to pressures from within the country, which are:

- Cultural Tradition - CSR in developing countries is believed to draw strongly on deep-rooted ethics and community embeddedness. Some of such traditions going back to ancient times, such as business practices in developing countries that practise Hinduism, Buddhism, Islam, for example. Christianity goes back thousands of years.
- Political reform - CSR in developing countries cannot be divorced from the socio-political reform process, which often drives business behaviour towards integrating social and ethical issues. While South Africa has made significant strides economically and politically since apartheid formally ended nineteen years ago and its Constitution was enacted seventeen years ago, it still faces many social challenges such as poverty, unemployment, and health care (Bussaca, 2013:44).
- Socio-economic Priorities- There is a belief that CSR in developing countries is most directly shaped by the socio-economic environment in which firms operate. The development priorities this creates, for example, Amaeshi *et al.* (2006:12) argued that CSR in Nigeria is specifically aimed at addressing the socio-economic development challenges of the country, including poverty alleviation, health care provision, infrastructure development, and education. This contrasts with many Western CSR priorities such as consumer protection, fair trade, green marketing, climate change concerns, or socially responsible investments.
- Governance Gaps - CSR is often seen as a way to plug the ‘governance gaps’ left by weak, corrupt, or under-resourced governments that fail to adequately provide various

social services (housing, roads, electricity, health care and education). There are also serious questions about the dependencies this governance gap approach to CSR creates, especially where communities become reliant for their social services on companies whose primary accountability is to their shareholders and such action might result force multinationals to their cut expenditure or disinvest from such a region if the economics dictates that they will be more profitable elsewhere.

- Crisis Response - Various kinds of crises associated with developing countries often have the effect of catalysing CSR responses, for example, economic, social, environmental, health-related, or industrial crises. Catastrophic events with immediate impact are often more likely to elicit CSR responses, especially of the philanthropic kind.
- Market Access - This notion underlies the now burgeoning literature on bottom of the pyramid strategies, which refer to business models that focus on turning the four billion poor people in the world into consumers. CSR can also be seen as an enabler for companies in developing countries trying to access markets in the developed world. This is especially relevant as more and more companies from developing countries are globalising and needing to comply with international stock market listing requirements, including various forms of sustainability performance reporting and CSR code compliance.

External drivers are those that tend to have a global origin:

- International Standardisation- Despite the debate about the Western imposition of CSR approaches on the global South. There is ample evidence that CSR codes and standards are a key driver for CSR in developing countries. As already noted, Baskin's (2006:34) survey of CSR practices in emerging markets indicates growing adoption rates of ISO 14001 and the Global Reporting Initiative's Sustainability Reporting Guidelines. Often, CSR is driven by standardisation imposed by multinationals striving to achieve global consistency among its subsidiaries and operations in developing countries.
- Investment Incentives- The belief that multinational investment is inextricably linked with the social welfare of developing countries is not a new phenomenon. Hence, socially responsible investment (SRI) is becoming another driver for CSR in developing countries. According to research by the African Institute of Corporate Citizenship (2002), the size of the South African SRI market in 2001 was already

1.55% of the total investment market. In a significant development, in May 2004, the Johannesburg Securities Exchange also launched its own tradable SRI Index, the first of its kind in an emerging market.

- Stakeholder Activism- In the absence of strong governmental controls over companies' social, ethical, and environmental performance in developing countries, activism by stakeholder groups has become another critical driver for CSR. In developing countries, four stakeholder groups emerge as the most powerful activists for CSR, namely development agencies, trade unions, international NGOs (Christian Aid), and business associations. Stakeholder activism in developing countries takes various forms, which Newell classifies as civil regulation, litigation against companies, and international legal instruments.
- Supply Chain- Another significant driver for CSR in developing countries, especially among small and medium-sized companies, is the requirements that are being imposed by multinationals on their supply chains, such as various ethical trading initiatives which led to the growth of fair-trade auditing and labelling schemes for agricultural products sourced in developing countries.

According to Sibanda (2018:78), major multinationals have extensive CSR portfolios in South Africa, including Anglo American, GM, Daimler Chrysler AG, DeBeers, Coca Cola, and HP. Many multinationals and local conglomerates in South Africa use a foundation as the vehicle for their CSR activities, such as Absa Foundation, Old Mutual Foundation, the MTN Foundation, and the Nelson Mandela Foundation. The South African government sanctioned an action plan for 2011-2014, namely the National Strategy for Sustainable Development (NSSD) to address concerns over sustainability in South Africa in partnership with universities, the business sector and other strategic key role players. In South Africa, the major driver of CSR after 1994 democracy has been the government by enacting various pieces of legislation designed for different sectors. According to Kabir (2015:284), in South Africa, other examples of major drivers of CSR are:

- The JSE, which sets standards in the CSR sector for listed companies.
- Trade Unions are also a strong driving force of CSR in South Africa. They play a significant role concerning labour law, working conditions, job allocation, employee benefits and HIV/AIDS medications distribution to employees.

- The state's role in terms of the direction of CSR in South Africa is broad because CSR pressure on South African companies comes mainly from political guidelines.
- Due to the experience from the legacy of the apartheid regime, BBBEE also plays a strong role in socio-economic development. BBBEE demands BBE companies to provide opportunities for historically disadvantaged groups regarding job allocation, access to equity stakes, and managerial positions. BEE enterprises follow the guidelines set out in the BBBEE framework and are rated based on the BBBEE scorecard. For instance, the BBBEE scorecard awards enterprises five points for socio-economic development.
- South African civil society organisations also have an influential voice regarding environmental protection, equal opportunities and human rights. For instance, AfriForum, a prominent civil society organisation in South Africa, adopted a civil rights charter to address freedom, equal rights and justice for all.
- Customers' views are also an important factor in South Africa. Many customers prefer to buy products from socially responsible companies. For example, a study by Institute for Corporate Citizenship (based at UNISA), shows that 22% of South African customers have purchased goods from a company based on its CSR reputation.
- The media/press also plays a key institutional role in South Africa by "providing avenues for stakeholders to exert pressure through political structures".

In South African organisations interpret what CSR means to them based on their own peculiar business requirements and the size of their organisation. For example, they measured or evaluated their CSR initiative by the companies' allocations or budgets for CSR and consequently referred to their CSR initiatives as corporate social investments (CSI). Anwana (2018:25) maintains that the country's frequent civil and labour unrest, if left unchecked, has the propensity to cause a decrease in private and foreign investment which, will ultimately harm and further weaken the economy and exacerbate the already existing social challenges. According to Anwana (2018:28), most South African firms, both new and old, including the mining companies before 1994 believed CSR was the responsibility of the government. Due to some constitutional changes after 1994, South Africa came up with various pieces of legislation that had a direct impact on the implementation of CSR within the South African economy, for example, the Broad-Based Black Economic Empowerment Act (B-BBEEAct), Employment Equity Act (EEA) and the Companies Act.

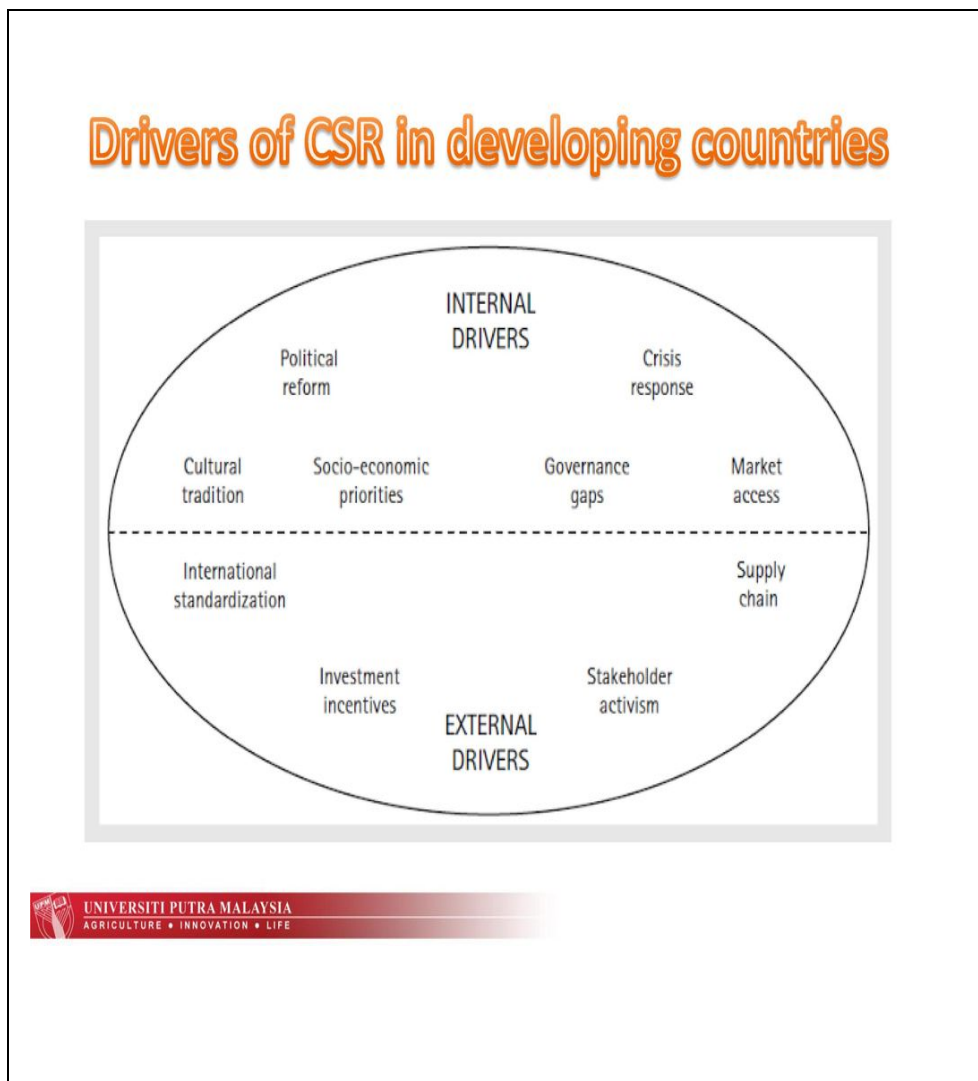
South Africa is the second richest country in Africa after Nigeria. However, South Africa is viewed as taking a leading role in defining and motivating CSR initiatives (Mathende & Nhapi 2017:143). Several policies and codes of conduct have elevated CSR to a more prominent position and role compared to other African countries. An important CSR issue in South Africa is black economic empowerment (BEE), established in 2003 as a legislative framework to redress the imbalances of the past by transferring more ownership, management and control of South Africa's financial and economic resources to the majority of its citizens. BEE, which has since been broadened to BBBEE, has been a significant driver in the initiation of CSR projects, especially in the area of socio-economic development (Chahoud *et al.*, 2011:40). According to Chahoud *et al.* (2011:41), the South African government has, as described above, adopted the approach of not leaving the process of transforming the economy entirely to corporations but of providing them with a semi-structured legal vehicle to guide activities and incentivise engagement and compliance

The scope of CSR in South Africa is not clearly defined and as such Agri BEE charter that guides CSR in the agricultural sector by companies such as Senwes Ltd, prefer CSI regarding programmes with a specific focus on youth, sports and job creation in the agricultural sector (Kloppers & Fourie, 2013:3425). A comparison of CSR to CSI indicator to Agri BEE falls short of a conclusion of the criteria of CSR attainment because there is no indication that the company should consider the development needs of its community or that the social concerns of the community should be addressed by Agri BEE (Kloppers & Fourie, 2013:3425).

On the other hand, the South African government prefers the companies to implement CSI, which the government is able to regulate according to the Companies Act. CSR is a voluntary action by companies. Therefore, there is no regulation to ensure that companies take responsibility for social and environmental needs to honour their commitment and that of society. Such action by corporations' results in them acquiring a social licence. Another reason why the South Africa government encourages CSI is that, regardless of noteworthy contributions by CSR philanthropy in social development, their lack of integration with core business strategy is always criticised (Hamann 2009:458). There is also the fact that social investment as corporate philanthropy creates problems because they are likely to ignore social and environmental issues in their operation actions since this is a voluntary action by the business without any obligation to do so.

In the Klerksdorp area, the gold mines could use either Carroll's pyramid or the Con model to implement the CSR programme, driven by the community's profitability or social needs. A relevant model of the CSR of gold mines in the Klerksdorp area was developed after data analysis was completed, where there was a shift of philanthropic responsibilities, from being the fourth in terms of importance to second after the profit responsibilities. Figure 2.10 below shows some drivers of CSR in developing countries.

Figure 2.10: Drivers of CSR in developing countries



Visser (2007:481)

2.17 THE SOUTH AFRICAN GOVERNMENT'S LEGAL, ECONOMIC CRISIS IMPACT AND OUTCOMES

In South Africa, organisations interpret what CSR means to them based on their peculiar business requirements and the size of their organisation. For example, they measured or evaluated their CSR initiative by the companies' budget allocations for CSR and referred to their CSR initiatives as corporate social investments (CSI). South Africa's CSI projects have become more focused on sustainable development issues, corporate governance issues and questions of public-private partnership in social development (Ndhlovu, 2011:74). According to Kabir (2017:03), companies are being urged to focus on CSR-related issues such as environmental, economic, ethical and other social issues besides the financial aspects because they are responsible for the impacts of their operational activities in the broader community, and it has been argued that CSR also derives from other factors such as government's inability to provide adequate social services, having different cultures within the society, and increase in pressures of globalisation and international trade.

The scope of CSR in South Africa is guided by various pieces of legislation like Agri BEE charter that produces guidelines of CSR in the agricultural sector. Most companies in this sector prefer to apply CSI in their programmes that focus on youth and sports and job creation in the agricultural sector. Other pieces of legislation deal with different types of industries like the DMR that produces guidelines for the operations of the mining sector through the Mining Charter, the Small, Micro and Medium Enterprises (SMMEs) or Broad-Based Black Economic Empowerment Act. South Africa in 2019, lost between R60 bn and R120bn and this cost the country for three or so years to recover. According to Anwana (2018:62), The Bill of Rights enshrines socio-economic rights for all South Africans, namely the right to an environment that is not harmful to one's health or well-being, right to adequate housing, provision of health care, food and water, and social security. However, despite these enshrined rights, many South Africans do not have access to any socio-economic rights or services mentioned in the Bill of Rights (Goldman Sachs 2013:3).

At the initial stages of CSI initiatives in South Africa, its implementation was mostly portrayed as corporate or strategic philanthropy, with emphasis on education and health care, particularly HIV/AIDS, as well as social welfare packages at both local and national levels. More recently, South Africa's CSI projects have become more focused on sustainable development issues,

corporate governance issues and questions of public-private partnership in social development (Anwana, 2018:28).

Despite the recent move of CSI from philanthropy to sustainability, the impact is yet to be felt by the larger South African populace, particularly previously disadvantaged citizens. In its attempt to ensure that businesses played a role in the socio-economic development of the country, the South African government embarked on legislative and economic reform policies aimed at creating CSR obligations for businesses where such obligations included increasing the participation of black people in the ownership of businesses, creating social and ethical obligations for companies to comply with and to create preferential job opportunities for black people through measures such as affirmative action (Ramlall 2012: 273; Reddy 2016: 467). The BBEEE Act defines the term black people to include all non-Whites and historically/previously disadvantaged individuals, and the definition broadly includes women, workers, youth, disabled and rural dwellers. Anwana (2018:37) cited Ramla (2012:271), saying that to fully understand the operation of CSR within the South African context, one must first examine the history and background of South Africa as a nation with its own peculiar complexities as well as the South African legal system.

2.17.1 Drivers of CSR Implementation

Usually, many factors in the business environment can act as drivers of CSR implementation in the contemporary global economy. Kusuma (2019:2) stated that in developing countries, many forces affect companies' implementation of CSR and in terms of the behavioural economics, which provides insights into the influences of not only economic factors on the company's rational decisions but also ethical and social factors on the company's decisions beyond the rationality of economic behaviour. One of the first economic perspectives that is neoclassical, business organisations had the sole aim of making profit, growth and maximising returns for the shareholders. In terms of this assumption, CSR activities would be appreciated only if they were generated for the firm and its shareholders. Some of such activities that the organisation could approve are those that increase the awareness of the product to its customers, and the company's image that would boost its sales. All the CSR activities that pursue the company's economic benefits are believed to be market-oriented activities. According to Anwana (2018:50), in South Africa, another developing country, CSI activities are motivated by factors such as:

- **Public relations management:** where a company undertakes CSI opportunistically with emphasis on the publicity that the company would generate, rather than on the social cause
- **Reputation focus:** a situation where companies would be seen to be doing good and may derive short-term goodwill from such programmes
- **Charitable giving:** a situation where companies make donations to an ad hoc range of causes that are difficult to track for their overall impact or effectiveness
- **Grantmaking:** a situation where companies award funds or certain host workshops but are unable to evaluate the project's impact
- **Social investment:** here a long-term project is identified, and there is a commitment to the project with a strong focus on returns
- **Social change:** where a company strives to improve a social condition without prioritising benefits for the business.

Benon-be-isan Nyuur *et al.* (2014: 103) studied factors that motivate CSR implementation in sub-Saharan Africa (SSA). South Africa was one of the six SSA countries featured in the study. The following nine factors were identified as drivers of CSR implementation in the SSA regions of Africa, namely:

- **Leadership and governance:** a situation where company executives identify CSR as a business case and are willing to incorporate CSR implementation into the strategic vision of the company
- **CSR policy framework:** the authors opine that where a company has a policy framework that clearly explains the business case of CSR within the organisation, it adds certainty to the direction of CSR, thus enabling stakeholders to buy into the company's vision
- **Availability of skilled CSR officials:** the authors contend that for effective CSR implementation to occur in a company, the company must have skilled personnel who will be able to communicate with stakeholders and initiate and execute CSR activities within the projected timelines, as well as meet the objectives and goals of the CSR project

- **Monitoring, evaluation and reporting of CSR:** the authors contend that when a company's CSR activities are monitored and evaluated with feedback to relevant stakeholders, it allows them to ascertain the achievement of their CSR performance and also allows for the company to find ways to improve CSR performance where it is not meeting the intended objectives
- **Stakeholders' communication:** the authors note that where stakeholders are not communicated with and engaged with a company's CSR activity, it could hinder CSR implementation as it could lead to conflicting interest and divided attention amongst stakeholders
- **Employee/staff engagement:** where a company fails to motivate and secure commitment, support and participation of its employees in CSR implementation, the company would usually be unable to implement its CSR agendas effectively
- **Government policies:** tax rebates and stimulation of CSR dialogues, as well as provision of a conducive environment through providing supportive resources, are crucial in motivating corporate CSR implementation
- **Duality of beneficiation:** the ability of CSR to provide benefits to both the company and the stakeholders is a motivating factor for its implementation
- **Funding:** the authors identified funding and socio-economic value creation as critical factors for CSR implementation.

The discussions mentioned above reflect similar patterns in terms of factors influencing CSR implementation. Anwana (2019:28) cited Nyuur, Ofori and Debrah (2014:103), stating that government, staff engagement, stakeholder engagement, leadership and governance link with the importance of communication and engagement of stakeholders to ensure that CSR initiatives are beneficial to all stakeholders. It is also pertinent to note, from the above discussion, that factors motivating CSR implementation has since moved away from issues such as charity, giving and grantmaking to situations where companies are interdependent and inter-reliant on their stakeholders. As such, their legitimacy depends on their ability to create both social and economic values (Anwana, 2018:28).

According to Kabir (2018:283), the corporate sector receives pressures from various groups for social development and environmental protection and in South Africa, and the following are such CSR drivers listed below:

- JSE is one of the significant drivers of CSR, which sets standards of CSR for listed companies. The JSE launched the SRI Index in South Africa in May 2004 in response to the burgeoning debate around sustainability globally and particularly in the South African context. One of the key objectives of SRI Index is to identify those companies listed on the JSE that integrate the triple bottom line principles and good governance into their business activities. According to Khumalo and Pitt (2015:140), the SRI Index classifies the environmental impact of the various industries in the index according to the Ethical Investment Research and Information Service (EIRIS). The SRI Index measures companies' policies, management systems and performance, and reports about the three pillars of the triple bottom line: environmental, social and economic sustainability, and corporate governance practice. At the same time, EIRIS provides information services to corporations and persons making investments and a consultancy research service.
- Trade Unions are also a strong driving force of CSR in South Africa. They play a significant role concerning labour law, working conditions, job allocation, employee benefits and HIV/AIDS medications distribution to employees.
- The state's role in terms of CSR direction in South Africa is broad because CSR pressure on South African companies comes mainly from political guidelines. This is done to transform the economy and address the legacy of extreme inequality. The government and politicians play a prominent role in social, economic and ecological development through the BEE campaign.
- Due to the experience from the legacy of the apartheid regime, BBBEE also plays a strong role in socio-economic development. BBBEE demands BBE companies to provide opportunities for historically disadvantaged groups regarding job allocation, access to equity stakes, and managerial positions. BEE enterprises follow the guidelines set out in the BBEEE framework and are rated based on the BBBEE scorecard. For instance, the BBBEE scorecard awards enterprises five points for socio-economic development. The Codes of Good Practice were gazetted on 9th February 2007 to work out a methodology for measuring the scorecards' BEE elements.
- South African civil society organisations also have an influential voice regarding environmental protection, equal opportunities and human rights. For instance, AfriForum, a prominent civil society organisation in South Africa, adopted a civil rights

charter to address freedom, equal rights and justice for all AfriForum recently launched a community safety plan to activate communities against crime. Another civil society organisation called 'South African Civil Society Committee' (C17) deals with climate issues for environmental protection.

- Customers' views are also an important factor in South Africa. Many customers prefer to buy products from socially responsible companies. For example, a research study done by Institute for Corporate Citizenship (based in UNISA), it shows that 22% of South African customers have purchased goods from a company based on its CSR reputation.
- The media/press also plays a key institutional role in South Africa by providing avenues for stakeholders to exert pressure through political structures. For example, media/press provides BEE related information almost every day (Kabir, 2018:283).

2.18 CSR REGULATION

According to (Detomasi (2007:17), the goals of a firm's political strategy are to preserve societal legitimacy, maintain flexibility in dealing with the demands of host governments, and to prevent the erection of protectionist barriers that will harm a company's capacity to compete. Furthermore, from the prospect of shifting the definition of CSR through more regulation is the underlying ethical question of whether companies are capable of self-regulating. Are companies capable of protecting the environment and improve the lives of the society/community without the force of law? Most of the multinational businesses that operate in developing countries are suspected of flaunting the regulatory requirements of such lands, especially where such governments are weak or have no implementation steps being taken by the relevant governments (Hönke *et al.*, 2008:05).

Mining companies have long had a questionable reputation for social responsibility, especially in developing countries. Some mining companies operating in developing countries have come under increased pressure as opponents have placed them under greater public scrutiny (Kapelus, 2002:01). This suggests that sometimes companies cannot self-regulate and, therefore, may abandon CSR projects after realising that the country's regulations are not applied with strict conditions. Under the Instrumental theory, CSR projects are considered to create a competitive advantage for the company, thereby making it profitable. In such

circumstances, one can argue that there are enough incentives to embark on social and environmental projects favouring the company.

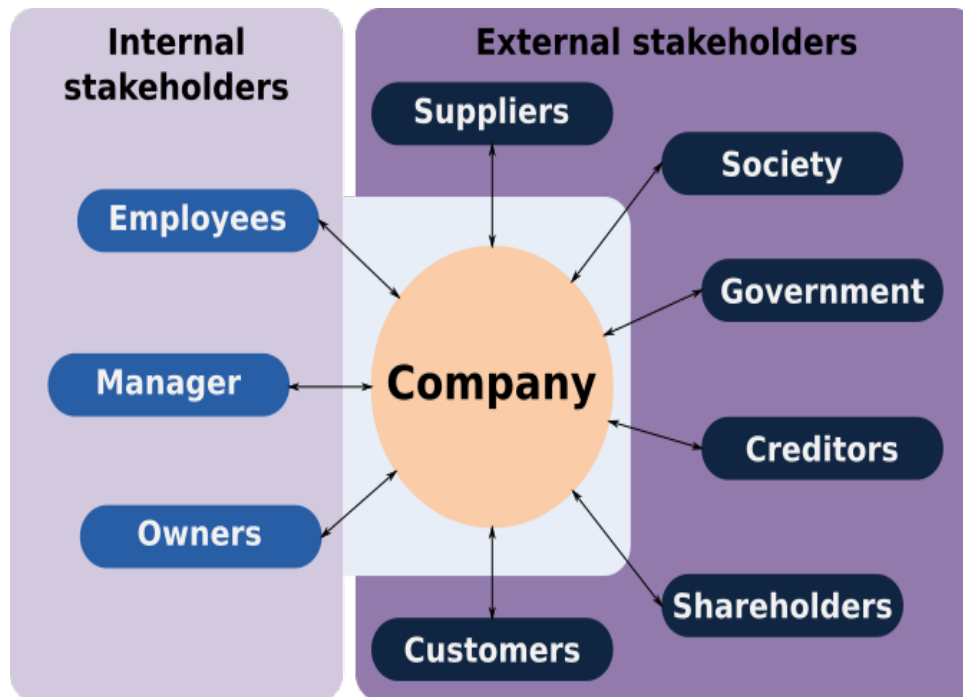
While the push for more regulation, particularly in developing countries, is reasonable and driven by the desire to ensure social and environmental protection from the activities of businesses, there is also a real risk that regulation and the level of enforcement may discourage valuable investments. The notion of unintended consequences associated with regulatory policy is relevant in this case. According to Hönke *et al.* (2008:8), countries with weak regulations will abstain from enforcing the regulation to avoid threatening further investment, thereby getting caught in a race to the bottom, leading to the further degradation of natural resources and the compromising of social standards for the sake of potential economic growth or rather the attraction of short-termed foreign investment. Developing countries like South Africa are often called to delicately balance being a destination of valuable investment and enforcing CSR regulation.

A call for more regulation, which is getting louder, can indeed be viewed as a failure of the self-regulatory nature of CSR. From the body of literature on CSR regulation, one gets the sense that developing countries have minimum regulations in place (Fredericksen, 2018:217). Socially responsible businesses thus must go beyond these minimum regulations and integrate the environmental, social and economic concerns of the communities they operate from.

According to Andrews (2016:09), some attempts have been made by countries such as Indonesia to make Corporate Social Responsibility (CSR) mandatory. The whole idea everywhere else is measured on corporations' voluntariness and discretion to choose what would constitute their social responsibility initiatives. But the argument is that corporations may not do much in real CSR activities that transcend mere window dressing for countries with weaker regulation. This partly explains why developing countries such as South Africa developed a Mining Charter that is a policy aimed at optimising the use of the country's minerals (Mining Charter, 2017:14). It is a unique feature of the legislation governing the mining sector. It is seen as an instrument to effect transformation with specific targets in the mining industry in South Africa. Most developing countries adopted minimum CSR regulations as a safeguard against mining companies that took a comprehensive classical view of their mining operations as a balancing mechanism to protect their society and environment.

The general stakeholder view of CSR invokes the sense that the mine is responsive to the demands of all stakeholders who are equally powerful enough to punish the company if it does not respond. Stakeholders consist of different groups of people who conduct business with the organisation, such as the shareholders (the owners of the company), the customers, suppliers, local community, competitors, interest groups, government and the media, who could either be harmed by or benefit from the corporation's operations or whose rights could be violated or be respected by the corporation's activities (Nokolova & Arsić, 2017:31). The success of CSR in a business is dependent on stakeholders' engagement, which brings forth knowledge, skills, talent and loyalty for the organisation to achieve its objectives (Nokolova *et al.*, 2017:31) The diagram below depicts the different stakeholders, both internally and externally, who conduct business with each firm. Internal stakeholders operate internally, such as the employees, managers and owners, and external stakeholders are the customers, suppliers, society, creditors, NGOs, government, and shareholders.

Figure 2.11: Internal and External Stakeholders



Source: Nikolova *et al.*, 2017:31

Each stakeholder has its own expectation that the company must satisfy. The poor salaries of miners in the mining sector indicate the social need for CSR regarding the support that these miners' families depend upon for their social welfare. The role of CSR regulation under the general stakeholder view ensures the balance of power between the mining company and its stakeholders. A recent example will be the case of Marikana, where upholding the miners' rights to a strike can be associated with an increase in CSR activities in the community. Stirling *et al.* (2016:701) stated that corporations are confronted with increasing expectations regarding the effects of their decision in the modern CSR debate.

According to Kibir *et al.* (2015:283), in South Africa, BEE Act of 2003 was set up to promote CSR activities, and the government launched the BBBEE to encourage transformation in the economy and redress the inequalities of apartheid by providing socio-economic opportunities to historically disadvantaged groups, as the economic opportunities were hardly available to them during the apartheid era. Kibir *et al.* (2015:283) mentioned that, to be socially responsible, there is a range of CSR-related regulations in South Africa which have been introduced by South African government to encourage corporate sectors for CSR practices and the following are examples of CSR relevant laws in South Africa:

The following Acts are used in South Africa in the implementation of regulations in different industries (Kloppers & Fouries, 2013:166):

- BBBEE Act 53 of 2003
- Mineral and Petroleum Resources Development Act 28 of 2002
- Promotion of Access to Information Act 2 of 2000
- Promotion of Equality and Prevention of Unfair Discrimination Act 4 of 20
- National Water Act 36 of 1998
- Employment Equity Act 55 of 1998
- Skills Development Act 97 of 1998
- National Environmental Management Act 107 of 1998
- Labour Relations Act 66 of 1995
- Occupational Health and Safety Act 85 of 1993
- Mine Health and Safety Act 29 of 1996

2.19 CSR DISCLOSURE

Most multinationals that operate globally find it imperative to disclose their business operations to all those who can access their documents. Wickert *et al.* (2016:1169) argued that research often assumes that large organisations are better positioned to engage in CSR. At the same time, most of their capabilities are *talk* not *walk* through their marketing machinery.

According to Anglo Ashanti Integrated Report (2016:71), the company spent R88 million on community development projects. The projects are classified into social and institutional development, accounting for R5 million expenditure, community and human resource development with expenditure above R55 million, and local economic development projects with R28 million.

According to Rosli *et al.* (2015:2), determinants that could influence a company to disclose its CSR activities include increased long-term company profitability and sustainability and reputations, which are viewed as primary influencing factors. Molate and De Klerk (2014:311) further argued that CSR disclosures by South African mining companies might be affected by other factors apart from the need by companies to gain or repair legitimacy in response to a legitimacy threatening event such as the Marikana incident. Following various hypothesis tests to evaluate the legitimacy threatening events in Marikana, it was evident that other contributing

factors took place before and after the Marikana massacre, which could even change the company's disclosure in the future (Molate *et al.*, 2014:5)

Another CSR disclosure technique is the triple bottom line (TBL), which provides a framework to measure the business's performance and the organisation's success using the economic, social and environmental lines (Alhaddi, 2015:8). Zak (2015:253), cited by Krajnc and Glavic (2005:200), defined the triple bottom line as the creation of goods and services using processes and systems that are non-polluting, conserving energy and natural resources, economically viable, safe and healthful for employees, communities and consumers, socially as well as creatively rewarding for all working people.

According to Arowoshegbe *et al.* (2016:92), triple bottom line Accounting on the other hand (TBLA) refers to a method of measuring the economic, environmental, and community service impacts of an organisation rather than the traditional practice of measuring just the financial bottom line. Hammer and Pivo (2016:1) described TBL as the economic, environmental and social value of an investment that is related to the concept of sustainable development. The TBL is used to aid the CSR disclosure by reporting and evaluating how economic, social, and environmental issues affect the stakeholders and community. CSR concerns how to behave, act and deal with society, contribute to the economy and protect the environment, whether by using self-motivation or by obeying laws and regulations (Sharabati & Nour, 2019:22). The TBL concept is gradually becoming an essential factor for economic development-related studies. The triple bottom line and sustainability concepts have gained traction in fields related to economic development, including business, planning, finance and real estate (Hammer & Pivo 2016:1). The TBL measure has been claimed to help some companies be more conscious of their social and moral responsibilities.

The economic line of the TBL focuses on the economic value provided by the organisation to the surrounding system in a way that prospers it and promotes its capability to support future generations (Dixon, 2014:34). The social performance line of TBL focuses on the interaction between the community and the organisation and addresses issues related to community involvement, employee relations, and fair wages (Alhaddi 2015:08). According to Brei and Bohm (2011:236), if CSR is treated politically within a tripartite and genuinely shared setup, then we get away from the widely articulated accusations that CSR is often simply a management fashion, an ideological cue for selling more products or a manipulative regime for 'greenwashing'. Dixon (2014:34) added that critics claim that CSR is selective and substitutes

a company's perspective for that of the community. Standardisation is used as a tool to integrate social and environmental costs and benefits into the financial bottom line of an organisation. Following the complex events that CSR disclosure reporting has to deal with, it all the subject matter that up to now there have been various ways in which CSR can be viewed.

Companies leaning more towards the classical view of CSR would be associated with very little CSR disclosure. The rationale is that it is not the duty of the company to perform any activities that do not enhance shareholder value. The government, therefore, must protect the environment and society from the activities of taxpaying businesses. The instrumental view challenged the notion that CSR projects do not enhance shareholder value, which holds that the company can create a competitive advantage that enhances shareholder value by embarking on CSR projects. Companies that lean towards the Instrumental theoretical view are more likely to be involved in CSR disclosure to sell the idea that they maintain the competitive edge. In the following section, the detailed performance of CSR by MNC is given.

2.20 CSR PERFORMANCE

The Instrumental theoretical view on CSR states that companies are investing in CSR activities to gain competitive advantages. Human capital plays a vital role in creating and maintaining a competitive advantage. Delma *et al.* (2016:854) found a positive relationship between attitudes towards CSR and job choice intentions. Companies that have CSR programmes are likely to attract the necessary skills for competitive advantage. The ability of the company to attract the required skills can crudely indicate the positive performance of the CSR activities. CSR improves firm performance and/or whether improvements in CSR levels are necessary for firm survival at given performance rates. CSR is a concept that states that an enterprise is accountable for its impact on all relevant stakeholders and it has the continuing commitment to behave fairly and responsibly and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large (Kumar, 2019:53).

Glavas (2017:1) stated that CSR expands the notion of work to go beyond a task, job, intra-individual, intra-organisational, and profit perspective and provides an ideal conduit for individuals to seek and find meaningfulness through work and at the same time adopt a person-centric conceptualisation of CSR by focusing on sensemaking as an underlying and unifying mechanism through which individuals are proactive and intentional agents who search for and

find meaningfulness through work. Giannarakis *et al.* (2016:171) stated that the effect of CSR on financial performance is becoming increasingly important to a broad range of corporate stakeholders, such as investors and strategic managers who argue that their involvement has a significantly positive effect on financial performance. They found a positive relationship between Bloomberg's environmental, social and governance (ESG) disclosure and financial performance on Standard & Poor's 500 from 2009 to 2013. Therefore, financial performance is one of the indicators of CSR performance under the general instrumental view. Those companies that are performing are likely to be engaging in CSR activities.

Wickert *et al.* (2016:497) argued that managers within the acquiring organisations determine whether MNC's consider the transaction not only in financial terms but also on social technology in the form of CSR-related organisational practices from the acquired unit. The organisation can grow organically or through mergers and acquisitions. It has become attractive for organisations to grow through mergers and acquisitions (M&A), in particular, acquisitions by MNCs. MNCs are becoming attracted to those organisations that have CSR activities in places that are termed social technology. As an alternative to making CSR, in other words, internally developing relevant management skills and practices, the option of buying CSR has become a growing trend among many MNCs (Wickert *et al.*, 2016:497). For governments that intend to attract the interest of MNCs, M&A will improve on their CSR activities. Organisations with an attractive CSR programme will encourage investments from MNCs, which will indicate how well their CSR activities are performing. The next section deals with CSR problems/critics by different authors.

2.21 CSR PROBLEMS/CRITICS

CSR is not the homogeneous, coherent concept that it is often presented as being. Indeed, one concern is that the use of the term CSR has become so broad as to allow people to interpret and adapt it for many different purposes. This vagueness restricts CSR's usefulness as an analytical tool and a guide for decision-makers (Blowfield & Frynas, 2005: 499). These differences can cause frustration, especially for managers who want clear and concise concepts, similar to the figures and balances that handle. The malleability of the CSR concept makes it difficult to operationalise a definition that reveals when a corporation is or is not socially, ethically, or politically responsible or acting following conflicting and confusing norms of society (Devinney, 2009:45).

According to Crowther and Aras (2008:28), the broadest definition of CSR is concerned with what is or should be, the relationship between global corporations, governments of countries and individual citizens. These relations can take any form, depending on country regulations and specific economic objectives. The outcome has been that different organisations have stressed their concept of what CSR stands for and how best it can be part of their company. There is, therefore, no specific standard to guide role players, except for a general outline of what CSR can be. Thus, the CSR concept, in its definition, has enough room for conflicts and misunderstandings. According to Mganda (2016:6), most challenges in the mining sector are a result of CSR that is either not implemented as part of the strategy or failure to comply with the environmental policies (for example, the reduction of pollution) or providing a safe working environment.

Jackson and Jackson (2016:39) offered a list of criticisms of CSR programmes and among these, was the fact that corporate community initiatives may be seen as weak payment for damage to livelihoods, the environment and the community. As already discussed, the CSR concept is ambiguous and can potentially be a source of conflict among stakeholders. Ranamgen (2015:17) defined corporate social performance (CSP) as the integration of social and environmental concerns in its operations and its interactions with stakeholders voluntarily. CSP means that, in addition to wealth creation and economic and legal responsibilities, businesses are responsible for the social problems. According to Barrick (2012:1), CSR programmes do not intend to benefit the local community but are there mostly to bolster the company's image, which further explains why CSR programmes do not intend to benefit the local community but are there mainly to bolster the company's image which further explains that CSR programs are just part of a company's public relations strategy. Setting the compensation expectation of the mining community against the public relations plan of the mining companies, you have fertile ground for conflict between communities and the corporations on account of CSR initiatives. The following section discusses the impact of new technology being introduced in the mining business.

2.22 BENEFITS TO THE COMMUNITY THAT MAY BE UNEQUALLY SHARED

According to Heyns (2019:3), the relationship between mining communities and mining companies are exposed to the various socio-economic challenges that other sectors of the South African economy currently face. However, considering the legislative system in the mining industry specifically and terms of a conceptual approach may show the unique challenges the

industry faces when it comes to mine community development. According to Westphalen (2012:54), the mining sector brings critical economic gains to both mining companies and local communities through the provision of profitable business and employment opportunities and tensions in multicultural communities can quickly come to heat in the backdrop of mine closures or cutbacks on employment. The recent technological transformations in the mining sector, which have been blamed for the retrenchments of unskilled labour are a source of conflict in these mining communities. Some social tensions among community members would lead to them challenging and opposing mining projects more frequently (Westphalen, 2012:54). The question for CSR in mining is whether the mining companies are willing to take responsibility, actively, for these conflicts. Selmier (2017:120) argued that while some mining companies are still caught engaging in dangerous behaviour, others are at the forefront of global best practices in CSR.

The legislative system provides for a community referring to a group of persons sharing custom, tradition and ethnicity traditional communities. Still, the provisions about socio-economic development in the South African mining context specifically focus on groups of persons sharing the effects of the mining company's activities (Heynes, 2019:4). These remote communities can bring many good and bad due to mining communities, which are synonymous with cultural diversity and some sense of a temporary community. The replacement of unskilled mine workers with technical improvements in the mining industry can lead to a decrease in the employment of such employees and an increase in semi-skilled and skilled employees. Therefore, mining communities are likely to be altered negatively as previous beneficiaries of mining activities in the community find alternative ways to live after having been retrenched from the mining sector. According to the World Bank (2016:8), the mining industry has become a highly technological complex industry. This industry will employ considerably fewer people in the future. Especially, the unskilled workers are replaced with machine labour. Therefore, companies need to provide other benefits to local communities to obtain a 'social license' to operate. According to Que *et al.* (2018:04), sustainability in the mining industry describes that mining is sustainable when it is conducted in a manner that balances economic, environmental, and social considerations. However, mining projects require a more extensive comprehension of sustainable development. Adjei (2007:23) mentioned that beneficiaries of programs of the mining companies realised increased

agricultural activity, diversification, financial gains, reduced vulnerability and sustainable livelihoods as outcomes.

At worst, corporations are accused of using the CSR discourse to hide the most vicious corporate activities. If there is truth in these findings, then role players, particularly mining companies, may need to rethink mining CSR, as the sector perhaps causes the greatest direct demand on both the environment and society and made worse the fact that minerals such as gold are not renewable. A company is defined as a juristic person that has its own rights and duties separate from its shareholders, and therefore, as a juristic person, is not capable of experiencing human emotions nor can they act on them (Shaamara 2013:27). Critics do not believe businesses should maintain ethics, since, from their inception, they aim at maximising shareholders' profits and therefore shareholders' property rights must not be forfeited on behalf of the needs of the community (Shaamara, 2013:27).

2.23 VOLUNTARY VERSUS MANDATORY CSR

The following two sections show the difference between voluntary CSR, and state-controlled CSR. Where an organisation does CSR because of its willingness to assist the local community willingly, such practise is known as voluntary exercise, while CSR performed by companies under regulations or set standards is known as mandatory CSR.

2.23.1 Voluntary CSR

According to Justo (2019:7), the voluntary CSR approach implies that corporations may or may not apply CSR practices in their activities due to a lack of enforceability of CSR standards. This, in turn, implies that corporations have a high degree of flexibility in how they wish to conduct their businesses. Justo (2019:7) mentioned the following advantages as associated with voluntary CSR:

- When companies communicate their CSR contributions, they could gain legitimacy, obtain higher financial performance and enhance their public image. When companies implement CSR practices, they can operate more efficiently and reduce compliance costs.
- Banks have also identified CSR as a marketing opportunity to differentiate their product and several benefits such as customer retention and increased attractiveness to overseas investors. The combination of responding to social and market pressures to

protect a brand's reputation and proactively seizing cost-saving techniques is the so-called business case for CSR.

- Allowing firms to manage CSR projects from their CSR funds will enable firms to innovate in meeting society's needs. Society's needs are met with several parties faster than a centralised body keeping custody of funds centrally (Ramdhony, 2018:435).
- Ramdhony (2018:435) stated that CSR levy with guidelines for spending is the best mix between the two extremes of keeping full custody and control over CSR funds by the government and leaving all CSR funds with all control in the hands of companies.

Companies who take the initiative of being socially responsible towards the environment avoid legal action or working under regulations all the time.

According to Lyon and Montgomery (2015:3), many large firms extensively talk CSR without walking the talk as implementation lags behind. On the other hand, small firms are hamstrung by lack of human or financial resources and lack economies of scale and facing less public pressure to engage in CSR. Spence (2016:2) stated that, in developing countries, the importance of small business is still more critical, with the focus on entrepreneurship as a crucial contributor to development and poverty alleviation. Baumann-Pauly *et al.* (2013:14) mentioned that, during their research, they found that firm size says little about the advancement of CSR implementation along the different stages of development and notwithstanding this, according to their findings, firm size seems to trigger specific implementation pattern of CSR, where SMEs tend to be strong in actually implementing organisational CSR-related practices in core business operations. MNCs tend to communicate their commitments to CSR effectively but often lack sophisticated implementation programmes. Due to such reasoning, organisations are believed to perform better if allowed to practice CSR voluntarily.

The literature above indicates that companies with CSR programmes as part of their operations are expected to monitor and evaluate their activities in consultation with other stakeholders to improve where needed. Some governments in developing countries incentivise those companies at the forefront of social and poverty alleviation projects.

2.23.2 Mandatory CSR

Mandatory CSR limits companies to meeting the barest minimum just to comply with the law, resulting in CSR not realising its greatest impact and potential (Sibanda, 2018:157). It is believed that CSR is performed better if done voluntarily instead of mandatory and companies

implementing CSR apply best practices. Some developed countries operate under CSR reporting guidelines, such as in the following countries: Norway, Denmark, France, Sweden, Australia, and the Netherlands. Based on extant literature, mandatory CSR is further dismissed on the following grounds: Ramdhony (2018:2) stated that lack of engagement of companies with the community and the lack of transparency about the impact of their activities on the society had triggered the idea of mandatory CSR. Though the idea seems contradictory, many countries have moved from voluntary CSR to mandatory CSR in the last decade. For example, France, Denmark, Norway and South Africa have passed legislation that requires firms to disclose their environmental performance (Randhony, 2018:2). According to Justo (2019:10), the mandatory approach aims at making CSR enforceable and legally binding through guidelines that require a high level of formalisation. Its approach involves establishing precise rules that corporations will have to comply with and robust sanctions in case of disobedience. The lack of clear government regulations in the mining sector in South Africa resulted in some mine workers contracting diseases like tuberculosis and silicosis due to exposure to poisonous gases left untreated in mine dumps during the time they worked in the mines (Miningreview, 2021).

Justo (2019:11) stated that the mandatory approach aims to make CSR enforceable and legally binding through guidelines that require a high level of formalisation. The mandatory CSR approach involves establishing precise rules that corporations will have to comply with robust sanctions in case of disobedience. Defenders of the mandatory approach claim that mandatory CSR can raise awareness, give CSR policy priority and ease the establishment of regulated CSR indicators.

The following are the advantages of mandatory CSR (Justo,2019:11) and (Ramdhony, 2018:435), respectively

2.23.3 An advantages of mandatory CSR

- CSR regulation can have different levels of formalisation and sanction, regardless of being voluntary or mandatory. The reason above has brought a whole new classification of CSR regulation which goes from soft, hard-soft, soft-hard and hard legal status. This classification could be helpful, as it shows that even though some CSR guidelines are mandatory, they lack a robust enforcement method and renders them almost non-binding.

2.23.4 Another advantage of mandatory CSR

A mandatory CSR supports the role of the government in protecting the environment and raising the standard of living of people.

2.24 CSR ROLE AND CONCLUSIONS

Most researchers have analysed the impact of CSR on both sides of the businesses and community. Glavas (2017:1) stated that CSR expands the notion of work to go beyond a task, job, intra-individual, intra-organisational, and profit perspective and provides an ideal conduit for individuals to seek and find meaningfulness through work and at the same time adopt a person-centric conceptualisation of CSR. According to Mueller-Hirth (2017:51), historical and modern contexts of CSR in South Africa focus on the involvement of the private sector. This is a result of black economic empowerment, the set of affirmative action policies adopted by the post-apartheid government to give historically disadvantaged groups economic opportunity. According to Rosli *et al.* (2015:155), CSR is essential for economic growth, and he went on to state that most theoreticians describe economic growth as a process that generates economic and social, quantitative and qualitative changes, which cause the national economy to cumulatively and durably increase its real national product.

When companies invest in CSR activities, part of the expected outcomes is the overall economic increment in the national output. The growing importance of CSR activities is with shifting many other benefits in the marketing space. While the concepts of green economy, green growth and low-carbon development have emerged from different sources, through the work of various organisations and with different target audiences, the distinctions among them have become blurred and are now being used almost interchangeably (Cameron & Clouth, 2012:60).

The importance of health issues in the products purchased by consumers emphasises the critical role of CSR in the new marketing path to customers' shopping lists in the period, resulting in the consumers being the hero by enabling them to save money and solve a health problem and make a difference. CSR shapes how consumers view a company's authenticity and product's value, influencing the consumption of most goods purchased (Cameron & Clouth, 2012:02).

CSR has become an essential part of strategic planning for most companies. Kumar (2019:53) mentioned that companies that respect and listen to their stakeholders must naturally be concerned by their growth and profitability. Still, they must also be aware of their economic, environmental, social, and societal impacts. The development of the triple bottom line reporting

standard impresses strategic planners to shift their focus from seeking financial gain only to include social and environmental gains. Williams *et al.* (2014:1) argued that trade-offs are inherent in managing the triple bottom line of profits, people and planet. Trade-offs in pursuing the triple bottom line may be in the form of efficiency, pollution, and costs. Managers must understand these trade-offs to balance increasing financial profit, lowering environmental impacts, and attending to societal needs. Williams *et al.* (2014:1) further stated that CSR is incorporated into a firm's differentiation strategy or used as a first-move advantage to create a sustainable competitive advantage.

According to Kumar (2019:59), a growing number of companies pay genuine attention to the principles of socially responsible behaviour. These companies are favoured by the public and preferred for their goods and services. Molate *et al.* (2014:311) found that CSR disclosures were not affected by the Marikana massacre, suggesting that the extent of CSR disclosure may be influenced by other factors than only the need by companies to gain or repair legitimacy in response to a threatening legitimacy event. The expectation from a legitimacy theory perspective is that when a damaging legitimacy event occurs, companies accelerate CSR activities to try and restore legitimacy. One of the ways to accelerate CSR is increasing CSR talk. In the absence of CSR walk and CSR talk in the face of a damaging legitimacy event, it can be concluded that legitimacy is not a significant concern of the companies in considering CSR activities.

CSR initiatives can be used for PR purposes, to keep employees happy where the company is in its infant stage and needs a long-term commitment from its employees and aims to expand to areas with tremendous future growth potential. If a company has a well-established CSR, it can use it as its leverage and social licence. Everyone, in particular, would like to be associated with those companies that are considered responsible. Companies initiating CSR activities are considered to be responsible companies by stakeholders such as employees, the government, customers and the local communities.

A company with CSR initiatives such as a company involved in projects that uplift the lives of the community, increasing environmental protection and upliftment of employees' economic standards, can often make staff feel more positive about the company and can increase motivation and efficiency. The companies that implement CSR initiatives can recruit and retain the best staff. Singh and Paithankar (2015:34) state that employees, as an important key of an organisation, need good motivation to work as well as possible. Hence, it becomes important

to study various factors associated with Corporate Social Responsibility from the organisation's perspective and the employee's perspective. However, to achieve real employee engagement and motivation, employees must perceive such initiatives as credible and strategically important for the company and their future well-being and with results that are of genuine interest to management.

Mining has a significant impact on all its stakeholders, including employment, creating new communities and wealth, income from export revenues and royalties, technology transfer, skilled employment and training for local populations, and improvements in infrastructure such as roads and schools and health clinics. Developed countries are increasingly concerned about the relationship between corporate governance

and Corporate Social Responsibility disclosure while developing countries recently started to take (Nour, 2020:20).

In conclusion of Chapter 2, the following issues that impacted CSR in the mining industry need to be mentioned. According to Mathabatha (2011:21), government policies that seek to redress past imbalances in the mining industry were seen to deepen the dependency mentality. For example, affirmative action policies in state tendering were intended to assist with the growth of the small black businesses, but it came with a high cost. Many of these small businesses were unable to take advantage of the opportunities through a lack of technical and financial resources. The result was "fronting" (surreptitious subcontracting back to white enterprises with an empowerment premium for the successful black tendered and wholesale inefficiency) (Mathabatha, 2011:21).

2.25 CONCLUSION

In Chapter 2, the literature review starts off by the introduction of CSR and how diverse and ever-changing the subject is. The following section dealt with the CSR definitions from various authors and academics, followed by a discussion on CSR awareness as one of the factors driving the success of CSR projects in the mining sector. The purpose and how CSR contributed was discussed in relation to the social development and protection of the environment. Gaps on the implementation of CSR projects by the Klerksdorp gold mines were discussed and how sometimes such projects end up not meeting the local community expectation and hence a gap being created. Thereafter, the impact of CSR and the positive results of social community upliftment by mining companies were highlighted.

The chapter also introduced the dimensions of CSR and theories shaping CSR and showed how the subject has evolved, how CSR is applied and which models of CSR are relevant in the South African context. The chapter also indicated how the government act as a driver and influence CSR in different areas. The topic on CSR regulation highlighted how MNCs could flaunt the requirements of the regulations of weak governments in developing countries desperate for foreign investment. The importance CSR disclosure, particularly by MNCs, was discussed. Thereafter, the CSR problems and critique by different authors were highlighted. This chapter ended by discussing the difference between voluntary and mandatory CSR.

CHAPTER 3

RESEARCH METHODOLOGY

3.1 INTRODUCTION

Chapter 3 starts by discussing the methodological assumptions and research design used in the study. The following section discusses the difference between reality and knowledge. This chapter concludes by discussing the ethical considerations under qualitative research. Table 3.1 below shows the three methodology assumptions in Chapter three. The table shows the differences between the quantitative and qualitative paradigms.

Table 3.1: Quantitative and qualitative paradigm

Assumptions	Questions	Quantitative	Qualitative
Ontological Assumptions	What is the nature of reality?	Reality is objective and singular apart from the researcher	Reality is subjective and multiple, as seen by participants in a study
Epistemological Assumptions	What is the relationship of the researcher to the researched?	Researcher is independent of that being researched	Researcher interacts with what is being researched
Methodological Assumptions	What is the process of research	deductive process, cause and effects, static design categories isolated before the study, generalisation	The inductive process, simultaneous mutual shaping of facts, emerging design, categories identified the research process, counter-bound, patterns, theories developed for understanding, and accurate and reliable through verification

Source: Creswell (1994)

Crotty (2003:03) stated that methodology is the strategy, plan of action, process or design behind the choice and use of particular methods and linking the choice and use of the methods to the desired outcomes. The researcher believed that qualitative research was a viable model representing the reality of CSR in the gold mines in the Klerksdorp area and therefore would be more suited to the ontological assumptions of subjectivity. In other words, the model that embodies the reality of CSR in the Klerksdorp area is a construct of the views and perceptions

of the relevant stakeholders, such as mining management, employees, and the communities that live within this area.

The reality exists among people and their culture. Johnson, Adkins and Chauvin (2020:138) stated that qualitative research involves the studied use and collection of a variety of empirical materials such as a case study, personal experience, introspection, life story, interview, artefacts, cultural texts and productions, observational, historical, interactional, and visual texts. These then describe the routine and problematic moments and meanings in individual lives. As a result, qualitative researchers deploy a wide range of interconnected interpretative practices, hoping always to better understand the subject matter at hand. It is understood, however, that each practice makes the world visible in a different way. Hence there is frequently a commitment to using more than one interpretative practice in any study. The other reason for selecting the subjective reality in this research study was that there existed a qualitative approach gap in the CSR research, where most research studies that have been done have opted for a quantitative approach.

Unlike under quantitative research, where epistemology assumptions are that the researcher and the object under investigation are independent, the researcher interacts with the objects in the research study under qualitative research. The researcher conducted interviews with the management, employees and the community leaders of the Klerksdorp area and collected data that shedding light on the impact of CSR implemented by gold mining companies for the benefit of the community. Such a method of information gathering allowed the researcher to get insight into CSR's social and environmental impact in past and present situations.

Methodology assumptions focus on the analysis of the methods used to gain the data. In this research study inductive processes were used to enable the researcher to contextualise patterns and theories developed for understanding the CSR projects that have been implemented in the past and those that still fall under work in progress in the Klerksdorp area. The method used in this research study followed the research design as planned by the researcher. A deductive process is not suitable for this research study because the study is not isolated from the researcher, which is the case under the quantitative research approach.

According to Tuli (2010:98), research methodology used in social science for much of the 20th century was primarily quantitative methodology, which originated in the natural sciences such as biology, chemistry, physics, geology. It was concerned with investigating things which we

could observe and measure in some way. The selection of research methodology depends on the paradigm that guides the research activity, more specifically, beliefs about the nature of reality and humanity (ontology), the theory of knowledge that informs the research (epistemology), and how that knowledge may be gained (methodology) (Tuli, 2010:99).

3.2 REALITY AND KNOWLEDGE IN QUALITATIVE RESEARCH METHODOLOGY

Methodology is the strategy, plan of action, process or design lying behind the choice and use of particular methods and linking the choice and use of the methods to the desired outcomes (Crotty, 2003: 03). Tuli (2010:06) mentioned that research methodology is underpinned by interpretivist epistemology and constructionist ontology, which assumes that meaning is embedded as reality in the participants' experiences. The experience of CSR among the local communities is the reality that the interview participants have experienced and has become knowledge that they return in their minds.

According to Nakkeeran (2010:379), knowledge refers to an understanding of the world around us that helps us to lead our lives as members of society, such as expertise or skills possessed or acquired by individuals. Knowledge is often tagged with a connotation of truth, which implies that if something has to be considered knowledge, it has to be true (Nakkeeran, 2010:379). The importance of the knowledge among the interview participants is to furnish the researcher with their CSR experiences and knowledge of changes brought about by projects assigned to the local communities. The purpose of the study is to answer the questions of the research study by obtaining the relevant information that is required.

In this section, the researcher discussed selected qualitative research as the relevant method to answer the research questions of this research study. In the following section, the approach to research theory is discussed.

3.3 APPROACH TO RESEARCH THEORY

The literature review highlights the most appropriate strategies between quantitative and qualitative research to determine the methodology that will indicate which of the two are suitable to a given scenario. According to Medrad (2019:02), the social sciences have been educated within the speculative fold of philosophical foundation where philosophy has emerged in the arena of human thoughts about the social world. In reality, philosophy analyses

the social world's entities from dissimilar features: the nature of knowledge, concentration, matter, fact, and logic of abstract phenomena. De Benetti (2014:02) mentioned that, in the humanities, the term theory is used with a different meaning. For example, the term social theory refers to using a theoretical framework to study and interpret social structures and phenomena within a particular school of thought. An essential tool scholars use in analysing society, social theories are interdisciplinary, drawing ideas from and contributing to disciplines such as anthropology, economics, history, human geography, literary theory, mass communications, philosophy, sociology and theology.

The philosophical direction for any research is completely important for reasons as it helps to explain the research design. According to Sunday (2016:07), theory enables a researcher to connect a single study to the huge base of knowledge to which other researchers contribute. It likewise helps to distinguish which plans will work and which will fail and this helps the researcher identify and even create new enterprises outside of his experience (Medrad, 2019:3). There are two approaches to research theory, namely the deductive and inductive. The deductive approach begins with an argument followed by the research, and it is generally associated with the quantitative method that seeks to prove the theory rather than generate it. The purposes for using an inductive approach are to (a) condense raw textual data into a brief, summary format, (b) establish clear links between the evaluation or research objectives and the summary findings derived from the raw data, and (c) develop a framework of the underlying structure of experiences or processes that are evident in the raw data (Thomas, 2006:237). Although the general inductive approach is not as strong as some other analytic strategies for theory or model development, it does provide a simple, straightforward approach for deriving findings in the context of focused evaluation questions (Thomas, 2006:237). Therefore, the inductive approach was selected as suitable for analysing raw data provided by participants during the interview.

Table 3.2 Differences between Quantitative and Qualitative Methods

Orientation	Quantitative Approach	Qualitative Approach
Paradigm/Worldview Assumption about world	Positivism/Realism	Interpretivism/Idealism
Research Purpose (rationale)	Numerical description Causal explanation Prediction	Subjective description Empathetic understanding Exploration
Ontology (Nature of reality)		
Epistemology (Theory of knowledge)	Dualist/Objectivist	Subjectist
Methodology (Aims of scientific Investigation)	Experimental/Manipulative	Hermeneutical/Dialectical
Research Methods (Technique and tools)	Empirical examination Measurement Hypothesis testing Randomisation/Blinding Structure protocols Questionnaires	Ethnographies Case studies Narrative research Interviews Focus group discussion Observations/Field notes Recordings & Filmings
Scientific Method (Role of theory)	Deductive approach Testing of theory	Inductive approach Generation of theory
Nature of Data Instruments	Variables Structured and Validated-data Collection instruments	Words, images, categories In-depth interviews, Participant observation, field notes, and open-ended questions
Data Analysis	Identify statistical relationships among variables	Use descriptive data, search for patterns, themes ad holistic Features and appreciate variations

Results	Generalisable findings	Particularistic findings Provision of insider viewpoint
Final Report	Formal statistical report with: <ul style="list-style-type: none"> • Correlations • Comparisons of means • Reporting of statistical 	Informal narrative report

Source: Yilmaz (2013:311)

The main differences between these two research approaches are that, in a qualitative research design, the researcher usually makes information rights based on constructivist viewpoints and the plans which have been used in this research design include inquiry such as narratives, phenomenologist, ethnographies, grounded theory studies, or case studies, while quantitative research is one in which the researcher mainly uses post-positivist claims for evolving knowledge for instance cause and effect thinking, reduction to specific variables and hypotheses and questions, use of measurements and observations, and the test of the theories Mehrad (2019:04). According to Yilmaz (2013:311), quantitative can be defined as empirical research into a social phenomenon or human problem, testing a theory consisting of variables measured with numbers and analysed with statistics to determine if the theory explains or predicts phenomena of interest.

The philosophical direction for any research is significant for several reasons as it helps to explain the research design. Likewise, it helps to distinguish how plans will work and which ones will fail, and also helps the research study identify and even create new enterprises outside his experience (Medrad 2019:3). According to Yilmaz (2013:311), two major approaches to research that are used in a social study, namely quantitative and qualitative research. Table 3.2 shows the differences between these two research designs (Medrad, 2019:3).

According to Mehrad (2019:5), the measurement process for quantitative research follows a conservative forward sequence, first conceptualisation, followed by operationalisation followed by applying the operational definition or measuring the collected data. In contrast,

conceptualisation process in qualitative research consists of a process of forming coherent theoretical meanings as one struggle to make sense or organise the data and one's preliminary ideas about it and operationalisation process for qualitative research often precedes conceptualisation. Yilmaz (2013:312) (in Creswell, 2007:37) defined qualitative research as an emergent, inductive, interpretive and naturalistic approach to the study of people, cases, phenomena, social situations and processes in their natural settings to reveal in descriptive terms the meanings that people attach to their experiences of the world. Overall, Mehrad (2019:5) added the following differences between the two research approaches:

- Quantitative research design and variables are determined data collection starts previously, while in the qualitative research design, variables measured are flexible and dependent on the context of data collection. Quantitative research requires the investigator to describe variables that may be counted with numbers carefully. This method has repeatedly been viewed as reductionism, where the truth is reduced to a number.
- In contrast, the qualitative researcher is assumed to be involved in the complete or holistic perspective, which includes underlying values and the context of phenomena. The quantitative investigator may not be predominantly interested in what factors, with whom, where, when, how it was consumed, and other related details, which may be the key interest of the qualitative investigator. The quantitative paradigm assumes that variables can be measured objectively. The study of the case and effect relationships between or among variables is often of interest in this approach.
- In contrast, the qualitative methods assume that only partially objective world accounts can be produced and understood in various ways. Quantitative research is also based partly on deductive reasoning, in which the logic proceeds from general to specific. In conclusion, quantitative inquiry entails measurement instruments and data analysis that is expressed in statistics.

In qualitative research, the theory allows the researcher to link the abstract and the concrete, the theoretical and the empirical, through statements and observational statements (Sunday, 2016:3). The qualitative research method was consistent with the researcher's view of reality and knowledge. CSR mining is a theoretical construct that can best be understood by those

supposed to be impacted by it. The figure below represents the three different research strategies usually selected depending on the information required by the researcher.

Various research designs are used in qualitative research, depending on the information required. According to Maxwell (2012:30), the strength of qualitative studies comes from focusing on specific situations or people and an emphasis on descriptions rather than numbers. Van Wyk (2015:43) cited Anguera and Izquiedo (2006:210), stating that qualitative research aims to understand how humans interact with one another and how they interact with their environment.

Sharma (2017:751) mentioned that purposive sampling, also known as judgmental, selective or subjective sampling, reflects a group of sampling techniques that rely on the judgment of the researcher when it comes to selecting the units. For example, people, organisations, events, pieces of data that are to be studied samples, which were purposively selected, were used to answer the question about the complex nature of the phenomenon to understand it from the participants' point of view. A purposive sampling technique was used to select relevant management, opinion leaders and senior members of the community who, in the researcher's judgment, would be able to assist in the attainment of this research study's objective. Vosloo (2015:308) stated that Interpretivists claim that an objective observation of the social world is impossible, as it has meaning for humans only and is constructed by intentional behaviour and actions. Once the sample was assembled, self-administered semi-structured questions were administered to participants through face-to-face interviews. Collected data was then processed using qualitative data processing techniques.

3.4 ANALYSIS OF THE TWO RESEARCH APPROACHES

In following section deals with the analysis of the two research approaches, starting with the quantitative research approach followed by the qualitative research approach. The third section discusses characteristics of the qualitative approach the author has selected to use for this research study.

3.4.1 Quantitative research approach

According to Mehrad (2019:2), in the quantitative research design, the principal purpose is situated to regulate the connotation between an independent variable and a dependent or consequence variable in a population. Yilmaz (2013:311) described quantitative research as

research that explains phenomena according to numerical data analysed employing mathematically based methods, especially statistics. Alternatively, it can be defined as a type of empirical research into a social phenomenon or human problem, testing a theory consisting of variables measured with numbers and analysed with statistics to determine if the theory explains or predicts phenomena of interest. In quantitative research, positivism sees social science as an organised method for combining deductive logic with precise empirical observations of individual behaviour to discover and confirm a set of probabilistic causal laws that can be used to predict general patterns of human activity (Kassim, 2016:216). Quantitative research is informed by objectivist epistemology and thus seeks to develop universal explanatory laws in social behaviours by statistically measuring what it assumes to be a static reality. It emphasises the measurement and analysis of causal relationships between isolated variables within a value-free, logical, reductionistic, and deterministic framework based on earlier theories (Yilmaz 2013:311).

The nature of social reality for positivists is that: empirical facts exist apart from personal ideas or thoughts. They are governed by laws of cause and effect, patterns of social reality are stable, and knowledge of them is additive (Kasim, 2016:217). Yilmaz (2013:312) also added that a quantitative approach endorses the view that psychological and social phenomena have an objective reality independent of the subjects being studied, i.e., the knower or the researcher and the known or subjects are viewed as relatively separate and independent. Hence, the researchers should study reality objectively and put a distance between themselves and what is being studied. The advantage of employing quantitative research is that the evaluation of the relationship is less likely to be prejudiced if there is a high participation rate in a sample selected randomly from a population (Mehrad, 2019:3).

Quantitative methods require the researcher to use a pre-constructed standardised instrument or pre-determined response categories into which the participant's varying perspectives and experiences are expected to fit. They generally demand randomly selected large representative samples for researchers to generalise their findings from the sample, that is, from where the logic and power of probability sampling derive their purpose, generalisation (Yilmaz, 2013:311). In this research study, more analysis is focused on qualitative research, which is the approach selected by the researcher.

3.4.2 Qualitative Research approach

According to Vosloo (2010:310), the qualitative research approach is also known as the interpretive approach, is the foundation of social research techniques that are sensitive to context, that get inside the ways others see the world, and that is more concerned with achieving an emphatic understanding than with testing legalistic theories of human behaviour. According to Baco-Shone (2015:40), the qualitative paradigm is arguably more concerned with context than counts and provides richness not easily achieved with quantitative measures. Therefore, generalisability is much more complicated with qualitative analysis because it does not use probability samples. This is in direct contrast to the quantitative design approach, where reality is assumed to be objective and in existence outside people's opinion. Johnson *et al.* (2020:138) mentioned that qualitative research involves the studied use and collection of a variety of empirical materials, such as, case study, personal experience, introspection, life story, interview, artefacts, cultural texts and productions, observational, historical, interactional, and visual texts – that describe the routine and problematic moments and meanings in individual lives.

According to Medrad (2019:2), various terms have been applied to signify the qualitative line of research, such as cultural investigations, constructivist paradigm, natural inquiry, phenomenological investigation, postmodernism, post-positivism attitude, and post-structuralism, while comparing it to quantitative research, qualitative research is demanding, disciplined, systematic, and it frequently delivers a practical alternative approach to quantitative research techniques. Kassim (2016:219) stated that qualitative research uses interpretive or constructivist perspective, the theoretical framework and sees the world as constructed, interpreted, and experienced by people in their interactions with each other and with broader social systems.

Qualitative research is a form of social action that stresses the way people interpret and make sense of their experiences to understand the social reality of individuals. It uses interviews, diaries, journals, classroom observations and immersions, and open-ended materials, and oral history (Mohajan, 2018:24). The following section deals with the characteristics of qualitative research (Mohajan, 2018:41).

3.4.3 Characteristics of Qualitative Research

- The researcher has the opportunity of collecting data directly from the participants through direct encounters with individuals, through one-on-one interviews or group interviews or by observation.
- Data are used to develop concepts and theories that help us to understand the social world.
- It seeks to gain a better understanding of people's thoughts, attitudes, and behaviours.
- The researcher remains open to alternative explanations.
- It is concerned with the opinions, experiences, and feelings of individuals producing subjective data.
- It is rooted in people's everyday lives - how they experience and make sense of phenomena occurring in their lives.
- It requires clear information and a detailed analysis of the respondents' opinions.
- It describes social phenomena as they occur naturally.
- The data have primacy - the theoretical framework is not given previously but can be derived from the data.
- It is conducted in 'real life' and day-to-day settings, not in controlled or laboratory settings.
- It focuses on individual and person to person interactions.
- A researcher needs to spend a lot of time in the research settings with the participants.
- The data are presented in a narrative form, i.e., in the words of the individuals participating.
- A researcher must avoid taking the premature decision of the study.
- It is context-bound, and researchers must be context-sensitive.
- It seeks to establish a holistic perspective of a given situation.
- It focuses on discovery and understanding, which requires flexibility in the research design.
- A researcher is responsible for obtaining true information and ensuring the participants' ethical treatment.
- The product of it is richly descriptive.

- A researcher is an integral part of the research process. The issue is not one of minimising the researcher's influence and knowing how the researcher was involved in data collection and analysis to better assess the information they provide.
- It has the ability of the researcher to use their motivation and personal interest to stimulate the study.
- Data collection and data analysis proceed together.
- Typically, the findings are in the form of themes, categories, concepts or tentative hypotheses or theories.

This qualitative study took a form of a cross survey where the views and concerns of the interview participants of Klerksdorp gold mining were analysed to answer the research questions. Qualitative research explores and seeks to explain ‘how’ and ‘why’ a particular social phenomenon, or program, operates as it does in a specific context, and it also tries to help us to understand the social world in which we live and why things are the way they are (Mohajan, 2018:24). The inductive approach enabled the researcher to collect the raw data during the interview and answer the research questions. CSR in Klerksdorp can be explained by how mining companies are involved in the socio-economic conditions of the local community through the establishment of CSR projects. The theory formulated from the information obtained from the interview will shade more light if further research on CSR in this area is necessary. The researcher will generate theory by analysing all the data collected from primary data from the interview. This theory generation is associated with the inductive approach to theory, where data is collected using a research instrument and then analysed, followed by the generation of theories. The next section dealt with phenomenology.

3.5 STRENGTHS AND LIMITATIONS OF QUALITATIVE RESEARCH

In this section, the study will discuss the strengths and limitations of a qualitative research method and why other researchers have opted to use qualitative research, particularly for social studies.

3.5.1 Strengths

Bond (2014:65) stated that qualitative research attempts to answer the “why” questions and helps describe, in rich detail, complex phenomena that are situated and embedded in local contexts. For example, qualitative research collects data in naturalistic settings, making it

possible to get more valid information about respondents' attitudes, values, and opinions since it allows people to explain. Strengths of qualitative research by Ruhman (2017:104) are:

- The qualitative research approach produces a thick (detailed) description of participants' feelings, opinions, and experiences. It interprets the meanings of their actions, for example, shown in qualitative research results providing the relationship of information processing with performance specifically and deeply. Rahman (2017:104) also argued that qualitative approaches are employed to achieve deeper insights into designing, administering, and interpreting language assessments.
- Rahman (2017:104) also added that some argue that the qualitative research approach (interpretivism) holistically understands the human experience in specific settings. For example, qualitative research is an interdisciplinary field that encompasses a broader range of epistemological viewpoints, research methods, and interpretive techniques to understand human experiences.
- Interpretivism research approach is regarded as ideographic research, the study of individual cases or events, and can understand different people's voices, meanings and events. So the source of knowledge in this approach is the meaning of different events.
- A, an investigation might be made to understand the meaning of satisfactory or good or to elicit the features of content or text displayed in the student scripts. The qualitative research admits the researchers to discover the participants' inner experience and to discover the participants' inner experience and figure out how meanings are shaped through and in culture, for example, in terms of assessing written assignments, satisfactory, good, or 60% marks out of 100 are used by the assessors. So, the studies using a qualitative approach can help us understand the markers' working assumption about what is to be assessed and the meaning of the score or grade.
- Qualitative research methods such as participant observation, unstructured interviews, direct observation describing records are most commonly used for collecting data. During the data collection, the researchers interact with the participants directly such as it happens while data collection through interviews. In qualitative research, the researcher is part of the interview and this involvement results in the data collected being subjective due to his influence
- Qualitative research design (interactive approach) has a flexible structure as the design can be constructed and reconstructed to a greater extent. Thus, thorough and appropriate

analyses of an issue can be produced by utilising qualitative research methods, and therefore the participants have sufficient freedom to determine what is consistent for them.

3.5.2 Limitations

The major limitation of qualitative research is that fewer people are usually studied, which has several consequences. For example, the results are unlikely to be representative of a particular population, making it impossible to generalise. Because the results are often unique to the relatively few people included in the study, the results are often reported in exact numbers rather than percentages (Kaae & Traulsen 2014:66). There is always the danger that the results can be easily influenced by the researcher's personal biases and quirks. Limitations of qualitative research are (Rahman, 2017:105):

- Qualitative research approaches sometimes leave out contextual sensitivities and focus more on meanings and experiences. The phenomenological approach, for instance, attempts to uncover, interpret and understand the participants' experience.
- Policy makers may give low credibility to results from qualitative approach, for example, in terms of educational practice in the United States, national and state policymakers sought to quantify teacher's and student's performance. In many social sciences, quantitative orientations are frequently given more regard. In some cases, purely qualitative research may neglect the social and cultural constructions of the variables studied.
- In terms of research method, a smaller sample size raises the issue of generalisability to the whole population of the research, and due to the small sample size, the study results cannot be suitable for broader generalisation to other contexts.
- Berg and Lune (2012:4) commented that qualitative research is a long hard road, with elusive data on one side and stringent requirements for analysis. Along with the data interpretation and analysis issue, developing the undeveloped question into a researchable form is harder. The refining question in qualitative research may be continuous throughout a whole study.
- Sometimes it has appeared that the primary research data collection was not focused on the research topic, language testing or language requirement, rather focused on the thematic analysis.

- The analyses of the cases take a considerable amount of time, and one can generalise the results to the larger population in only a very limited way, for example, if a legislator needs to vote on an issue, she/he cannot wait for three months for a qualitative study to be administered.

The strengths and limitations of qualitative research have indicated how suitable this type of research is to social studies and its shortcomings when it comes to matters like producing results in a short space of time. The issue of its restricted generalisability and the propensity of the researcher being biased also affect its transferability.

3.6 PHENOMENOLOGY

According to Neubauer, Witkop and Varpion (2019:2), phenomenology is an approach to research that seeks to describe the essence of a phenomenon by exploring it from the perspective of those who have experienced it. The main aim of phenomenology is to describe the meaning of the occurrence both in terms of what was experienced and how it was experienced.

Table 3.3: The three contemporary approaches to phenomenology

Phenomenological approach	Description
Lifeworld research	A blended approach that explores how daily experiences manifest in the lifeworld of individuals through consideration of selfhood, sociality, embodiment, temporality and spatiality.
Post-intentional phenomenology	A blended approach treats the phenomenon as the unit of analysis but asserts that phenomena are multiple, partial, contextual, and influx, being simultaneously produced and producing.
Interpretive phenomenological Analysis (IPA)	A blended approach aims to provide a detailed examination of the lived experience of a phenomenon through participant's personal experiences and personal perceptions of the objects and events. In contrast to other approaches, in IPA the researcher performs an active role in the interpretive process.

Source: Neubauer (2019:31)

Phenomenology is commonly described as the study of phenomena as they manifest in our experience, simply stated, phenomenology is the study of an individual's lived experience of the world (Neubauer, *et al.*, 2019:2). There are different kinds of phenomenology, of which each is rooted in different ways of understanding how human experience is rooted in a different school of philosophy (Neubauer *et al.*, 2019:2). Three relevant approaches to phenomenology under qualitative study are listed in the table below and described in detail.

According to Mohajan (2018:31), phenomenology is an approach to explore people's everyday life experiences and it is used where the study is about the life experiences of a concept or phenomenon experienced by one or more individuals. Phenomenological research aims to reveal the intentional activities of our subjectivity to describe how the world and its objects are constituted (Dreher, 2017:386). This explains that phenomenological research is a design of inquiry coming from philosophy and psychology. The researcher describes the lived experiences of individuals about a phenomenon as described by participants (Mohajan, 2018:31). According to Dreher (2017:385), the phenomenological discipline investigates how appearances of reality present in space and time to our subjective consciousness.

According to Kafle (2013:08), the traditional way of phenomenological research requires researchers to acquire the essence of the research process as this is opened up in philosophical literature. In the practice of engaging in phenomenological research, the researcher is required to seek the essence of the tradition belonging to the phenomenological way, while also attuning his/her being towards the essence of a particular phenomenon. This research study was consistent with the basic principles of phenomenological reductions, according to Van Deurzen (2014:03), which are to:

- suspend our previous assumptions about the process of our consciousness by locating, observing, tracking and bracketing our bias. A great deal has been said, good or bad, about the CSR of gold mines in the Klerksdorp area, resulting in some assumptions. These assumptions were suspended to implement a phenomenological approach viable to:
- carefully describe how we observed or experienced rather than analysing or interpreting our observations, becoming aware of our intentionality
- what we observed by setting it within the context and paying attention to the limits of our vision

- equalised what we experienced by according equal attention to everything in sight as much as possible, being aware of the tendency to give more weight to one thing than another
- verified our observations over and over again by checking our descriptions with the facts in front of us.

Phenomenology does not mean to pre-empty one's mind, and ultimately instead, it means to create a better understanding of a participant's experience for future readers to have an in-depth sensitivity towards the behaviours and feelings of the participants (Van Deurzen, 2014:70). Researchers conducting phenomenological studies have very intricate relationships with their participants (Van Deurzen, 2014:74). According to Adams (2014:42) in our desire to have continuity in time and a location in space (Laing, 1965:41), to be something rather than nothing, we actively construct a coherent sense-of-self out of the random events of our lives to give ourselves meaning and purpose

In this research study, an Interpretive Phenomenological Analysis (IPA) phenomenology method was used to investigate or make an inquiry into the meaning of experiences of the community of the Klerksdorp area. The interview questions were designed to suit the different groups of participants to get relevant information according to the participants' experience and observation. During the interviews, participants were allowed to broadly explain CSR's impact in their work environment and communities, considering both the positive and negative impacts of such CSR projects as they observed them.

3.7 PILOT STUDY

According to Prescott and Soeken (1989:60), a pilot study is a feasibility study that comprises small scale versions of the planned study. Trial runs of planned methods, or miniature versions of the anticipated research to answer a methodological question(s) and to guide the development of the research plan. Numerous studies that cannot be measured statistically employ the qualitative approach to investigate people's subjective experiences, opinions and beliefs.

According to Kim (2019:190), a pilot study describes the specific practical and methodological issues emerging in the pilot exercise as well as the modifications made for the main study as a result of the pilot work. The implementation of the pilot exercise proves to be essential in four ways, that is, (a) finding issues and barriers related to recruiting potential participants, (b)

engaging the use of oneself as a researcher in a culturally appropriate way and from a phenomenological perspective, (c) reflecting the importance of the epoch process and its difficulty in conducting the phenomenological inquiry, and (d) modifying interview questions. Finally, the value of sharing the pilot study to develop culturally competent research practice is addressed. Piloting for an interview is an integral aspect and useful in conducting qualitative research as it highlights the improvisation of the major study (Majid, 2017:1073).

To ensure the validity and reliability of this research study, questions were piloted by interviewing one manager and one employee before approaching the target group. Pilot study results can help identify actual and potential problems that researchers can address before beginning the anticipated future study. Hence it has been recognised that when used this way, pilot work serves to guide the development of a research plan instead of being a test of the already-developed plan (Prescott & Soeken, 1989:60). This procedure was applied in this research study to test and ensure that all questions compiled for the interview were clear and understandable and participants interpreted them the same way they were designed for. The following section deals with the data collection procedure

3.8 TARGET POPULATION

Majid (2018:3) mentioned that the population of interest is the study's target population that it intends to study or treat. It is often not appropriate or feasible to recruit the entire population of interest in clinical research studies. Instead, investigators will recruit a sample from the population of interest to include in their study. Govender (2016:44) stated that a target population is a boundary set within a universe, which comprises all potential subjects who possess the attributes required by the researcher. The population is also referred to as the total quantity of the things or cases that are the subject of research (Etikan *et al.*, 2016:01).

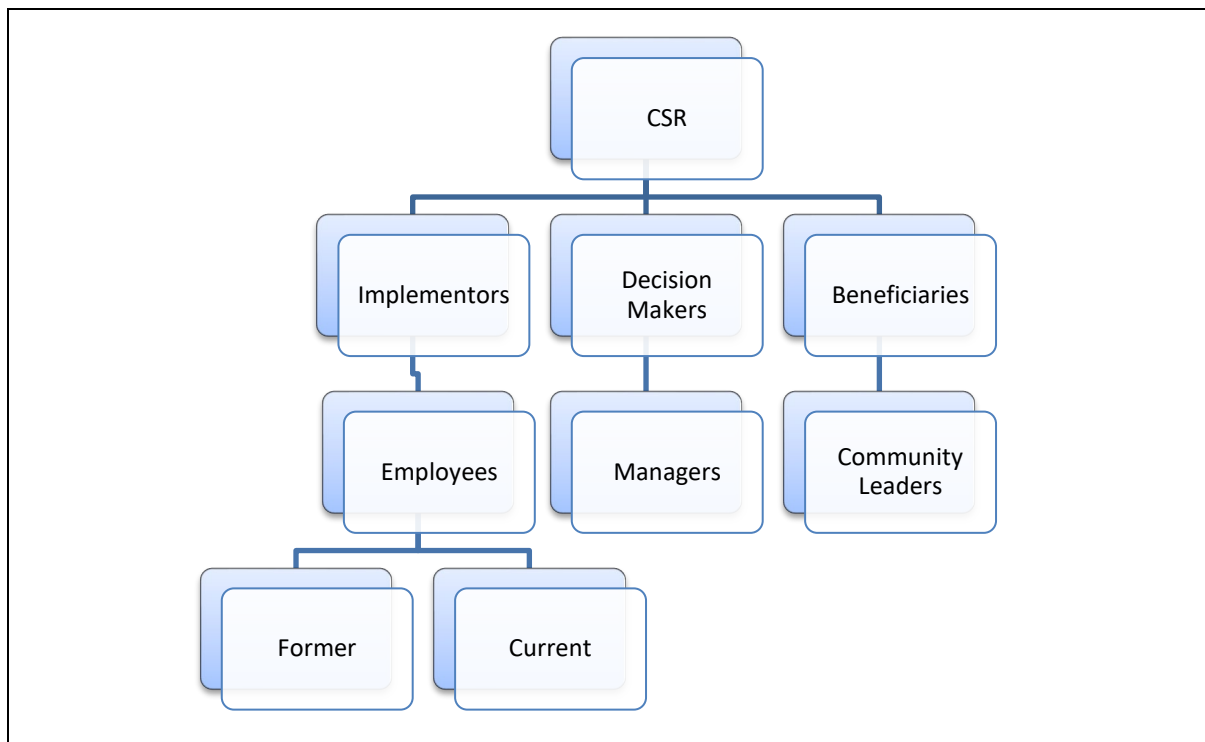
In this research study, the target population referred to all the people living in the Klerksdorp area, including the Orkney, Jouberton and Khuma residential areas that consisted of approximately 300 000 people (City Networks 2014:25). The population of this research study was a segment of people who resided within the Klerksdorp area, who either worked or are still working in the Vaal gold mines and those currently living in the community who experience the CSR phenomenon. The target sample below was selected from the population as discussed above.

3.9 TARGET SAMPLE

According to Esbensen and Wagner (2014:95), the theory of sampling (TOS) has been established in the past 60 years as the only theoretical framework that deals in full with sampling, the representativity concept and all practical aspects involved in achieving the required representative test portion. The theory of sampling is based on the fundamental up in the representative sample (Khodier, 2019:962), and it describes all errors contributing to the total sampling error (TSE).

According to Robinson (2013:29), the size of a sample used for a qualitative project is influenced by theoretical and practical considerations. The practical reality of research is that most studies require a provisional decision on sample size at the initial design stage. Without such a provisional number at the design stage, the duration and resource-allocation needed of the project cannot be ascertained, making planning all but impossible. Govender (2016:44) defined a sample as the elements of a population considered for actual inclusion in the study or the subset of respondents drawn from a population of interest. The sample of this research study consisted of a selection of managers from the gold mine, current employees and former employees who are part of the Klerksdorp area. The managers and employees who have worked for a minimum of two years in the remaining gold shafts were selected to participate in this research study and former employees residing in the townships of Khuma, Kanana, and Jouberton.

Figure 3.1: Target Sample Distribution



Source: Author

Three samples were targeted for this study. The first sample included implementers of the decisions, former and current employees of the mining company. The second sample consisted of CSR decision-makers who are managers involved in the CSR operations of the company. The third sample captured the views of the community, through community leaders such as ward councillors. A sample of participants or cases does not need to be representative or random, but a clear rationale is needed to include some cases or individuals rather than others (Taherdoost, 2016:22).

3.10 SAMPLING TECHNIQUES

Sampling techniques can use probability or non-probability in a research study (Showcat, 2017:04). An effective sample selection process in qualitative research is very important because inappropriate procedures may seriously affect the findings and outcomes (Lopez & Whitehead, 2016:124). Probability sampling techniques, including random sampling and random stratified sampling, are associated with quantitative research methods. The sample must be representative of in size and characterisation of the population to allow generalisation of the results (Garson 2012:11).

The qualitative research method employs non-probability sampling techniques such as purposive sampling, snowball sampling, convenience sampling and theoretical sampling (Lopez *et al.*, 2016:124). Non-probability techniques are dependent on the researcher's accessibility to the participants to conduct the interviews. At the same time, purposive sampling reflects intentional selection of research participants to optimise data sources for answering the research question, for example, where the research question may be best answered by persons who have particular experience (critical case sampling) or certain expertise (key informant sampling) and hence it may not be possible to generalise the results thereof to the general population due to the researcher's bias on selecting the sample and the small, unrepresentative sample that is associated with a qualitative research method (Johnson *et al.*, 2020:141). However, the outcomes from a qualitative sample could be generalised to the group of people represented in the example.

According to Ritchie, Lewis, Nicholls and Ormston (2013:113), purposive sampling is precisely what the name suggests. That is, members of a sample are chosen to represent a type of critical criterion. For this research study, the population was divided into three groups: managers, employees, and community leaders. Managers were selected using a purposive technique. The researcher approached the human resource manager at Vaal gold mines to identify and request permission for managers responsible for CSR. The identified managers were interviewed one after the other up until a point of data saturation was reached. A similar purposive sample was generated for the employees. A snowball sampling technique was employed to create a sample of community leaders.

The researcher identified one councillor representing the community, and the councillor led him to other councillors until saturation was achieved. Adams (2016:23) stated that purposive or judgmental sampling is a strategy in which particular settings, persons or events are selected deliberately to provide important information that cannot be obtained from other choices. However, data saturation is probably the most common terminology used to describe the achievement of sufficient sample size. It does not apply to all study designs. For example, one could argue that in some approaches to qualitative research, data collection could continue infinitely if the event continues infinitely (Johnson *et al.*, 2020:141). The sample size in this research study was determined by the point of saturation in all three groups.

3.11 THE POSITION OF THE RESEARCHER

According to Berger (2013:3), a researcher's positioning includes personal characteristics, such as gender, race, affiliation, age, sexual orientation, immigration status, personal experiences, linguistic tradition, beliefs, biases, preferences, theoretical, political and ideological stances, and emotional responses to the participant. In qualitative research, the intent is to explore the general, complex set of factors surrounding the central phenomenon and present the broad, varied perspectives or meanings that participants hold. Growing up in a developed technological era, it was not hard to notice the various positive and negative effects of technology (Creswell 2014:185). Being a student myself, I had the privilege to observe the various ways in which technology has changed our lives. For example, the way we require information using tools like cellular phones, some people working from homes and maintaining contact through virtual meetings using video conferencing.

While new inventions are created every day to improve the working environment of people regarding safety, productivity and speed, it does not always take into account the impact it has on people who cannot adapt to technology as rapidly as it changes. In this research study, the researcher is expected to get permission from those supposed to be interviewees to be part of the interview and influence the outcome of the data obtained, to protect the identity of the participants, including the information they provided.

3.12 RESEARCH INSTRUMENT

According to Erikson and Olsson (2015:16), when starting research, it is important to know and understand what method will give you the optimal results when applied to the chosen problem. Annun (2017:01) stated that research instruments are fact-finding strategies used for data collection. A particular research instrument is chosen for a research study depends on its validity and reliability.

A research instrument is, therefore, a tool used to collect information to answer a research question. In other words, a research instrument is capable of providing both qualitative and quantitative data. According to Zohrabi (2013: 254), there are various procedures to collect data, such as experiments, questionnaires, interviews, classroom observations, diaries, and journals. Quantitative designs use tests and closed-ended questionnaires to gather, analyse and interpret data. However, the qualitative methods mostly use interviews, diaries and journals,

classroom observations, and open-ended questionnaires to obtain, analyse and interpret the data (Zohrabi, 2013: 254).

In this research study, the researcher used a qualitative approach with an interview as the research instrument. For this research study, face-to-face semi-structured interviews were conducted with the participants that the researcher selected. According to Creswell (2013:244), researchers often engage in multiple observations during a qualitative study. They use an observational protocol for recording information while observing, which may be a single page with a dividing line down the middle to separate descriptive notes (portraits of the participants, a reconstruction of dialogue, a description of the physical setting, accounts of particular events, or activities) from reflective notes (the researcher's thoughts, such as "speculation, feelings, problems, ideas, hunches, impressions, and prejudices" (Bogdan & Biklen, 1992:121). This allowed the participants to have enough time to express their experiences and adequately answer the questions asked.

Each group of participants had an interview guide with questions relevant to the participants' group. Each interview guide was divided into two sections, i.e. demographic section and research specific questions. The demographic section contained questions that profiled the participants. The research specific section had questions that were relevant to providing viable answers to the research questions. The researcher administered the questions guided by the questionnaire guide and adding as many questions as necessary to answer the research questions. The three interview guides were presented as follows:

Managers' questionnaire guide

Demographic section:

- What gender group are you from?
- What is your level of seniority, and what department do you work from?

Research specific section:

- Is your organisation engaged in Corporate Social Responsibility activities? Please elaborate.
- What is the organisation's purpose in engaging in CSR projects?

What drives decision-making in CSR projects?

- What specific CSR activities are your company involved in?
- What has been the impact of such projects on the Klerksdorp community?

- What are the challenges associated with CSR projects?
- What can be done to deal with challenges associated with CSR projects?
- Should CSR projects be regulated? Why?

Employees' questionnaire guide:

Demographic section:

What gender group are you from?
 In which department are you working?
 How long have you lived in the Klerksdorp area?

Research specific section:

What do you understand by the term Corporate Social Responsibility?
 Are you aware of any CSR projects that have been implemented by your organisation in the past or present?
 How would you appraise these CSR projects?
 Do you think CSR should be encouraged (voluntary) and not enforced (mandatory)?
 Is CSR important in South Africa? Why?
 Are you aware of any CSR needs that have not been covered by your company previously or currently through CSR projects?
 How can these needs be met by your company?

Community leader's questionnaire guide:

Demographic section:

What gender group are you from?
 What is your role in the community?
 How long have you lived in the Klerksdorp area?
 Are you aware of any social and environmental responsibility that the mining sector offers to the community?

Research specific section

Are our CSR projects important in Klerksdorp? Why?
 Are there any challenges associated with these CSR projects in the Klerksdorp area?
 What can be done to improve CSR in the Klerksdorp area?
 Is there any need to regulate CSR? Why?
 Do you think CSR projects implemented by the mining sector are geared to deal with the post-mine closures? Why?
 Are you aware of any CSR project that was initiated that failed in the area? Why do you think it failed?

Are you aware of any CSR needs that have not been covered by previous or current CSR projects in the Klerksdorp area?

3.13 DATA COLLECTION PROCEDURE

According to Elo *et al.* (2014:03), demonstration of the trustworthiness of data collection is one aspect that supports a researcher's ultimate argument concerning the trustworthiness of a study. According to Johnson *et al.* (2020:142), researcher reflexivity, or acknowledgement of researcher bias, is critical to data collection and analysis credibility and trustworthiness in such study designs. Elo (2014:3) mentioned that selecting the most appropriate method of data collection is essential for ensuring the credibility of content analysis. Hence, credibility deals with the focus of the research and refers to the confidence in how well the data address the intended focus. Thus, the researcher should put a lot of thought into collecting the most suitable data for content analysis. Lietz, Langer and Furman (2007:4) stated that, rigour in qualitative inquiry does not have to be a strict set of standards and procedures as is imposed in the quantitative inquiry. Still, instead, it involves engaging in efforts that increase our confidence that our findings represent the meanings presented by our participants.

The data collection process is directly related to sampling and is best viewed as complementary to it, and such data are collected directly from the identified and selected sample (Lopez & Whitehead, 2016:127). As a data collection procedure, personal interviews enjoy certain advantages compared to other data collection methods like mail surveys or telephonic interviews (Anwana, 2018:126). Data collected from the sample can be either direct data, that is, includes recordable spoken or written words and also observable body language, actions and interactions, while indirect data are generated, in the first instance, by someone or something else, such as with documents or photographs reporting an event or an artistic rendition of an event or experience (for example, novels, songs, paintings, poems, photographs) (Lopez and Whitehead, 2016:128).

In this section, the researcher described the procedure used to collect data as semi-structured interviews and observations. Using a qualitative research method allowed the researcher to use different techniques to obtain information. One participant community leader was identified, who then identified others using the snowball procedure. Interview appointments were made in advance with the human resources department of the relevant mines so that access was

granted to meet the managers and employees to be interviewed. The interview guide questions were self-administered with the help of a recording device. In qualitative research, many data collection methods are used, and recording interviews was one of the methods that the researcher used here after he got permission from the participants.

According to Isaac (2015:1), recording devices during meetings is a great way to capture qualitative data in thesis or dissertation research and ensure descriptive validity. While taking notes and writing down observations are essential that one does not miss out on some details. An audio recording of an interview also allows you to refer back to the interview and take a fresh look at the interview data. In this research study, the researcher used a recording device to reduce the risk of losing information while taking notes during an interview. The researcher made sure that the interviews were not shared with any third parties to ensure confidentiality. The data obtained during the interviews would be deleted once the transcription process has been completed. The following discussion is on the pilot study of the research study.

3.14 DATA ANALYSIS

This section deals with data analysis as part of the research methodology. The processes of analysing data in this research study is dealt with in Chapter four. Data analysis is one of the methods used in a research methodology to answer the study's research questions. More definitions of data analysis from different authors were discussed in this section. According to Archer (2018:2), qualitative data analysis is the tool researchers employ to make sense of the vast quantities of data to be presented systematically to their readers.

Qualitative data analysis (QDA) is a process where the researcher has to deal with large volumes of data that had been generated during the interview process and data collection. Such data differs according to the design used. Flick (2013:05) defined qualitative data analysis as the classification and interpretation of linguistic (or visual) material in making statements about implicit and explicit dimensions and structures of subjective or social meanings in the material and what it represents. QDA is the range of processes and procedures whereby we move from the qualitative data that have been collected to some form of explanation, understanding or interpretation of the people and situations we are investigating (Sunday, 2016:19).

During data analysis, the researcher extracted meanings from the data using interpretive techniques. Data extraction was done to find and answer the research questions. The difference between quantitative and qualitative data analysis is that in a qualitative research study, data

analysis is done during and after data collection, while in a quantitative research, data analysis is done only after data collection. The researcher implemented processes and procedures that provided a viable explanation of the CSR of gold mines in the Klerksdorp area. Vosloo (2014:358) stated that qualitative data analysis could be described as making sense of research participants' views and opinions of situations, corresponding patterns, themes, categories and regular similarities.

The three aims of qualitative data analysis are the description of a phenomenon to some or greater detail and such a phenomenon being subjective experiences of a specific individual or group, comparing several cases (individuals or groups) and on what they have in common or on the differences between them and the development of a theory of the phenomenon under study from the analysis of empirical material (Vosloo, 2014:360). For this study, a combination of qualitative coding and content analysis was used.

According to Sunday (2016:21), coding is a process of attaching labels to lines of text so that the researcher can group and compare similar or related pieces of information. In this research study, coding referred to a situation where the researcher looked for the patterns and read the transcripts and written notes. Prasad (2008:1) described content analysis as the study of the content regarding the meanings, contexts and intentions contained in messages. In this research study content analysis was used to summarise all the linking meanings towards concluding. The qualitative data analysis framework of Miles and Hubermann was used as a guide for the analysis of the data where three different activities to analyse data were used, namely: data reduction, data display, and data drawing/verification (Huberman & Miles).

The three aims of qualitative data analysis, which are the description of a phenomenon to some or greater detail and such a phenomenon being subjective experiences of a specific individual or group, comparing several cases (individuals or groups) and on what they have in common or on the differences between them and the development of a theory of the phenomenon under study from the analysis of empirical material (Vosloo, 2014:360). In this study, an inductive approach was employed to develop the framework to group the data and then look for relationships in the phenomenon. A combination of qualitative coding and content analysis was used. Therefore, information obtained was:

- Transcribed
- Read and reread

- Unnecessary information was removed
- Repetitive data was highlighted
- Conclusions were drawn.

This study used Microsoft Excel to analyse, reduce and interpret the data obtained. The next topic deals with the researcher.

3.15 DATA PRESENTATION

According to In and Lee (2017:268), data can be presented in one of the three ways, that is (a) as text, (b) in tabular form, or in a graphical form and hence, the method of presenting it will be determined according to the data format, the method of analysis to be used, and the information to be emphasised. Qualitative researchers allow themselves to form part of their writings, unlike quantitative researchers. According to Ritchie *et al.* (2013:68), when reporting on qualitative data, the aim is to explore, unravel and explain the complexity of the findings in an engaging and insightful way while at the same time producing an accessible and coherent narrative. The data in this research was collected through the selection of the target sample that was then interviewed for the primary data to be obtained.

3.16 CRITERIA TO ENSURE QUALITY DATA

Data quality can be defined as the measure of the agreement between the data views presented by an information system and that same data in the real world (Orr 1998:67). Anderson (2010:02) mentioned that, although the terms reliability and validity traditionally have been associated with quantitative research, they are increasingly seen as important concepts in qualitative research. The establishment of credibility of findings entailed ensuring that research was carried out according to the canons of good practice and submitting research findings to the members of the social world who were studied for confirmation that the investigator has correctly understood that social world (Sibanda 2018:103). According to Johnson *et al.* (2020:145), the research method must be reported in detail to ensure dependability. The reader can determine proper research practices have been followed, and that future researchers can repeat the study. In a business environment, poor quality data reduces customer satisfaction, leading to poor decision-making that negatively impacts an organisation's strategy execution (Alfumaili, 2016:09. In the following section, validity is discussed.

3.17 RELIABILITY

To measure the reliability of a research instrument, the researcher had to collect the same set of information from the same audience under similar circumstances more than once. If the results yielded have excellent comparability, then the research instrument is very reliable. On the other hand, if the results are not comparable, the research instrument is unreliable. According to Merriam and Tisdell (2015:250), reliability refers to the extent to which research findings can be replicated. In other words, if the study is repeated, the same results will be obtained. Reliability is the consistency of the analytical procedures, including accounting for personal and research method biases that may have influenced the findings (Smith & Noble, 2015:34). To ensure the reliability of this qualitative research, the following procedure was applied: a digital recorder was used by the researcher after the participants gave consent to record the proceedings of the interview. According to Tanveer (2015:325), reliability and validity remain appropriate concepts for attaining rigour in qualitative research. Qualitative researchers have to salvage responsibility for reliability and validity by implementing integral and self-correcting verification strategies during the conduct of inquiry. The digital recordings of the interviews were transcribed to analyse the data collected through the interviews practically. This process allowed the researcher to concentrate on managing the research interview. The researcher employed the eight steps of Tesch (as cited in Alpaslan, 2010:25):

- 1 Write down verbatim all the data from the interview sessions with participants from a digital recorder. Read through the transcripts generated as the researcher made notes.
- 2 Selected one document, the most interesting, shortest and the one on the top of the pile.
- 3 Made a list of all the topics and organised topics by listing topics in columns that might be headed to essential issues.
- 4 Found appropriate abbreviations for each identified topic.
- 5 Found the most descriptive word for the topic and turn them into themes or categories.
- 6 Made a final decision regarding the abbreviation for each theme or category and put the codes in alphabetic order.
- 7 Used the cut and paste methods to assemble the data or material belonging to each data or category in one place and do the preliminary analysis.

8 Recorded the existing data whenever necessary.

The researcher emerged from this process with answers to the study's research questions, having satisfied the study's overall objective.

3.18 VALIDITY

The validity of research refers to the extent to which the study's findings genuinely represent the phenomenon intended to serve. Validity also refers to the precision of tools, processes and data (Leung, 2015:325). According to Smith and Noble (2015:34), validity is a process in which the findings accurately reflect the data being analysed in the research study. Validity in qualitative research means the extent to which the data is plausible, credible and trustworthy, and thus can be defended when challenged (Tanveer, 2015:35). According to Leung (2015:325), validity in qualitative research means appropriateness of the tools, processes, and data, whether the research question is valid for the desired outcome, the choice of methodology is appropriate for answering the research question, the design is valid for the methodology, the sampling and data analysis is appropriate, and finally the results and conclusions are valid for the sample and context. In this study, drafted questions were compiled into separate headings according to the participants in the interviews. A tape recorder was then used during a one-on-one interview to ensure the validity of the research process. According to Anderson (2010:02), validity can be substantiated by several techniques, including triangulation, the use of contradictory evidence, respondent validation, and constant comparison. Triangulation is using two or more methods to study the same phenomenon.

3.19 GENERALISABILITY

According to Leung (2015:326), most qualitative research studies, if not all, are meant to study a specific issue or phenomenon in a particular population or ethnic group of a focused locality within a specific context. Therefore, the generalisability of qualitative research findings is usually not an expected attribute. However, with the rising trend of knowledge synthesis from qualitative research via meta-synthesis, meta-narrative or meta-ethnography, the evaluation of generalisability became pertinent. According to Smith (2018:139), One reason to consider generalisability is that much is at stake for qualitative research when we ignore generalisation. For instance, ignoring generalisation can give the impression that qualitative researchers do not need to care about generalising.

According to Brigitte (2017:254), trustworthiness refers to the quality, authenticity, and truthfulness of findings in qualitative research. It relates to the degree of trust, or confidence, and readers have in results. Smith and McGannon (2017:146) listed the following summaries and recommendations for doing qualitative research which could be offered about generalisability:

- Statistical types of generalisability that inform quantitative research are not applicable to use for qualitative research and to judge its value. Qualitative research is informed by different epistemological and ontological assumptions, logics and goals to quantitative research. Researchers need to be aware and respectful of the differences in underlying epistemologies, ontologies, goals, approaches, methodologies and methods that inform research when dealing with generalisability.
- Qualitative research can be generalisable, just not in the same way as quantitative research.
- Because qualitative research can be generalisable, and good qualitative research need not always display generalisability, it is a mistake to write in a journal article that a weakness or limitation of qualitative work is its lack of generalisability.
- We should not restrict ourselves to just one particular type of generalisability namely, statistical-probability, and impose that type onto all research. There are various types of generalisability that might be used in qualitative research in beneficial ways. These types include naturalistic generalisability, transferability, analytical generalisability and intersectional generalisability. Each of these types of generalisation offers something very different – but beneficial– to what generalisability in quantitative research can provide, thereby uniquely adding to our knowledge and research abilities.
- Rather than apologising for qualitative research lacking statistical-probability generalisability or bemoaning to friends that we are misunderstood, researchers can consider engaging with different groups by showing them the value of qualitative research and debating issues around generalisability. While indeed not easy or always applicable, one can have the courage and take the time to take leadership positions, engage with scholars who are different to us across our institutions, take the time to educate and speak truth to those in power.
- Journal reviewers, editors and policy makers should not dismiss qualitative research on the grounds of generalisability. They need to appreciate the view held by numerous

scholars that generalisability is not limited to statistical-probability sampling theory. There are different types of generalisation, and therefore different ways to generalise. Neither type is inherently better or worse than another; each has different purposes and differing outcomes, tied to the underlying assumptions and methodology employed.

- Without overstating things and working in alignment within the ontological and epistemological assumptions that guide one's work, when a researcher seeks generalisability they could consider suggesting to readers that their research might be generalisable or 'gather the evidence' to support a type(s) of generalisability. Qualitative researchers should not though be obliged always to seek generalisability. The research produced can still offer great benefits without it being generalisable.

In this study, continuous comparison, systematic sampling, and proper documentation were used to ensure the research's validity and reliability.

3.20 ETHICAL CONSIDERATIONS

In a research study, ethics are essential because the dignity, rights, safety and well-being of participants should be respected at all times. According to Goldie and Trevino (2011:25), ethics refer to well-founded standards of right and wrong that prescribe what humans ought to do, usually regarding rights, obligations, benefits to society, fairness, or specific virtues. According to Rahman (2017:108), qualitative research, especially in human services, experiences challenges associating with ethical considerations, such as in-depth interviews and observations, which can be widely intrusive because highly personal matters of people are interviewed. Arifin (2018:01) states that ethical considerations have a particular resonance in a qualitative study due to the in-depth nature of the study process. The existing ethical guidance for undertaking qualitative research often provides general guidelines rather than focusing on applying it in practice, particularly when interviewing a vulnerable group of women. While ethics committees typically require obtaining consent once, usually before data collection, compelling arguments have been put forward suggesting that consent should rather be regarded as a matter of ongoing negotiations between the researcher(s) and the research participants and revisited as the research evolves (Ciuk & Latusek, 2017:04).

In some organisations, ethical issues involve actions and decisions taken by managers beyond legal requirements by law, the emphasis being that organisations are expected to act according to their beliefs. Akaranga and Makau (2016:02), the study of ethics leads to the creation of

social norms which focus on the behaviour that a person is expected to uphold in a particular situation. Various factors influencing ethical decisions are organisational culture, national or cultural differences, and religion or ethnicity. Corporate culture is the overall environment or climate found in an organisation (Goldie & Trevino, 2011:25). The ethical issues witnessed in a qualitative research study are caused by the differences in perceptions of honest and open interactions, traditions, respect of privacy and avoiding misrepresentations (Sanjari *et al.*, 2014:03).

According to the ethical guidelines, the researcher is supposed to protect all the participants' information and make codes represent sure participants' names in the transcripts to maintain anonymity. All the recordings used in the study are destroyed after the transcription process is complete. The data collected is only utilised for academic purposes and access to this research study and will be limited to authorised persons. Deconstructing ethical challenges in the participants' world, I believe that the participants' experiences are socio-culturally and politically embedded. Nuances relating to recruitment and decisions to participate may involve issues related to the socio-cultural and political context in which the study is carried out, trust, knowing and being known by gatekeepers and or researchers, and payment or non-payment of participants (Samaranayake, 2012:76).

According to Richards and Schwartz (2002:138), the same ethical principles governing qualitative and quantitative research. Here the ethics issues in qualitative health services would be, (i) researchers should consider treating informed consent as a process rather than a one-off event, and they should be aware that an interview may take on the mantle of a therapeutic encounter. (ii) because of the possible confusion with a therapeutic encounter, researchers should ensure that information and support for participants are available when necessary, (iii) qualitative data by its nature full of clues to participants' identities, so care is required to ensure the anonymity of participants in published work and (iv) the risk of misrepresentation can be minimised by ensuring that researchers are adequately trained and supervised, and by encouraging reflexivity about the influence of researchers' personal and professional characteristics.

3.21 CONCLUSION

Chapter 3 started with discussing the two methodology paradigms that influenced the selection of the method used to obtain the relevant information to answer the research questions. The

next topic discussed how reality and knowledge are created by individuals living in a particular place for a given period. The following discussion was the difference between quantitative and qualitative methods and selection of qualitative research as the appropriate research method using the approach to research study, phenomenology being the study of an individual's lived experience in a particular place, the target population and sample selected, the research instrument and factors determining the selection of such instrument. Data collection procedures and instruments and analysis of such data. Reliability and validity of data used in a research study, generalisability and ethical consideration employed in this research study. The following chapter will focus on the presentation analysis of data that was collected to answer the research questions.

CHAPTER 4

RESULTS AND DISCUSSIONS

4.1 INTRODUCTION

In this chapter, the results from the data analysis are presented, starting with the demographic profiles, followed by a presentation of the themes that emerged from the data analysis and literature review. The demographic profiles and the theme presentations are preceded with the relevant discussions, which show how meaning was extracted from the data leading to the findings and conclusions of the research study. The demographic profile of the employees' sample is shown in Table 4.1 below.

Table 4.1: Demographic profile of employees' sample

Participants	Gender	Department	Years of employment	Years of Residence in Klerksdorp area
Par01	Male	General Miner	6	29
Par02	Male	Supervisor	23	59
Par03	Male	Engineer	10	35

The point of saturation was attained upon interviewing a total of three employee participants. The demographic profile of the employee participants shows that they were employed in different departments, one as a general miner, a supervisor and another one as an engineer from the engineering department. The experience profile of the employees shows a minimum of six (6) years and a maximum of 23 years of working experience as miners around the Klerksdorp mining area. The range of years the participants spent living and working in the Klerksdorp area provided adequate time perspectives that are relevant and valid for participants to understand matters relating to social and environmental issues in the area. There is also enough exposure to CSR projects championed by mines in the Klerksdorp area to participate as informants in the study.

Table 4.2 below shows the demographic profile of community leaders who participated in this study.

Table 4.2: Demographic profile of community leaders' sample

Participant	Gender	Department	Years of employment	Period of stay in Klerksdorp
Par 04	Female	Councillor - Matlosana	3	20 years
Par 05	Male	Councillor - Matlosana	2	22 years
Par 06	Male	Councillor - Matlosana	2	23 years

Community leaders were selected due to their involvement in dealing with social and environmental issues as councillors in the local government and among the relevant communities in Klerksdorp. Before becoming councillors in the Matlosana municipality, the profile shows that these community leaders had lived in the Klerksdorp area for more than ten years. During the years of service, they got acquainted with addressing social issues affecting their communities. Hence, they are relevant community leaders qualified to discuss CSR projects offered by mines in the Klerksdorp area, as is relevant in this research study. After interviewing three community leaders, a point of saturation was reached, whereby continued data collection added no value to the study. The community leaders' participation provided a government policy perspective and the community perspective enriching the discussion and findings.

Table 4.3 below presents the demographic profile of the managers' sample to complete the employee, community and company management perspectives. The managers represented the different departments in the mining sector.

Table 4.3: Demographic profile of the managers

Participant	Gender	Department	Years of employment	Years of Residence in Klerksdorp area
Par 07	Female	Middle manager	14	22
Par 08	Female	HR Officer	6	30
Par 09	Male	Social development officer	8	20

In the overall analysis the profile of participants in the research study balanced perspectives from the decision-makers, decision implementers and community advocates, that is, managers, employees and community leaders, respectively. The manager's demographic profile shows that the participants had spent six years to fourteen years of service to their respective companies. The managers provided a decision-making perspective within the mining company a perspective required to balance of perspectives in the research study. The themes emerging from the data analysis were identified and discussed in the next chapter to provide viable answers to the research questions.

4.2 EMERGING THEMES

There are many ways to analyse qualitative data and many theoretical approaches to data analysis or schools of thought that one needs to familiarise himself with to design one's own research and appraise qualitative research evidence. According to Johnson (2020:143), the discussion section should interpret the results and recommendations. Practice dictates that interpretations should go beyond first level results or literal descriptions of observed behaviours, patterns, and themes to analysis. In this research study, the qualitative data were subjected to thematic analysis from which several themes emerged. Thematic analysis refers to identifying themes in the data that capture meaning relevant to the research question and perhaps also making links between such themes (Willig, 2014:147). The thematic analysis helped the researcher identify patterns in the data and guided analysis and discussion around these patterns. Themes generally refer to the grouping of codes into meaningful unit codes that seem to relate to each other (Saldana, 2015:84).

According to Pierre and Jackson (2014:715), Thematic analysis is, in essence, a process of breaking a multitude of data (mostly text, although this may be images, sound, or video) into

meaningful sections and then recombining them into groups of concepts and ideas which fit together. In research language, this is referred to as coding (breaking up the text and naming each section) and creating themes (grouping the codes and naming the groups).

The following themes emerged:

- Corporate Social Responsibility Awareness
- Purpose of Conducting CSR
- Gaps in the Implementation of CSR projects
- Impacts of CSR projects in the community

Below is the discussion of each theme, starting with CSR awareness.

4.3 THEME 01: CORPORATE SOCIAL RESPONSIBILITY AWARENESS

The participants' responses to the research questions indicated the differences in the level of understanding, education, and exposure to Corporate Social Responsibility issues in the mining companies. Some of the respondents initially struggled to understand how to participate in the interview until the researcher simplified the questions, especially the employees. Table 4.4 shows the data extractions on the theme of CSR awareness. The theme is extracted from data generated from questions and consist of columns indicating themes, Code, which is the main word describing the theme, data extracted from participants transcripts and keywords, which are words chosen based on relevance to the theme.

Table 4.4: Data Analysis on Corporate Social Responsibility awareness

Theme	Code	Data extracted from participants' transcripts about CSR Awareness	Keys words by each participant
Theme 01: Corporate Social Responsibility Awareness	CSR Awareness by Par 01	<i>“According to me there was not anything I have witnessed the company doing for the community.”</i>	CSR projects are not visible in the community

	CSR Awareness by Par02	<i>"I do not understand it because not even one time I witnessed any help from the mine."</i>	CSR projects are not visible in the community
	CSR Awareness by Par 03	<i>"The company, whichever is located in the area is obliged to assist the community in which they are operating such as sports facilities or maybe funding for schools or something of that nature." "My previous company used to conduct some projects of training facilities and some sports which were eventually messed up by the municipality staff but not from the present company of which I have worked for the past two years."</i>	CSR projects have been involved in infrastructure development before
	CSR Awareness by Par 04	<i>"No, I haven't seen any"</i>	Social and environmental responsibility by mining companies
	CSR Awareness by Par 05	<i>"No, I don't."</i>	Social and environmental responsibility of mining companies in the community

	CSR Awareness by Par 06	Par 06 knew what CSR awareness is and had this to say: <i>“Yes, I do. I am aware of some of the companies that provide some social responsibility in the field, some they build schools, some are building computers and in terms of the law they should align their actions NDP as social responsibility.”</i>	Companies build schools and laboratories to support education
	CSR Awareness by Par 07	<i>“-in abiding to the Mining Charter the company has created a Harmony Community Trust of which 5% of the company profits are spent through the trust and hence financing the CSI projects”</i>	Mining Charter 5% of profits
	CSR Awareness by Par08	<i>“Aaam, basically we are, as we are bound by the Social labour plan, we are supposed to engage with the local communities.”</i>	Social Labour plan Community engagement
	CSR Awareness by Par 09	<i>“Some mining companies only focused on improving the lives of their employees and their families, not the rest of the community. Other companies contribute towards the social programmes of the national budget.”</i>	Mining companies contributing towards health and social budget

4.3.1 Discussion of Corporate Social Awareness

The discussion on CSR awareness highlights the relevant discussion on whether there is enough awareness of CSR phenomenon among relevant stakeholders captured in this study as the community, company management, and employee. The relevant question sought to ascertain the CSR awareness level among the participants. The data from each group is presented adjacent, and the related theory and literature are identified and discussed.

The interview questions were designed to enable the researcher to obtain relevant information from the participants, including CSR awareness. CSR awareness is held by bankers, policy makers and international bodies. However, their evaluation tools and efforts towards improving CSR activities are just as critical to bringing about a change in the community (Girija, 2020:16). Some of the employee participants showed awareness of CSR. They were able to describe CSR projects in broader terms and identify cases where some CSR projects in the form of constructed and operated sporting facilities, educational and some centres for providing technical skills in the mines were funded through CSR budgets. The information gathered from the interviews participants also showed that CSR awareness among employees was limited somehow. Awareness activities that target the communities are best disseminated in communication media that is accessible to the community.

The information from the employee sample showed that CSR awareness among employees was minimal, and employees did not participate much in the decisions. This information raised by the employee participants during the interview raised some doubt whether companies, when disclosing their CSR activities in their financial statements, do consider the different levels of understanding from various stakeholders that need such information. Further, sufficient investment was made to involve stakeholders in creating, implementing, and reviewing CSR strategies. According to Agudelo *et al.* (2019:05), the anti-war sentiment, that was the overall social context and a growing sense of awareness in society during the late 1960's was translated into a low level of business confidence through CSR Projects to fulfil the needs and wants of the public. Do the mining companies consider themselves corporate citizens who are accountable to other citizens for their gain? The employees interviewed expressed hope that government could form a partnership with the private sector to improve service delivery of programmes like the provision of clean water, roads, housing and assisting in building facilities like schools and factories. There is a veiled assertion that the CSR projects have not done

enough to draw community members' awareness. However, their existence is driven by the need to address these societal needs. Participant Par01 had the following to say:

“According to me there was not anything I have witnessed the company doing for the community.”

Par 02 mentioned that:

“I do not understand it because not even one time I witnessed any help from the mine.”

The two participants indicated that they had not witnessed any CSR projects done in their community. Hence, the reason might have been that since mining communities are always migrating from one place to the other, some of such CSR projects might have been carried out before they came to live in the Klerksdorp area. Only Par 03 was able to identify CSR projects that have been involved in the community in the construction and operation of sporting facilities and educational interventions through funding that is still visible in some townships. He had this to say:

“The company, whichever is located in the area, is obliged to assist the community in which they are operating such as sports facilities or maybe funding for schools or something of that nature.” “My previous company used to conduct some projects and construction of training facilities and some sports management which were eventually messed up by the municipality staff but not from the present company of which I have worked for the past two years.”

The analysis of CSR projects awareness in the Klerksdorp area indicated disparities in the awareness among employee participants. It is a concerning outcome as it is consistent with a culture practised by corporations in the apartheid era when most black people were working as general labourers and not involved in the decision-making of how operations should be carried out. The culture is not consistent with the modern-day development of CSR, which requires information asymmetry among all stakeholders. The exclusion of employees on matters that affect them in the community is not consistent with the progressive development of CSR as a community benefit program. Participant Par03 stated that his previous employer, a mining company, used to conduct CSR projects in training and sports facilities which were eventually handed over to the local government (municipality). The disinvestment occasioned the handling of CSR projects operated in municipality areas by multinational mining companies from the Klerksdorp area. Giriya (2020:16) stated that the banking industry is giving

due importance to CSR, and they try to cater to all important areas to be focused on, like health, education, and sanitation. In a nutshell, such commitment by some banks, shows that the state of mind by some banks towards CSR is changing due to tough competition in the banking sector (Girija, 2020:16).

According to Formankova *et al.* (2019:01), the awareness of Millennials on CSR and their attitude to sustainable and responsible investment (SRI) was believed to be an integral part of their life. Hence, rising consumerism was compensated by raising the responsibility of the new generation. The notion of corporations as social enterprises, acknowledged by the English Law during the Middle Ages, viewed corporations as an instrument for social development (Agudelo *et al.*, 2019:03). Saxena (2019:55) stated that CSR is an all-year activity and responsibility that companies do for the environment around them, for the best working practices, for their engagement with society and their brand recognition as brand names depend not only on quality, price and features but on how they interact with their workforce, society and environment. Such benefits are realised when awareness is developed to such an extent that the beneficiaries are knowledgeable enough to punish those who do not adhere to CSR requirements and reward those who adhere through their buying activities.

Many economists and academics have espoused the benefits of the stakeholder theory, particularly in a global marketplace where long-term strategic planning is more valuable than short-term stock market price movements (Guadano & Petroza, 2018:02). According to Guadano *et al.* (2018:01), CSR means managers must go beyond the mere satisfaction of the shareholders and take steps to establish balanced relations with all their stakeholders. Many corporate businesses are paying attention to making a profit and increasing shareholder wealth and seeking to make a positive impact on society by maintaining positive and cohesive relationships with their stakeholders (Khalid *et al.*, 2017:03) and according to Mella and Gazolla (2016:331), creating a good working environment and developing internal CSR strategies ensure that companies stimulate employee productivity and satisfaction. The stakeholder theory suggests that a balanced all stakeholder awareness approach is necessary for success to be attained in CSR. Most companies use CSR to motivate, encourage commitment and improve performance among employees.

The body of literature has always emphasised that CSR awareness was one of the important factors driving the success of CSR projects (Bin Rosli *et al.*, 2015:155). According to Glavas and Kelley (2014:165) CSR is positively related to employee performance, commitment,

attractiveness to prospective employees, organisational citizenship behaviour engagement, retention, identification with the organisation, creative involvement and improved employee relationships. Glavas *et al.*(2014:08) studied the effect of CSR on employee attitude and concluded that social responsibility is having an additional impact on employee attitudes and behaviour beyond environmental responsibility, the reason being the relational component of social responsibility.

Yasmin *et al.* (2014:10) suggested that to create awareness about CSR among the community, CSR should be made compulsory in higher studies and develop partnerships among all stakeholders. CSR activities should be extended to small, medium and large corporate houses. According to Leventhal (2012:03), as CSR became more widespread, companies realised that for several reasons that it was important for their employees to become directly involved because such involvement could have a strong impact on employees' satisfaction and commitment, as well as a result in better marketing and branding results. CSR regulations were also enacted to enforce awareness amongst role players such as the ones considered in this study, the community, employees and managers. The employees' information was not consistent with arguments in Leventhal (2012:03) as the employees seemed to be excluded from the CSR awareness drive by the companies they worked for.

CSR awareness among community leaders was surprisingly low. The community leaders who participated in the interview were selected based on their knowledge and experience in dealing with community issues and having lived and become community representatives in the mining areas. The community leaders selected had lived in the Klerksdorp area for more than ten years and had firsthand experience of social issues that the whole community had experienced. In South Africa, the scope of CSR is not clearly defined, and hence there are various charters like Agri BEE charter regulating CSR in the agricultural sector and the Mining Charter that regulates the mining industry (Kloppers & Fourie, 2013:3425). The implication for community leaders' lack of CSR awareness meant that very little pressure was exerted on the mining companies to perform on CSR projects, resulting in some social development associated with CSR projects lagging behind.

In Vietnam, as cited in Gadmoska (2020:51), CSR is perceived as companies' commitments that contribute to sustainable development through their activities by improving the working environment, increasing workers' living standards or quality of life products and services. In other words, CSR is beneficial to enterprises and the general development of the community

and society. It is concerning that the ignorance of community leaders is at the backdrop of the need to engage the mining companies in discussions on the role they can play in assisting in social development through alternative infrastructure development, and re-training of the youth for alternative skills since mines have reached the end of their live span. Lack of CSR awareness and knowledge gaps among the employees and community leaders in the Klerksdorp area explains their lack of involvement in CSR projects in the community resulted in suspicions and mistrust between the Klerksdorp community and mining companies that operate in the area. The expectation theory asserts that community expectations must be understood, and mate community leaders act as catalysts to developing and shaping these expectations. With poorly developed CSR awareness within the community leaders, the positive role of CSR of gold ones in the Klerksdorp area could be blunt.

Peters and Roes (2010:16) stated that government could combine various types of interventions that can be complementary, for example, (a) Awareness-raising representing a tool for disseminating the idea of CSR and providing incentives to adopt it, using policy instruments like tax exemptions for social or philanthropic investments, Internet platforms and award schemes that increase the visibility of CSR activities, (b) Partnerships that combine expertise, competencies and resources of the public sector with those of business and other societal actors to address action areas within the CR agenda, thus creating benefit for all. According to Velasco *et al.* (2009:538), when managers inspire employees to serve internal and external customers, the positive relationship between organisational citizenship behaviour (OCB) and CSR becomes stronger. Furthermore, when frontline employees feel satisfied with their jobs, the relationship between (OCB) and CSR strengthens (Velasco *et al.*, 2009:538).

Radhika (2020:9) mentioned that organisations with a reputation for CSR could take advantage of their status and reinforce their appeal as attractive employer by making their commitment part of their value proposition for potential candidates. The same applies to the reinforcement of the company as a responsible corporate citizen and the commitment to CSR a part of the value proposition to the community. According to Baskentli *et al.* (2019:502), the prominence of CSR on the global business landscape is fuelled in no small measure by consumer demand. Sustainable investments should drive these CSR value propositions into CSR awareness among all role players and stakeholders.

Baskentli *et al.* (2019:503) stated that individual-group characterisation of CSR domains is rooted in how people perceive and understand the world, especially a substantial body of work

that points to individualism/collectivism as a fundamental cultural dimension defining the self. Some consumers view the world in primarily interdependent/collectivistic (connected to others) terms. Others do so in primarily independent/individualistic (distinct from others) terms (Baskentli *et al.*, 2018:503). CSR projects can involve a range of activities such as working in partnership with local communities, socially sensitive investment, developing relationships with employees, and environmental conservation and sustainability (Areiqat *et al.*, 2019:533). Olajide (2014:13), stated that CSR projects are executed in response to expectations placed on the company by society, and such expectations may be economic, legal, ethical and environmental. In South Africa, the government prefers the companies to implement CSI, which the government can regulate according to the Companies Act (Klopper & Fourie 2013:3425).

According to Radhika (2020:11), when corporations can implement the tasks and activities to promote community well-being effectively, they can also render a significant contribution in alleviating the societal problems of poverty, illiteracy, homelessness and unemployment. According to Koch *et al.* (2019:5), the term benefit is defined as an advantage perceived by employees resulting from participation in organisational CSR activities, for example, a higher level of self-esteem. Saxena (2019:55) cited Yasmin *et al.* (2014) suggested that creating awareness about CSR among the community should be compulsory in higher studies to develop partnerships among all stakeholders. CSR activities should also be extended to small, medium and large corporate houses. According to Okoroba (2020:1132), stakeholder's increasing awareness of their rights serve to hold corporations responsible for their actions and inactions to foster sustainable development in their operational areas, while corporations can meet not all stakeholder demands, managing stakeholder expectations of CSR outcomes proves difficult partly due to the ambiguity of defining the content of development investments.

Guadano and Pedroza (2018:01) stated that CSR means managers must go beyond the mere satisfaction of the shareholders and take steps to establish balanced relations with all their stakeholders. CSR goes beyond the mere satisfaction of the shareholders or owners and establishes balanced relations with all the company's stakeholders. For this reason, we consider stakeholder theory to be a useful approach to guide companies towards creating value for all stakeholders (Guadano *et al.*, 2018:2).

The more CSR became widespread, companies realised that for several reasons, it was important for their employees to become directly involved and hence such involvement could

have a strong impact on employees' satisfaction and commitment (Leventhal, 2012:3). According to Mella and Gazolla (2016:331), when a company is engaged in CSR initiatives, employees are proud of and committed to such an organisation because their personal identities are partly tied up in the companies that they work for. CSR projects can involve a range of activities such as working in partnership with local communities, developing relationships with employees and customers, and involving in environmental conservation and sustainability (Areiqat *et al.*, 2019:533). According to Bin Bosli *et al.* (2015:155), CSR awareness is one of the important factors driving the success of CSR projects because it encourages participation from all stakeholders.

All managers indicated a high level of CSR awareness since they represented their mining companies in selecting and implementing CSR projects. They all could identify efforts and processes within their organisations that were geared towards CSR projects in the Klerksdorp area. One of the managers mentioned that her organisation funded CSR projects in compliance with the Mining Charter through a trust fund funded by 5% of the organisation's yearly profits. The other managers highlighted that their organisations were embarking on CSR projects to follow the guidelines imposed upon the mining companies by Social Labour Planning (SLP). Therefore, managers are tasked with using CSR strategy as part of a business strategy that is eventually operationalised as part of the company. The data indicated general awareness among managers of what CSR entails and the issues associated with implementing CSR projects. They all could identify efforts and processes within their organisations that were geared towards CSR projects in the Klerksdorp area.

4.3.2 Theme Conclusion

CSR awareness among community leaders was surprisingly low regardless of some of them having lived in the Klerksdorp area for more than ten years. Awareness amongst community leaders and employees still reflected the quantum of unmet expectations on mining companies to embark on CSR projects that they can see through. The data indicate very little expectations placed on the mines by the society as community leaders are not knowledgeable, and neither do the mining companies make consented efforts towards building their awareness nor that of their employees. If any, the government's expectations come through regulations that are hardly understood by those who are to benefit.

4.3.3 Summary of Theme 01

The information from the body of literature strengthened the fact that CSR is dynamic and depends on how an organisation intends to use it. The data revealed high levels of awareness among managers of the mining companies and lower levels of awareness among community leaders and employees. The purpose of this section was to evaluate how much CSR awareness the community of Klerksdorp area had. So far, the data indicated a lack of understanding among the community of how CSR functions, which usually resulted in the community failing to differentiate between the services supposed to be offered by the government and those offered by the private sector. Most of such differences have resulted in tensions and suspicions among the mine companies and the community because their level of understanding of CSR awareness is not the same. CSR projects are always initiated to help assist the community or as public relations exercise.

Mining companies have been operating before the democratic dispensation and had signed some agreements with the previous government during the apartheid regime, of which information about their operations was not available to black majority communities. Employees did not have any representation in company meetings because unions were against the ruling government. Another impediment was high illiteracy levels among the black employees, who constituted the bulk of unskilled workers. After the democratic government came to power, most organisations allowed employees to form unions and be able to get representation in matters that affect them at the workplace. Such action allowed companies to include employee representatives during discussions of issues affecting the company, such as CSR programmes directed to the uplifting of social standards of local communities. Presently, new mining companies took over from the Gold Ashanti that has left South Africa due to the high cost of mining, including the militant trade unions. The next section discusses Theme 02, the purpose of conducting CSR by organisations

4.4 THEME 02. PURPOSES OF CONDUCTING CSR BY THE KLERKSDORP GOLD MINES

Table 4.5 below is an extraction of data coalescing into theme 2, a discussion on conducting CSR projects by the Klerksdorp Gold Mines.

Table 4.5: Data Analysis on purposes of conducting CSR by the Klerksdorp gold mines by manager participants

Theme 02	Code	Data extracted from Participants' transcripts in response to the Purpose of Conducting CSR by organisations	Keys words from participants
Purpose of conducting Corporate Social Responsibility	Purpose of conducting CSR by Par 01	<i>"CSR can reduce the rates of crime and other lack of social development and problems experienced in the township."</i>	Reduction of crime and other social problems experienced in the townships
	Purpose of conducting CSR by Par 02	<i>"there is high unemployment and lack of alternative means of generating income because of lack of assistance from the mining companies."</i>	Reducing unemployment and improving income generating alternatives
	Purpose of conducting CSR by Par 03	<i>"According to my knowledge it is the company's responsibility to do something (CSR) because it is for every company to obtain a social licence in the community it does so by making sure that they offer assistance where that community needs"</i>	Acquisition of social licence
	Purpose of conducting CSR by Par 04	<i>"the organisations must help the community with job creation, whatever the community has a problem with the business should assist, any problem that he or she have."</i>	Job creation and assisting the community in so social difficulties.

	Purpose of conducting CSR by Par 05	<i>“if CSR projects create jobs for the people who have been retrenched then I can say to you it is going to be important.”</i>	Creation of jobs for retrenched miners
	Purpose of conducting CSR by Par 06	<i>“Some CSR projects assisted in building schools, building computers and in terms of the law they should align their actions to National Development Plan (NDP) as social responsibility.”</i>	
	Purpose of conducting CSR by Par 07	<i>“We are trying to change the lives of the community, one at a time. The law also compels us to rehabilitate such land and where there is contamination, we plant trees which we convert to energy for our personal use.”</i>	Mining Charter guidelines
	Purpose of conducting CSR by Par 08	<i>“we always follow SLP guidelines so that we are fair to the communities that we operate from.”</i>	SLP guidelines
	Purpose of conducting CSR by Par 09	<i>“it is the company’s responsibility to do something (CSR) because it is for every company to obtain a social licence in the community it does so by making sure that they offer assistance where that community needs”</i>	Company to obtain a social licence

4.4.1 Purpose for conducting CSR by Klerksdorp gold mines

There are various reasons for companies to engage in CSR, both for external and internal poses, external to compete on both local and international markets and internal as part management strategies and employee development and retention initiatives. Most MNC is no longer focused on exclusive shareholder wealth maximisation because of the shift in the focus of global business towards all stakeholders. MNCs operating in the developing world are encouraged to assist in infrastructure development and poverty alleviation by establishing CSR projects and creating awareness programs for all stakeholders.

According to Detomasi (2007:807), the CSR story is regularly told from a micro perspective that details the internal costs and benefits to firm such measures may bring. However, the sheer increase in the size and activity of multinational corporations (MNCs) over the past decade guarantees that their CSR efforts – or lack thereof – will significantly impact on the external, social, and political environment in which they operate. The lack of CSR contributions towards the social development in the Klerksdorp area, despite the reports to the contra, raises doubt on the criteria or standard the mining companies use to approve and embark on CSR projects? The employee participants were not impressed by the purpose of CSR from the perspective of their organisations. The majority were working as manual labourers and. Hands are that they were not involved in meetings where such decisions were made. The employee participants voiced their concern that the CSR projects they witnessed doubtfully served the communities. Another employee participant perceived that mining organisations in the Klerksdorp area were engaging in minimum CSR programs, which would not cost them too much or move a needle on their profits. The general belief was that most CSR projects were merely acts of fulfilling immediate compliance requirements, which would prevent immediate punishment from authorities with very little concern for long-term sustainability. Employees expected CSR projects to address socio-economic issues like crime, unemployment and lack of infrastructure.

According to Eliasson and Lindmark (2020:16), micro-CSR is to this date more extensively focused on the consequences of employees' perception of an organisation CSR activity grounded in the organisational behaviour, while scholars have stated that 96% of CSR research has been toward macro levels, that is, the organisation have been the unit of analysis. In this study's data, it is safe to conclude that the consequence of employee perceptions is not granted enough weight; hence most have been left out in the CSR awareness programs. According to Williams *et al.*(2019:81), understanding what CSR means to any organisation establishes a

foundation for reviewing project development processes as it begins to outline its CSR mandate as a first step for setting up a CSR portfolio. The establishment of project development formally and operationally defines the meaning of CSR to the business and local community and how it will be reflected in the processes and procedures that follow. Taking CSR communication as a starting point, research has shown that communication is constitutive for action. That is, organisational leaders do talk about CSR, simultaneously committing to bringing that talk into action (Morsing & Spence, 2019:1921).

According to Elalfy *et al.* (2020:2), the motivations for investing in CSR initiatives and integrating them into business strategy are grounded in a shared desire to ensure a firm's long-term success and survival, and by aligning the purpose and values of CSR with market drivers and stakeholder demands, CSR practices have become due diligence for preserving the firm's license to operate, avoiding reputational damages, building loyalty, and maintaining competitive positioning. According to Melovic *et al.* (2019:1), in the modern business environment, CSR is more important than ever because it influences employees in every segment within the company, and that is why better perception and implementation of CSR projects is important, as alluded to by one of the participants, Par2 who had the following to say:

“there is high unemployment and lack of alternative means of generating income because of lack of assistance from the mining companies using CSR projects.”

The employees represent an important factor in the success of the company itself, and hence employees and managers need to understand the conceptual framework of CSR. Strategic CSR offers a new lens to underpin CSR focused on strategic and operational integration as a means of improving competitiveness, performance, and profitability (Elalfy *et al.* 2020:2). CSR influences the attitudes and perceptions of the employees, who represent the vital portion of an organisation. CSR is one of the most reputational factors considered by employees' human resources policies, such as the participation of workers in decision-making, the possibility to participate in the capital, labour flexibility, legal security and union relations all indicate a company's application of CSR concerning its employees (Guadano *et al.* 2018:02). Guadano *et al.* (2018:02) added that CSR goes beyond the mere satisfaction of the shareholders or owners and takes steps to establish balanced relations with all the company's stakeholders. Participants advanced several reasons for conducting CSR projects during the interview. Par 01 stated that:

“CSR can reduce the rates of crime and other lack of social development and problems experienced in the township.”

CSR has been advocated for decades and is commonly employed by corporations globally, and an agreement on how CSR should be defined and implemented remains a contentious debate amongst academia, businesses and civil society. Managers had positive views about the achievements of CSR projects carried out by the mining companies in the community, while the employees and community leaders were pessimistic. The level of understanding of the purpose of CSR projects by each organisation was expressed differently by the managers based on what each company uses as its guidelines. During the interview, all manager participants indicated that they supported the Klerksdorp gold mines using CSR to benefit both the Klerksdorp gold mines and the local community. Both participants, Par 07 and Par 08 expressed the belief that the underlying argument is that by addressing the basic needs of the community, the mining company endears itself to the community hence acquiring a social license. Par 09 also suggested that if mining companies offered assistance to the local community, such action could have a positive spin-off, where workers could feel motivated and be willing to share the plight of their local community, which could galvanise them to increase productivity, resulting in the company improving its profits yield. Par 08 had the following to say:

“the other purpose of conducting CSR projects is to provide assistance to poor families with school uniforms and food items as well as other social needs.”

Besides providing direct community needs, the Klerksdorp gold mines do provide upskilling, that is, training some employees to enable them to earn better salaries that would improve their families' living standards. All the managers indicated that their companies were involved in CSR projects, firstly as a way of making a profit as well as obtaining a social license from the local community (a right to conduct mining in the local area), and also to comply with the Mining Charter regulations that guide the mining companies' activities. The purpose of implementing CSR projects by the Klerksdorp gold mines is to establish mutual benefits and understanding by all stakeholders, an argument that falls within the parameters of the stakeholder theory.

Glavas (2017:1) stated that CSR expanded the notion of work beyond a task, job, intra-individual, intra-organisational, and profit perspective and provided an ideal conduit for

individuals to seek and find meaningfulness through work and at the same time adopt a person-centric conceptualisation of CSR. Mueller-Hirth (2017:51) stated that historical and modern contexts of CSR in South Africa focus on the involvement of the private sector due to black economic empowerment. The position is supported by participant Par 07, who argued that:

“We are trying to change the lives of the community, one at a time. The law also compels us to rehabilitate such land and where there is contamination, we plant trees which we convert to energy for our personal use.”

Khalid *et al.* (2017:3) added that most of the purposes of Klerksdorp gold mines having CSR programmes derive the following advantages: enhanced brand and reputation, reduction in operation costs, attracting new customers, balances power with responsibility, discourages government regulation, improves a company’s public image, promotes long run profit, improved relations with the investment community and better access to capital, enhanced employee relations, productivity and innovation and stronger relations within communities through stakeholder engagement.

Corporate Social Responsibility reports are a relatively new genre of text, designed to provide an overview of a company’s initiatives to address the three-pillar or corporate model of sustainable development. These pillars are:

- (i) the people or communities that affect, or affected by, the company’s activities;
- (ii) the environment; and
- (iii) the company’s economic performance and awareness among mining communities that mining the Klerksdorp gold mines cannot just enforce themselves on communities that deem them a threat or unhelpful to their needs (Bernard, 2016:148).

The skills retention aspect of CSR could be less prominent due to the low levels of skills utilised in mining and the general oversupply of the skills in the face of mine closures and a decline in the sector. Muller (2016:03) mentioned that the municipality’s National Development Plan (NDP) is poorly constructed with limited participation from key stakeholders and no guidance. The community leaders also believed mining companies could help in environmental cleaning by establishing CSR projects that will work in communities to prevent water pollution, water contamination by some irresponsible mining companies. CSR projects could help provide food supply by training farmers to grow various food products that could help low-income families

since there is high unemployment in the Klerksdorp area. CSR projects could be in the form of funding by the mining company after identifying the needs of the community.

Many corporate businesses are no longer paying attention to making a profit and increasing shareholder wealth only. Still, they also seek to ensure a positive impact on society by maintaining cohesive relationships with their communities (Khalid *et al.*, 2017:3). According to Rosli *et al.* (2015:155), CSR is essential for economic growth. These authors continue to state that most theoreticians describe economic growth as a process that generates economic and social, quantitative and qualitative changes, which cause the national economy to cumulatively and durably increase its actual national product. Cameron and Clouth (2015:05) stated that with governments today seeking effective ways to lead their nations out of these related crises while also taking into account these ecological limits, green economy (in its various forms) has been proposed as a means for catalysing renewed national policy development and international cooperation and support for sustainable development.

CSR projects play a major role in changing the livelihood of communities when they engage in CSR activities that actively contribute to the economic, ecological, or social environment around them. Such activities enhance the organisation's image, and allow employees and the communities to construct a positive identity for themselves and the organisation in which they work as a place that cares for and contributes to the well-being of everyone (Raub & Blunski, 2014:11). With the facts above in mind, most communities sometimes fail to draw the line where some services need to be provided by the government because of legal implications. CSR projects play a significant role in changing the livelihood of communities by contributing towards the economic, ecological. Social environment improvements and such activities enhance the image of the organisational image and allow employees and the communities to construct a positive identity for themselves and the organisation in which they work as a place that cares for and contributes to the well-being of everyone (Raub *et al.*, 2014:11).

The last ten years have witnessed a rise in unemployment because most of the local population relied upon the mines as the main employer. The community leaders showed a very low understanding of how CSR operates in the community. Only Par 06, with experience of having worked in the mines before, mentioned that CSR could help improve skills among the youth if laboratories and other training institutions in the Klerksdorp area would focus on youth skills development. Par 04 and Par 05 emphasised that CSR's purpose was to establish CSR projects to assist social development in the community, such as reducing crime and developing of

alternative skills. The main issue that all the community leaders emphasised was unemployment and crime, which seemed to affect the local community at large.

According to Westphalen (2012:54), the mining sector brings critical economic gains to both mining companies and local communities through the provision of profitable business and employment opportunities. In South Africa, the mining industry previously experienced reckless and fraudulent reporting of projects that led to investors losing large amounts of money on stock exchanges, which resulted in the development of reporting codes, most of which are part of an international body called CRIRSCO (Gasela, 2018:42). During the interview, Par 04 mentioned that:

“some of the environmental problems that were created by the mining companies are the mine dumps that were left untreated with poisonous gases and dolomitic holes uncovered which create a hazardous environment especially to the main road users, for example in N12 Stilfontein town, in North-West.”

It is the responsibility of the mining company to make sure that the land that had been disrupted during the minerals extraction process is revived back to its original state or to a state where the land can be usable by the community. Companies that engage in CSR activities need to work in tandem with the local authorities to establish priority projects that could benefit the community. Interviews were held to find out management perception of the purpose of CSR projects to the community.

The purpose for conducting CSR is viewed as positively impacting the community if it addresses community expectations and livelihood requirements, including the environment. Livelihood requirements needs include water, sanitation, energy, roads, entertainment, and food. Such CSR contribution is consistent with arguments in Trevino and Hedstrom (2011:10). They stated that CSR is the “organisation’s obligation to maximise its positive impact and minimise its negative effects in contributing to society, with concern for society’s long-term needs and wants.”

According to Hansen *et al.* (2011:2), CSR, the widely accepted concept that brings together economic, legal, ethical, and discretionary responsibility, has a significant positive effect on various stakeholders. Some studies have examined the effectiveness of CSR activities in influencing internal stakeholders or employees and shown that CSR can increase positive employee behaviour through organisational commitment or by reducing employee turnover

intention. Employees in their contributions to the purpose of CSR projects failed to understand themselves being part of the skills retention program of the mines. Par 03 had this to say:

“According to my knowledge, it is the company’s responsibility to do something (CSR) because it is for every company to obtain a social licence in the community it does so by making sure that they offer assistance where that community needs.”

Employee participants believed the most important purpose of conducting CSR is for the company to prove to the community that it is willing to assist in social programmes of the community. Employees also believed companies could also conduct CSR for the skills-based for other business sectors besides mining.

According to Hamann and Kapelus (2004:85), Corporate Social Responsibility (CSR) is playing an increasingly significant role in companies’ narratives, particularly in the case of mining, and the international prominence of CSR in mining can be traced to mining’s potentially significant negative social and environmental impacts. The related criticism levied at mining companies by governments, NGOs, and local community organisations. According to Hohen (2007:88), another perspective is that CSR projects are an opportunity for the government to leverage the private sector into providing services to the community, which would otherwise have been its responsibility.

A win-win situation is obtained where the Klerksdorp gold mines acquire social licenses to operate at a given area. The government finds a channel for service provision by both parties working together. At the same time, failure for such PPPs to function exposes the government to protestations by the community like poor service delivery. An example would be building a health facility at the local mine, which the government will operate to serve the community’s health needs. Such structures serve as a signal of the mine’s good intentions towards the community.

Lack of CSR projects in the development of alternative economic livelihood resulted in the communities of Klerksdorp being financially stranded when mines started closing down. The over-dependence in mine employment by the majority of the working population in the Klerksdorp area resulted in a huge increase in unemployment among the local community when the mines closed down due to the depletion of gold ore underground. The eventual result was that the community started blaming the mining companies for exploiting the employees by

underpaying them when the mines were fully operational. Hence not much was done to prepare for the time when minerals (gold) was depleted.

Although some of the social needs may be provided within the scope of CSR projects, they can also be addressed through the partnership between the private sector and government, commonly referred to as Public-Private Partnerships (PPP). In South Africa, the Mining Charter is a document used by the DMR to regulate and guide the operations of mining companies and their social and environmental responsibilities activities to the local communities. According to Kapelus (2002:01), mining companies have long had a questionable reputation for social responsibility, especially in developing countries. Mining companies operating in developing countries have increased pressure as opponents have placed them under greater public scrutiny. Some mining companies do minimum activities to comply with regulations, like some that simple offer charitable donations to the school children of low-income families. Mine closure normally impacts the environment and society where the land is not rehabilitated to its original state.

4.4.2 Theme Conclusion

CSR has a diverse purpose which could be classified as internal and external. Internally within an organisation it can be interpreted into the company strategy to attain competitiveness, profitability and as a means to attract and retain talent. Externally CSR could be purposed towards generating community value, acquisition and maintenance of a social license and to generate a reputation that the company is sustainable and a responsible corporate citizen. The internal and external purposes for embarking on CSR create harmony between the company and the local community from where the company operates while delivering on shareholder value. Participating stakeholders have a narrow view of the purpose for CSR projects defined from the limits of their needs. Thus the tension between stakeholders concerning CSR projects will have a longer shelf life without meaningful investments into generating CSR awareness among all stakeholders. The author believes it would be helpful for gold mining companies to enter into agreements with other social stakeholders to increase CSR awareness among community members.

4.4.3 Summary of Theme 02

There are various purposes of conducting CSR projects, including improving the well-being of communities, rehabilitation of the land, aligning with government services in the communities

affected, dealing with social ills, employment creation, acquiring social licenses, and building infrastructure. As part of the business strategy, the purpose of engaging in CSR projects is to show the company’s commitment to both its shareholders and prevent potential conflicts with the government and the community due to differences in expectations.

Some CSR projects were abandoned when the Vaal Reefs mines closed down in November 2019. In a way, such observations increase the need for regulatory oversight to help prioritise community projects that would impact the lives of the local community. At the same time, the notion that a company can be forced to spend beyond their budget in the community's interest is interesting and tests the moral boundary a company is willing to live by. Current CSR models have the needs and expectations of the community being moderated by the funds available for such an expenditure. An unhealthy situation is painted by the disparities between the CSR appraisal of employees and community leaders set against that of the managers of the CSR projects conducted by gold mines in the Klerksdorp area.

4.5 THEME 03: GAPS IN THE IMPLEMENTATION OF CSR PROJECTS.

Table 4.6 is an extraction from the interview transcripts that represents the third theme. This theme identifies the gaps in the implementation of CSR projects.

Table 4.6: Data Analysis on Gaps in the implementation of CSR projects

Theme 03	Code	Data Extracted from participants transcripts in response to question about Gaps in the implementation of CSR projects	Keys words from participants
Gaps in the implementation of CSR projects	Gaps in the implementation of CSR projects by Par 07	<i>“The need has to go hand in hand with the budget. Sometimes, sometimes there is that need but while there is no budget, but if we have money, this will benefit XYZ.”</i>	Budget needed to for CSR projects
	Gaps in the implementation	<i>“what I have with me currently is a list of those students that do go</i>	Funding for poor families

	of CSR projects by Par 08	<i>home hungry or that come to school hungry and what we will be doing, going forward is to ensure that such kids would get food parcels. The other thing we will be doing is to provide education centres and hence we will be building structures for that.”</i>	
	Gaps in the implementation of CSR projects by Par 09	<i>“most of gaps are a result of different expectations especially from the community to the company’s plans”</i>	Strategic intentions by the company

4.5.1 Gaps in the implementation of CSR

Gaps in the implementation of CSR projects usually start from the planning phase, where its strategic intent and financial performance guides the company’s planning. When the company decides to engage in CSR, the first step will be to appoint managers to run such departments responsible for CSR policy formulation to ensure the organisation achieves its objectives. CSR is a response to governance challenges, especially in developing countries like South Africa. It supplements the weak, corrupted and under-resourced government that falls short of delivering basic social services. Here the socio-economic challenges are high, and corporations are expected to play pivotal roles in bridging the gaps compared to corporations operating in wealthier nations (Tefera *et al.*, 2020:01). In response to the questions about the gaps in the implementation of CSR projects,

Par 08 had this to say:

“what I have with me currently is a list of those students that do go home hungry or that come to school hungry and what we will be doing going forward is to ensure that such kids would get food parcels. The other thing we will be doing is to provide education centres and hence we will be building structures for that.”

Conflicting expectations between the organisation and the community is another reason for CSR implementation gaps. The managers mentioned during interviews that budgets guide their

companies. This means that even if there is an urgent need in the community, the company would only respond to such need if there are enough funds available to establish a CSR project to assist. The efficacy of the CSR projects depends on whether the planning process is expected enough of the community's future needs. This rarely is the case. The fact that these company budgets are not disclosed nor regulated leaves the majority of the decisions in the company's hands. Only the company will only know if it is doing enough or not. While some companies might rely on the yearly profitability of the business, large corporations usually have marketing budgets to establish CSR programmes that could offer assistance to the local community.

Participant Par 07 stated that her company funded CSR projects through a trust fund which was usually deducted at 5% of the annual profits after all deductions. The crispy question to asks is that if the CSR budget expenditure is dependent on profitability, are the needs of the community driven by company profitability as well? The answer is that profitability does not and will never regulate or drive community needs but instead is an after-thought after the company has operated. The debate doubts the strategic aspect of CSR in its current form and shape in the sense that it would be an input to the strategic crafting process rather than an output, as is the case with the budget argument and the profitability argument. These arguments reveal gaps in CSR which suggest that there is still a lot of work to be done despite the global feel and the long period CSR has been championed the world over. The contribution by another participant (Par08) that she does not know how her company funded the CSR projects, in what projects it was involved in besides that CSR projects was an obligation imposed upon the mining companies by Social Labour Planning (SLP), is telling about the gaps that still exist in the implementation and acceptance of the construct of CSR.

Historically, mining companies started operating in South Africa during the apartheid regime. Most of the agreements were reached excluded the black people presently in charge of the democratic government. The mining concern has not done enough to dispel gaps associated with the apartheid agenda against the democratic dispensation agenda incorporating a larger and different demographic. Two and half decades into the democratic government, the perception that mining companies are still withholding most information about their operations to the community leaders is rife.

Par08 stated that:

“we always follow SLP guidelines so that we are fair to the communities that we operate from, ok, aam, basically aam, as per the Social labour plan and as to what we want to achieve, is that, we want to ensure to the community that we are working within, is helped in the way that will benefit and mostly the young people.”

In South Africa, the new mining companies seem eager to comply with DMR regulations, including SLPs, which could simply involve identifying low-income families that required donations and any other form of assistance the mines could offer as long as such donations would not go beyond what the company had budgeted such donations for. There would be huge gaps during the implementation of such CSR projects because there would be no consensus between the mine managers and the community before such projects are started. Participants stated that there had not been any forum that discusses CSR matters between the mining companies' management and the community of Klerksdorp area. Most of the CSR projects by the new mining companies in the Klerksdorp area consisted of donations of school uniforms to those identified and plans of building schools for the families living in the mine jurisdiction and some training facilities for skills development required by the mines. None of the CSR projects seems to be informed by any robust engagement with the stakeholders. There has been an implementation gap where mining companies only developed schools, laboratories, and sports facilities for mining areas but did not develop similar facilities in the local municipalities. These new mining companies that have started operating the Klerksdorp area may need to establish a joint forum that includes the community members and LED to formulate an inclusive CSR strategy that will benefit both the companies and the Klerksdorp communities.

Baman and Skitka (2018:72) mentioned that CSR might promote organisational identification because it can influence the similarity or dissimilarity people to perceive between themselves and the organisation. According to Groen (2019:6) consumers consider themselves as eco-friendly or sensitive to the environment. Still, their behaviour often contradicts their confessed sensitiveness, and a gap called the value-action gap, the environmental values-behaviour (EVB) gap and the 'green gap' is thus created. Njuguna (2019) stated that most CSR projects and programs in Kenya are aimed at ensuring improved social well-being of citizens, especially the less fortunate in society. Hence, very few have purposed to establish deterministic variables influencing the sustainability of such projects, which more often collapse once they are left at the mercies of the society. According to Banda (2019:3), gap analysis was conducted to assess

the extent to which Zambia's mining policies and legislation align with the policy framework and assessment based on three areas: fiscal regime, geological and mineral information systems.

Developing countries like South Africa have CSR that is primarily aimed at redressing the socio-economic problems such as poverty, diseases, income inequality, unemployment, and lack of basic education. This is in sharp contrast to Western CSR, which generally addresses climate change, consumer protection, fair trade, or responsible social investments (Bharti, 2016:43). While making implementing CSR decisions and policies, companies are guided by their business strategy and operating procedures, but when eventually such CSR programmes are made for the benefit of the (community members), they might not match the organisation's goals by the company resulting in a gap between the communities' expectations and the implemented CSR activities by the companies (Bharti, 2016:43).

Anglo Gold is a mining company that was founded under the premise that the shareholder wealth is maximised. Although this aim remains, it needs to be achieved do in such a way as to make a real and lasting contribution to the communities in which they operate (Madeliene, 2013:33). The above statement by Anglo American chairman stated that the company's strategic intent was to make profits for the shareholders and contribute towards social welfare of the communities of the area where they operated from through CSI investment. The Chairman's Fund contributed 25% of Anglo's CSI in South Africa, which focused on a wide array of social issues like education, HIV/AIDS, health, welfare and development, environment, entrepreneurial development, policy and advocacy and arts, culture and heritage (2013:01). Busacca (2013:39) stated that in 2008, the Fund invested in more than 250 projects, spending R76.8 million on CSI, R21.7 million of which was spent on health and HIV/AIDS-related projects in disadvantaged communities.

Mining houses engaged in CSR need to close the gap between their CSR initiatives and ever-growing community needs. What is important for the mining houses is to develop a business strategy that will address the organisational structure (Sustainable CSR and mining in South Africa, 2013:01). Par 09 mentioned that *"some of gaps are a result of different expectations especially from the community to the company's plans"*. After South Africa obtained independence in 1994, Anglo Gold engaged the government to continue to promote long-term sustainability in the country through traditional CSI initiatives, which supported capital funding

and infrastructural development through their Chairman's Fund (Busacca,2013:39). However, the CSI programmes might not be what the communities were expecting the company to do.

Wickert *et al.* (2013:1169) mentioned a gap between CSR talk and CSR walk where CSR talk involves impression management and symbolic images and documents. CSR walk concerns the substantive implementation of CSR policies, structures and procedures. After studying the costs and benefits of an organisation, Wickert *et al.* (2013:1169) added that large enterprises focus on communication and less on implementation because they hold the advantage of being able to spread their costs, while small firms concentrate on execution and less dialogue due to the effects of high costs of marketing involved.

During the implementation of CSR project, a gap can form when a company identifies CSR projects in the community, but the community does not perceive this specific project as vital. These gaps realise when companies focus on projects emanating from their strategic intent, while local communities expect the company to prioritise the issues that are important to them first. Sometimes, an implementation gap does occur between the Klerksdorp gold mines of different sizes, where one is a large corporation engaging CSR talk, which is simply using the media (advertising, promotion and personal advertising) to engage the community in CSR matters. A small organisation with a limited budget would prefer using CSR projects which are direct and substantive for the community. So a different CSR project gap would occur where two companies are of different sizes. Van Wyk *et al.* (2008:04) stated that an organisation that encourages CSR goes beyond reporting and focuses on the gaps between policies and practices, thereby assisting civil society groups and corporations in moving beyond philanthropy to more strategic interventions that benefit both the corporation and society. Par 07 mentioned that,

“The need has to go hand in hand with the budget. Sometimes, sometimes there is that need but while there is no budget, but if we have money, this will benefit XYZ.”

The mismatch between budgets and community needs will constrain the CSR construct for some time to come.

4.5.2 Theme Conclusion

The gaps in the implementation of CSR initiatives result from the policy considerations of the construct by gold mining companies. The decision to fund it with the ruminant profit does not advance the notion that CSR is a strategic tool for the organisation's sustainable, competitive

and profitable engagement. Budgets are created as part of company plans at the beginning of the year and may not predict the communities' future needs, creating an inherent gap. Stakeholders expectations are inherently exceeded by the budget availability, which has to be controlled and voted for well before the additional community needs emerge. It may be necessary to fund CSR from working capital or other forms of capital to assert CSR, mainly where sudden disasters like Covid-19 occur. Hence, the budget would have been approved earlier. CSR is a source for community or stakeholder tensions in the absence of detailed and specific regulatory interventions. The gold mines have not shown to be accountable and responsible for their CSR projects dumping these to ineffective local governments encouraging the notion that they were done just as a paper filling exercise without real conservation for the community and the environments.

4.5.3 Summary of Gaps in the implementation of CSR

The purpose of establishing CSR as part of the business strategy is to ensure that the company's commitment to its stakeholders and the community is done within the budget and prevents potential conflicts with the government's guidelines. Once such strategy decision has been taken, societal problems during the mining operations will be attended in most cases using CSR projects. According to Anglo Ashanti sustainability report 2019, the Vaal Reefs gold mines in the Klerksdorp area closed some of its gold shafts from the beginning of 2009, and most of the employees were retrenched, while most of the huge CSI investments that the mining companies had been contributed towards the social welfare of the communities of South Africa did very little for the local community. CSR strategy was planned at the management-level. Given the history of South Africa, few black people were employed in managerial positions, and most decisions were taken and implemented without black participation.

The implementation gap could occur when the company management selected a specific CSR project to be implemented in the community while the communities would be expecting such projects to be focused on different areas. In the Klerksdorp area, most communities felt betrayed and abandoned when the gold mines closed. They no longer had the right to live in mine hostels because the mines no longer employed them. Many were unable to find alternative employment or pay for rental accommodation. Eventually, on the 20th of February 2020, Anglo Gold Ashanti sold their last mining assets in South Africa to Harmony Gold. This left the communities in the Klerksdorp area stranded.

4.6 THEME 04: IMPACT OF CSR IN THE KLERKSDORP COMMUNITY

Data Analysis in response to the question on the Impact of CSR in the Klerksdorp community is presented in the table below. The discussion on the impact of CSR highlighted how the community received the services and other programmes offered by companies.

Table 4.7: Data Analysis on the Impact of CSR in the Klerksdorp community

Theme 04	Code	Data Extracted from participants transcripts in response to question on the impact of CSR projects among the local community	Keys words from participants
Impacts of CSR projects in the community?	Impact of CSR projects among the community by Par 01	<i>“Yes CSR can help the community by reducing the rates of crime and other social ills experienced in the township.”</i>	Reduction of crime and other social ills
	Impact of CSR among the community by Par 02	<i>“Yes CSR projects could alleviate unemployment and crime.”</i>	Alleviation of unemployment
	Impact of CSR among the Community by Par 03	<i>“I have not experienced anything of some sort. My previous company used to conduct some projects of schools, training and some sports facilities which were used by the community.”</i>	Infrastructure development like schools and sports facilities

	Impact of CSR among the Community by Par 04	<i>“Impact of CSR by the mining companies, no I don’t know of any.”</i>	No word
	Impact of CSR among the Community by Par 05	<i>“CSR projects can assist in improving skills of those people who are unemployed and those that were retrenched in the mines.”</i>	Improving skills of the unemployed and those retrenched
	Impact of CSR among the Community by Par 06	<i>“The CSR programs are supposed to be aimed at social development and to assist in community upliftment on a large scale by mining companies”.</i>	Social upliftment of the community
	Impact of CSR projects among the community by Par 07	<i>“Its more of like, my company donated some books last year, it’s me with my school this side. The municipality does not take care of their responsibility anymore. Everybody is now saying expecting my company to supply the community forever and the truth is told, we can only take this much, even the government department, expect us to do their work for them, their work in terms of spending and improving the lives of the communities. They expect us to fund their activities, we can’t”</i>	Changing the lives and rehabilitation of land

Impact of CSR among the community by Par 08	<i>“Yes CSR projects can help the community by reducing the rates of crime and other social ills experienced in the township.”</i>	Parents relieved from providing for their children.
Impact of CSR among the Community by Par 09	<i>“Yes CSR projects can help the community by Building infrastructure and fixing ageing ones and other social ills experienced in the township.”</i>	CSR help in the reduction in Crime and other social ills

4.6.1 Impact of CSR projects among communities

According to Famiyeh (2017:394), firms commonly engage in a myriad of CSR initiatives that promise various societal benefits. For example, Cisco stated that through CSR, we empower social change agents with technology and expertise, our goal being to accelerate global problem solving to benefit people, society, and the planet. According to Kumar (2019:53), the present-day conception of CSR implies that companies voluntarily integrate social and environmental concerns in their operations and interaction with stakeholders and companies that respect and listen to their stakeholders must naturally be concerned by their growth and profitability and to take care of economic, environmental, social and societal impacts of their activities.

Par 09 mentioned that:

“CSR projects can help the community by reducing the rates of crime and other social ills experienced in the township.”

According to Akolo-Obisi (2019:8), the challenge for Corporate Social Responsibility in African countries could be said to be framed by a vision that was distilled in 2000 into the millennium development goals of a world with less poverty, hunger and disease, greater survival prospects for mothers and their infants, better-educated children, equal opportunities for women, and a healthier environment (UN, 2006). Iskandar and Ramli (2019:212), stated that, in some previous studies, the concepts of economic affluence and happiness, life satisfaction, quality of life and social capital had been associated with community well-being (CWB). According to Baldarelli (2019:5), training courses on CSR, which had been promoted in the Rimini area, increased the influence of disclosing non-financial information in financial

statements and consolidated financial statements of some companies here examined. That trend is considered because the word “CSR” can be implemented in different ways. Some of the positive impacts of CSR projects that Anglo Gold undertook since its inception are the free health benefits received by its employees due to its huge CSI budget towards health care and skills development and entrepreneurship offered to those who participated in such training. This stretched over all the provinces from where.

Employees are part of both an organisation and the community. The organisation is involved in uplifting the community through engagement of various projects. The employees are proud to identify themselves with such a company and hence such is the positive impact it might have. When viewed as part of the communities, employees would expect their organisation to assist in dealing with social welfare and environmental issues that affect their lives while they are at home. During the interview, employees provided the following information.

The managers interviewed expressed optimism about what the CSR projects would achieve in the communities based on the budget. During the interviews, managers expressed frustration because of the lack of participation by the local government (municipalities).

Par 07 mentioned that:

“ when they approached the local municipalities to partner them (mining company) in addressing social matters, the local authorities would claim that they do not have the money to contribute”.

Community leaders are expected to be vigilantes of matters that positively and negatively affect the community, including the CSR projects by mining companies. During the interview, community leaders could not all state what the impact of CSR projects was in the community service to say. They hoped the government could issue regulations to influence the companies operating in the local industry.

Par 06 added that:

“The CSR programs are supposed to be aimed at social development and to assist in community upliftment on a large scale by mining companies.”

In the modern world, companies are expected to help develop the countries’ communities where they operate from. Usually, most of these MNC are from the first world operating in developing countries where socio-economic and under development are rife. Most such

companies establish CSR programmes responsible for such projects and ensure that they acquire social licences. CSR is a concept that states that an enterprise is accountable for its impact on all relevant stakeholders. It has the continuing commitment to behave fairly and responsibly and contribute to economic development while improving the quality of life of the workforce and their families and the local community and society at large (Kumar, 2019:53).

CSR can create opportunities that can help the organisation in conducting a dual purpose of meeting the organisational goal while at the same time helping society through CSR projects (Nazifa, 2019:07). Companies that respect and listen to their stakeholders must naturally be concerned by the growth and profitability of their business and at the same time be aware of the economic, environmental and social impacts of their activities (Kumar, 2019:53). Abbas *et al.* (2019:02) stated that some CSR projects could restrict firms from being socially responsible and contributing to communities and economic growth. This would improve employees' and their families' quality of life at large. In this case, an organisation will be focusing on the welfare of its employees only.

Anwana (2018:08) also added that, in South Africa, as in other parts of the developing world, CSR has become an integral part of business practice over the past two and half decades. Since the country transitioned from the apartheid regime to a democratic government, some South African companies, have embraced CSR and took CSR implementation as a management tool not only for the advancement of socio-economic development of the communities where they operate in, but also to partake of the many benefits derivable from CSR implementation. CSR projects have a positive impact when such CSR projects improve the economic and social conditions of the community. For example, a company using its CSR projects employed unemployed members of the community, and such projects assisted local authorities in developing infrastructure that benefited such community.

According to Mahajan *et al.* (2018:21) several research studies done on CSR and corporate performance have indicated that CSR projects have proven beneficial to the companies that own such projects in that they increase the businesses profiles and reputations of such companies at local, national, and international level and can also improve the lives of the communities concerned depending on the purpose their CSR project are initiated to do. Visser (2017:482) stated that, in South Africa, the political changes towards democracy and redressing the injustices of the past had been a significant driver for CSR, through the practice of improved corporate governance, collective business action for social upliftment, black economic

empowerment, and business ethics lists more than a dozen examples of socio-economic, environmental, and labour-related legislative reform between 1994 and 2020 that have a direct bearing on CSR. According to Visser (2017:489), the order of the CSR layers in developing countries, like South Africa, is different from Carroll's classic one. Their layers indicate the level of importance according to how they are considered by the countries involved. Visser (2017:489) went on to emphasise that, in developing countries, economic responsibilities still get the most emphasis, followed by the philanthropic responsibilities is given the second-highest priority, followed by legal and then ethical responsibilities

The dominant interpretation of CSR in South African continues to be in terms of philanthropy and CSI, particularly emphasising education, health care (especially HIV/AIDS) and welfare programmes (N. Mueller-Hirth, 2017:58). According to Mersham and Skinner (2016: 115), there are many possible approaches to CSI which can be described in terms of their location on a spectrum, where one end represents CSI activities that seek business benefit, and the other describes those that aim for development impact. Busacca (2013:36) stated that in South Africa since 2001, Anglo Gold made sure that as a company it would be vigilant of its responsibility to its shareholders through making enough profit and engendered trust and delivered a fair share of the benefits of its operations to host governments and communities, ensuring that they have a firm foundation for a sustainable future. A second project embarked by Anglo Gold in 2002 was adopting the Mining Charter with a target of 26% ownership of the mining industry assets within ten years to benefit historically disadvantaged South Africans (HDSA). This action had a positive impact on all parties involved. Anglo American eventually implemented other initiatives to create management-level recruits, such as math and science programmes for children in mining areas and offered university scholarships (Busacca, 2013:37). In the modern world, CSR is one of the management strategies where companies try to create a positive impact in society while doing business.

Raub and Blunschi, (2014:12) stated that CSR projects play a major role in changing the livelihood of communities when they engage in CSR activities that actively contribute to the economic, ecological, or social environment. In August 2002, Anglo American demonstrated its commitment to the mining communities through the establishment of CSI/CSR projects that provided funds for free anti-retroviral therapy (ART) to all of its mine employees and it was eventually recognised in the mining sector as a champion of CSR (Busacca, 2013:36). CSR projects have a positive impact on the community where such projects assist the

community members to improve their financial, social and environmental status and where local community members are employed to participate in working in such projects. Some of such CSR projects could be for the provision of infrastructure such as clean water, housing and reducing air pollution and hence would have a positive impact on the community (Raub *at al.*, 2014:12). Hutton and Cox (2010:135) stated that the growing correlation between corporate responsibility and positive financial performance seems to be occurring for many reasons, starting with improved efficiency. For example, efforts to reduce waste and production inefficiencies often have a positive environmental impact and lower costs.

Companies always view CSR projects with enthusiasm because such projects improve the relations between the company and the community, positively translating to loyalty for both sides.

Par 5 believed that:

“CSR projects can assist in improving skills of those people who are unemployed and those that were retrenched in the mines.”

Some projects can also be used in infrastructure development like energy generation, reducing air pollution and water conservation programmes. During the interviews, the management participants agreed on the positive impact CSR projects have on the community in the Klerksdorp area. Most of the CSR projects by the mining companies focused on developing skills that would benefit the mining sector and the provision of scholarship funding. Another positive impact was experienced where CSR projects were involved in fixing the destroyed land during the minerals extractions of gold and other minerals in the Klerksdorp area by mining companies.

There has been an improvement in the standard of living of the communities where companies engage CSR projects to assist in various social development and environmental rehabilitation of areas that mining companies destroyed during the extraction of minerals from such land. Some of such CSR projects could develop infrastructure and create alternative skills through training so that the retrenched employees can be employable in other sectors. So far, from the data collected, there was not any evidence of CSR projects that took part as mentioned by previous authors about CSR in South Africa. According to Ndhlovu (2011:3), it is also worth emphasising that CSI is a South African phenomenon that, during the apartheid era, was regarded by the business community as necessary for survival in an uncompromising

international atmosphere of sanctions and trade restrictions and growing domestic political unrest. Management participants believed that their companies are doing enough to assist in the alleviation of social hardship by offering donations to needy communities. This was evident from the type of CSR projects by the mining sector in South Africa, which is philanthropic and small in size. The employees and the community leaders felt that mining companies were not doing enough to assist the community by providing better projects focused on building training centres for alternative skills. Hence when employees are retrenched, they struggle to get alternative employment.

In South African, mining companies interpret what CSR/CSI means to them based on their peculiar size of business and activities of such organisations. For example, they measure or evaluate their CSR initiatives by how much the business activities affect the community socially, environmentally and how much will be the cost of such CSR/CSI budget

Most South African firms, both new and old, including the mining companies before 1994 believed CSR was the responsibility of the government. Due to some constitutional changes after 1994, South Africa came up with various pieces of legislation that had a direct impact on the implementation of CSR within the South African economy, such as the Broad-Based Black Economic Empowerment Act (B-BBEE Act), Employment Equity Act (EEA) and the Companies Act (Anwana, 2018:28). The diagram also indicates the influence of themes through the discussions and analysis held with all interviewed participants, including the information they provided concerning CSR awareness, the purpose of conducting CSR. These gaps were witnessed when some CSR projects were implemented in the area and the impact, therefore, among local communities of projects that were carried out in some areas of Klerksdorp.

Where CSR projects are used to offer services to improve the community's social, economic, and environmental needs, the benefits might be enjoyed by both the community that received the services rendered and the company that rendered the services. Par had this to say: *“The CSR programs are supposed to be aimed at social development and to assist in community upliftment on a large scale by mining companies.”* Besides CSR projects, companies could provide financial assistance to the youth by providing scholarships to improve the future quality in the area. The community would be proud to have their children working for such a company where they would work as professionals and earn higher salaries, while the company would benefit in getting skilled workers that are loyal to the company.

So far, companies in the Klerksdorp gold mines do not discuss CSR programmes that are implemented in the community. Instead, planning is done at the managerial level and projects are brought to the attention of communities as complete tasks to attend the identified gap implementation.

The stakeholder theory is the framework that the researcher selected as suitable for CSR investigation in the Klerksdorp area because it involves both internal and external stakeholders as participants for the social institution (the firm). The stakeholder theory suggests that understanding the perspectives of social actors who affect or can affect a company's operations and policies is crucial for designing effective and appropriate company strategy and policies. CSR binds together all internal and external stakeholders because they all have a common goal for the business organisation to succeed.

4.7 THEME CONCLUSION

CSR projects of gold mines in the Klerksdorp area have had minimal impact on the community, the companies and the long-term sustainability of both. Although caused by other factors such as the deepening of mining resources, the disinvestment has also been fast-tracked by the lack of sustainable development expected from CSR projects. The majority of the assets created by CSR projects lay in waste, leaving a bitter community that legitimately asks where the sustainability promised in CSR projects is. Impact on the community is minimal considering that the lack of sustainability has left a trail of unemployment, worsened poverty and inequalities.

Table 4.8: Summary of themes

Theme 01	Corporate Social Responsibility Awareness
	All the interview participants were aware of the need and importance of CSR presence and its involvement in the community's social development and economic needs. Most of the philanthropic contributions that were done by the Anglo American mining, for the past 50 years they were in operation, went to the health and social welfare and HIV programs and also the development of the communal areas of their migrant workers who came from places like Eastern Cape and Kwa Zulu Natal. The employees and community leaders interviewed highlighted minimum involvement of past and present CSR by mining companies, resulting in the communities reeling in poverty due to lack of alternative skills and infrastructure development in the municipality areas of the Klerksdorp area.
Theme 02	Purposes of conducting CSR
	In most cases, CSR is used for different purposes by different companies, and the reason behind this is that it is usually interpreted differently by companies. The purposes for conducting CSR projects include changing the livelihood of communities, rehabilitation of the land, aligning with government effort in developing communities, deal with social ills, employment creation, acquiring social licenses and offering assistance to the community where needed.
Theme 03	Gaps in the implementation of CSR projects
	CSR projects by mining companies in the Klerksdorp area focused on the development of infrastructure under the area owned by the mines. This behaviour by the mining companies created a situation where the area under the local government, which comprises the large area of Klerksdorp, remained underdeveloped. Some gaps were created when the mines built houses for their employees and the rest of those unemployed resorted to building shacks for accommodation.

Theme 04	Impact of CSR projects in the community
	CSR projects play a major role in changing the communities' lives when they contribute to the economic, ecological, or social environment. CSR projects could have a positive impact where they engage in infrastructure development to provide clean water, housing, and reduce air pollution.

4.8 SUMMARY OF CHAPTER 4

The discussions and analysis of Chapter 4 focused on the four themes that provided information from interview participants in response to the research question concerning the past, present, gaps and the Stakeholder theoretical framework that was deemed relevant to the implementation of CSR and CSR projects in the Klerksdorp area. The literature review from some researchers indicated that the importance of philanthropic responsibilities of CSR in the developing countries is different from that of the developed countries, which are voluntary and are determined by MNCs and other independent organisations. According to Van Heerden (2016:30), more closures of South African gold mines are inevitable simply because the gold reserves have been depleted, and very few discoveries have been made. Van Heerden (2016:02) went on to state that the consequences of mine closures on host communities, where mining is the main economic driver, are often devastating and traumatic. MNCs and governments mostly influence CSR in the developing world like South Africa through a number of pieces of legislation.

The Anglo Gold mining company has been a dominant gold mining company in South Africa that lasted for more than five decades. Its CSR model was designed for gold mining in the Klerksdorp area, and as a result, the new mines that have taken over these gold mine shafts now emulate the same CSR etiquette.

Having witnessed how the mine closures have left local communities stranded and poverty-ridden, the government needs to be proactive in encouraging social investments programmes that will be sustainable for future generations. Suppose such action is implemented early especially in the mining areas like Klerksdorp area. In that case, the high unemployment witnessed for the ten years after the mines closed down could have been prevented. Another

step that could have been taken, is vocational training in other skills like agriculture, Information technology and entrepreneurship. It is critically important for the new mining companies to be encouraged to have the CSR programme monitored by a joint forum that could include personnel from the mines, the local government, and the community to address the severe need for infrastructure development and socio-economic development.

4.9 CONCLUSION

This chapter provided a detailed data analysis, starting with the demographic profile of the three groups of interview participants. This section was followed by the interpretation of the interview participants transcripts with the emergence of the themes of the research study. Each theme was discussed after that in terms of the participants' CSR experience in the Klerksdorp area regarding the literature review. The chapter ended with the table summarising the themes discussed earlier in this chapter.

The next chapter discusses the conclusions, findings and recommendations of this research study.

CHAPTER 5

CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

5.1 INTRODUCTION

This study was organised to answer all the research questions on CSR for Klerksdorp gold mines in the Klerksdorp area. One of the ultimate aims of this research study is creating a CSR model (framework) that could be used for intervening in the Klerksdorp gold mines. Recommendations of the study are also presented together with a proposed CSR model for gold mines in Klerksdorp. Most of the discussions from the data analysis in chapter four formed the facts for drawing conclusions of this chapter.

5.2 CONCLUSIONS

The study aimed to provide viable answers to the following research questions:

- What is the level of CSR awareness among stakeholders in the Klerksdorp gold mining area?
- What is the purpose and relevance of CSR projects in the Klerksdorp gold mining area.
- What are the existent gaps in the implementation of CSR activities in the Klerksdorp area?
- What are the gaps in the implementation of CSR in Klerksdorp area?
- What is the impact of CSR projects among stakeholders in Klerksdorp?

What recommendations can be made with regards to CSR in the gold mining area of Klerksdorp?

Research Objective (i): To investigate the level of CSR awareness among stakeholders in Klerksdorp.

The objective was mirrored in the research question that sought to establish the level of CSR awareness in the Klerksdorp areas. The stakeholder's awareness was observed by those knowledgeable about the past role of CSR in the Klerksdorp gold mines. Employees and community leaders lacked the necessary awareness implied by the stakeholder theory to be

relevant in crafting, implementing, and even reviewing CSR projects. CSR awareness among community leaders was surprisingly low regardless of some of them having lived in the Klerksdorp area for more than ten years. Awareness amongst community leaders and employees still reflected the quantum of unmet expectations on mining companies to embark on CSR projects that they can see through. The data indicate minimal expectations placed on the mines by the society as community leaders are not knowledgeable, and neither do the mining companies make consented efforts towards building their awareness nor that of their employees. If any, the expectations come from the government through regulations that are hardly understood by those who are to benefit. The objective was satisfied, and the research question was answered.

Objective (ii): To examine the purpose and relevance of CSR projects in Klerksdorp.

The study revealed that CSR has a diverse purpose which could be classified as internal and external. Internally, CSR can be integrated into the company strategy for attaining competitiveness, profitability, and attracting and retaining talent. Externally, CSR could generate community value, acquire and maintain a social license, and generate a reputation that the company is sustainable and a responsible corporate citizen. The internal and external purposes for embarking on CSR was explained by the knowledge of the present/existing role, which is the third research objective in this research study.

The relevance of CSR projects is best characterised by the need to foster harmony between corporate and human citizens. The harmony leads to social development. However, participating stakeholders have a narrow view of the purpose of CSR projects, only defining it from the confines and limits of their needs. Thus, the tension between stakeholders concerning CSR projects will have a longer shelf life without meaningful investments into generating CSR awareness among all stakeholders. It would be helpful for gold mining companies to consider entering into community CSR agreements as a vehicle for developing awareness and attaining higher accountability. By the same processes, CSR is repurposed, and stakeholders have unity of purpose in CSR projects.

Objective (iii): To identify gaps in the implementation of CSR projects in Klerksdorp.

The gaps in the implementation of CSR initiatives amount from the policy considerations of the construct of CSR by gold mining companies. The policy decision to fund it with the remnant profit does not advance the notion that CSR is a strategic tool for sustainable, competitive and

profitable engagement of the organisation. Budgets are created as part of company plans at the beginning of the year and may not be predictive of the communities' future needs, creating an inherent gap. Stakeholders' expectations inherently exceed company budget availability which has to be controlled and voted for well before the additional community needs emerge. It may be necessary to fund CSR from working capital or other forms of capital to assert CSR as a strategic tool. CSR is a source for community or stakeholder tensions in the absence of detailed and specific regulatory interventions. The gold mines have not shown to be accountable and responsible for their CSR projects dumping these to ineffective local governments encouraging the notion that they were done just as a paper filling exercise without genuine concern for the community and the environments. CSR awareness is also a first level gap that must be addressed in the CSR concept to live up to its purpose.

Objective (iv): Assess the impact of CSR projects in Klerksdorp

The objective of this study was to provide a detailed insight into the impact of CSR by gold mines on the community of Klerksdorp area. CSR projects had a very little positive impact on the community and sustainability of both. Although caused by other factors such as the unsustainable deepening of gold resources, the disinvestment has also been fast-tracked by the lack of sustainable development expected from CSR projects.

Some assets created through CSR projects lay in waste, leaving a bitter community that is legitimately asking where the sustainability promised in CSR projects is. Impact on the community is minimal considering that the lack of sustainability has left a trail of unemployment, worsened poverty and inequalities. CSR projects and outcomes should have been the go-to alternatives in time of the disinvestment by the multinational mining corporations. Still, the community is faced with the threat of a ghost town with economic activity acutely dropping.

5.3 FINDINGS

The findings drawn from the data analysis of this study were as follows:

CSR awareness among stakeholders of the gold mining companies in Klerksdorp is very low skewed and in favour of the decision-makers in companies. CSR construct remains relevant to create harmony and sustainability between the company and the community of Klerksdorp

area. The strategic approach of Klerksdorp gold mines has been to include CSR projects expenditure as part of their profit-sharing activities even though the manager interview participants have not presented a clear budget. Through the community leaders and employees, the local community expressed dissatisfaction with the Klerksdorp gold mines contribution towards economic, social and environmental needs. There was a gap created between the CSR implementation of community projects guided by the profit availability and community needs and expectations. Very little positive impact has been realised by the local community regardless of management participants expressing satisfaction with their companies' contributions.

5.4 RECOMMENDATIONS

5.4.1 Recommendations for CSR intervention in Klerksdorp

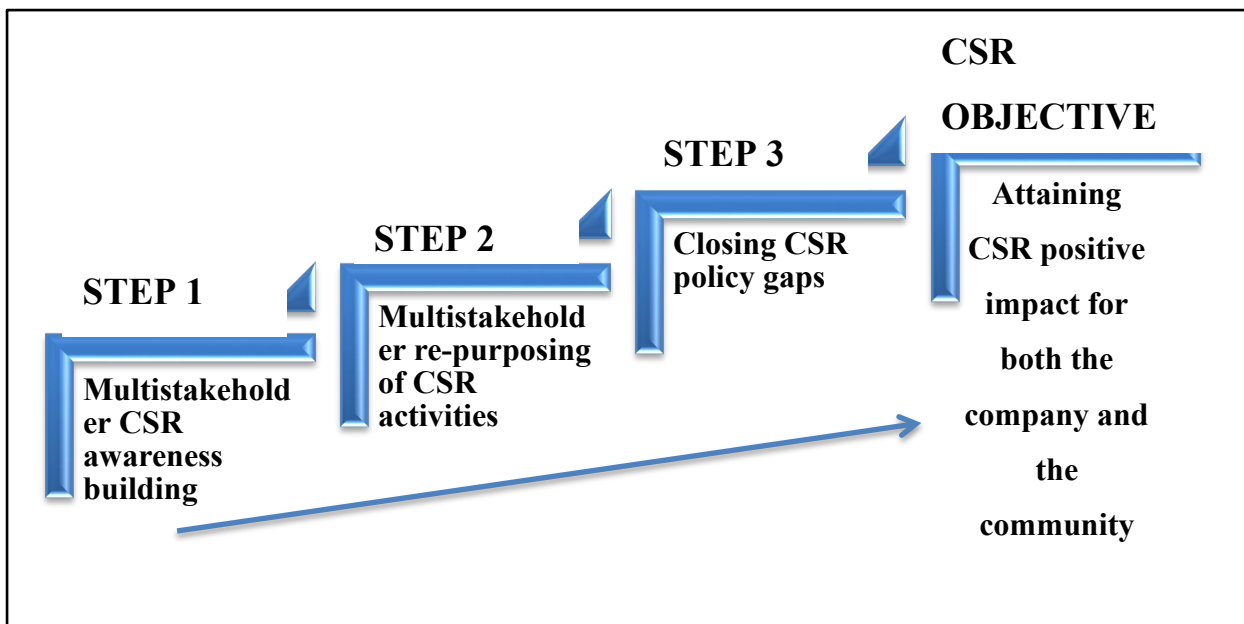
The role of CSR by the Klerksdorp Gold mines in the Klerksdorp area is to create harmony between the mining companies and the local community, thereby resulting in socio-economic and sustainability of the Klerksdorp area. To attain this noble objective, this study has reasserted that CSR awareness among stakeholders, multi-stakeholders repurposing CSR activities and rethinking the policies that guide CSR implementation from a company perspective will help to attain the positive impact required by communities and the strategic aspirations of the companies. The following model is proposed for consideration by Klerksdorp gold mines in the Klerksdorp community, particularly emerging mining concerns that have moved to fill in the gap left by the disinvestment of Anglo Gold mining company.

The model sets priorities in a stepped approach towards the ultimate goal of delivering value or positive impact to communities and the companies into a harmonious society of existence. During the interviews, manager participants expressed the importance of mining organisations being able to generate profits to contribute towards CSR projects and towards economic development. Some mining companies were able to form Community Trusts where a certain percentage of yearly profits was allocated towards the funding of various CSR projects and other necessary social welfare needs. It will be advisable for the government to continue creating a conducive environment that will stimulate investment in the youth for the benefit of future leaders. During interviews, managers participants expressed the willingness of mining companies to work with local communities and engage in open dialogue to deal with pressing social issues like eradicating hunger to school-going children. One of the interview participants

alluded to the fact that although law usually compels companies to rehabilitate the land that was damaged during the extraction of minerals underground, there exist a lot of mine dumps visible in most areas where mining has occurred. Some areas remain exposed to air pollution and water contamination.

The proposed CSR model in Figure 5.1 below shows the five steps of CSR that were compiled to re-indicate the importance of CSR on both the mining companies and the community.

Figure 5.1: CSR model for intervening in Klerksdorp gold mines



Step 1: Multi-Stakeholder CSR Awareness Building

- A CSR pact between the community and the company must be prioritised to develop awareness and solicit input from stakeholders.
- Regulation must be developed to make CSR pacts enforceable.
- Additionally, disinvesting companies must account for their contribution otherwise be penalised for any failures.
- There is a need for community and government involvement where a company wants to initiate a CSR program/project.
- Companies should involve CSR in their strategic planning.

Step 2: Multi-Stakeholder Repurposing CSR Activities

- CSR pacts have the double role of aligning CSR purpose among stakeholders.

- CSR Value proposition defined for the community (internal).
- CSR value proposition defined for the company (external).
- Major objective is unity of purpose for CSR activities.

Step 3: Closing CSR policy Gaps

- Review and rethink the role of company budgets in CSR funding.
- Review rethink remnant funding of CSR projects.
- Create new models for the funding of CSR.
 - one is to allocate CSR as a cost of sales interpreted in the company's financial model for pricing and determining profit.
- Closing the expectation gap between the company and the community.
- Establishing both voluntary and regulated mechanisms for CSR activities.

Step 4: Attaining Positive CSR Impact for both Company and Community

- The ultimate goal of attaining a positive impact on the community – sustainable benefits that live beyond the company.
- The company- sustainable benefits that makes the company live beyond the initial purpose of mining.

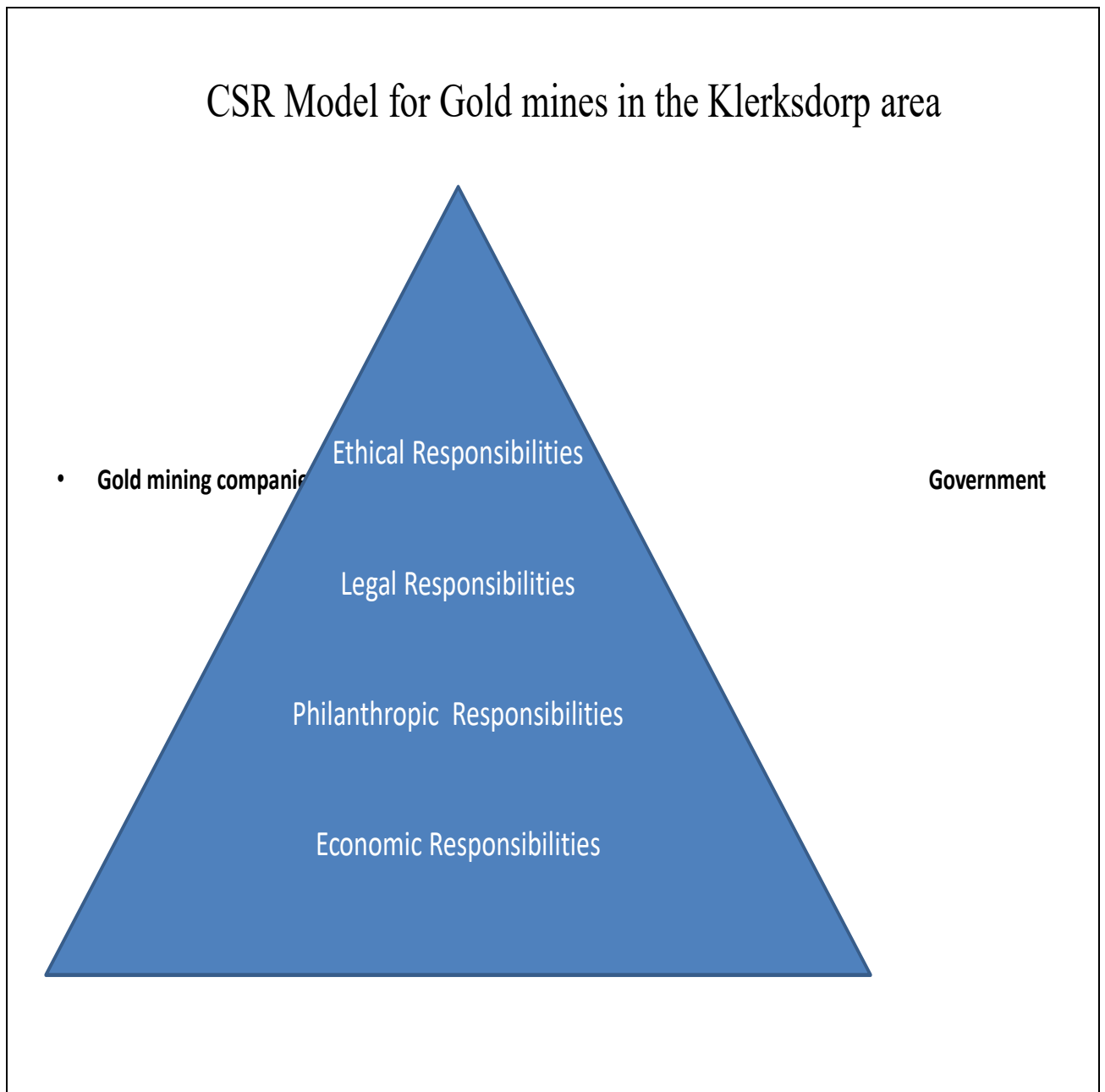
The ultimate aim for organisations is to ensure that all shareholders are involved in CSR operationilisation to boost the local economy. The influence of CSR awareness, CSR purpose and CSR policy factors require further quantitative examination using tools such as factors analysis to establish their significance. Factor analysis is a technique that is used to reduce a large number of variables into fewer numbers factors. This technique extracts maximum common variance from all variables and puts them into a common score.

5.4.2 Recommendations for CSR in Southern Africa

According to Neing *et al.* (20016:8), South Africa requires gold mining companies to develop innovative extraction strategies to ensure the long-term competitiveness and viability of the sector and as a result mining companies need to move away from traditional mine planning practices and start to incorporate optimisation techniques into their mine plans. These plans include shifting from the deterministic way of mine planning to probabilistic mine planning techniques. The case of the Klerksdorp area experiencing exponential unemployment due to gold mines closing down because of the depletion of gold underground should be a lesson to

the government to put precautionary measures and programmes for other areas that do not encounter such social incidents (South African Cities Networks, 2013:14). As mentioned by local researchers, CSR in Southern Africa is centred around funding for the social- welfare and health issues due to poverty because of high unemployment, predominantly among the black population. Most countries in the Southern African region are experiencing high unemployment because of a lack of local infrastructure investment, foreign direct investment, lack of social welfare and social development and education. In the mining sector, some multinational companies have closed down due to instability due to the political and economic environments. There is a need to strengthen regional economic cooperation among countries in the same region, including trade liberalisation. It is also important for governments within the same region to remove trade tariffs and other restrictions that affect goods and services between countries. It is also important for the government to encourage investment in those provinces with high unemployment through tax rebates and other exemptions. In the Klerksdorp area, there is not much visible beside the old infrastructure built by Anglo Gold to benefit its recruitment and recreation. Presently the communities of the Klerksdorp area are reeling in poverty and crime because of high unemployment.

Figure 5.2 CSR Pyramid of developing countries



Source: Visser (2007:489)

According to Visser (2017:489), CSR responsibilities in developing countries are positioned as follows:

5.5 ECONOMIC RESPONSIBILITY

According to Busacca (2013:24), economically, South Africa is the largest export nation in the world of numerous minerals, such as gold, platinum, manganese and chromium and its mining

industry accounts for more than 50% of the country's exported goods. As a fundamental condition or requirement of existence, businesses have an economic responsibility to the society that permitted them to be created and sustained (Carroll, 2016:03). Williams *et al.* (2014:01) argued that trade-offs are inherent in managing the triple bottom line of profits, people and planet, and each trade-off in pursuing the triple bottom line may be in the form of efficiency, pollution and costs, and hence managers must understand these trade-offs to create a balance on increasing financial profit, lowering environmental impacts and attending to societal needs.

Carroll (2016:3) mentioned that profits are necessary both to reward investors/owners and also for business growth when profits are reinvested back into the business. CEOs, managers, and entrepreneurs will attest to the vital foundational importance of profitability and return on investment as motivators for business success. According to Ashrafi, Adams, Walker and Magnan (2018:671), the two most common concepts used to express corporate transition are Corporate Social Responsibility (CSR), and corporate sustainability (CS), and these terms have been introduced to provide corporations with the necessary guidance to maintain or enhance their profitability while improving their performance towards society and the environment. Economic Responsibility is the most of the four responsibilities in the model above because organisations can only continue operating and finance all their needs if they are profitable. If organisations are profitable, they can provide funds for CSI, create jobs and pay taxes, donate funds towards education and health and social welfare, and, where organisations contribute huge funding for HIV/AIDS programs (Muthuri 2012:17).

In South Africa, mining organisations are encouraged to establish CSI as part of a business strategy to address the inequities of the past through donations towards infrastructure, economic development, and social welfare. As a responsible corporate citizen, AngloGold Ashanti endeavours to contribute to the promotion of socio-economic development of our local and host communities through direct and indirect contributions towards local and national development initiatives. The contributions include taxes, royalties, compensation, rates, and community development initiatives (Anglo Ashanti Report 2020:35). In Policy Briefing 142, Siyobi (2015:2) stated that before 1994, mining in South Africa was engaged in some of the most socially destructive practices of that era and post-1994 democracy. CSR has been treated as a vehicle for restorative justice to reverse the legacy of apartheid. The past five years have witnessed the withdrawal of Anglo Gold mining organisation in the Klerksdorp area, and as a

result, unemployment has worsened. The second impact of the closure of the mine has been reduced CSR projects in the gold mining communities because of the scarcity of funding. The discontinuity of CSR projects by Anglo Gold in the Vaal Reefs has exacerbated poverty and unemployment among the communities of the Klerksdorp area.

5.6 PHILANTHROPIC RESPONSIBILITIES

According to Thompson (2019:2), evidence suggests that Payment for Ecosystem Services (PES) schemes are much more efficient and more successful if financed by private sector buyers that use ecosystem services directly. For example, production inputs rather than those funded by governments acting on behalf of other public users. It is assumed that business owners wish to be viewed as positive contributors in their community. At the same time, owners must be able to focus on what is best for the survival of their business (Mitchell *et al.*, 2014:193). In South Africa, especially in the mining sector, CSR/CSI has been very important in supporting those communities that eventually developed around the mining areas. The mining companies like Anglo Gold started CSR programmes to support the miners who lived in the compounds. Huge budgets were allocated to such welfare and health programmes by the mining companies.

Wang and Pala (2020:2) mentioned that primary stakeholders, like employees, may associate an organisation's financial success with their own benefits. As a result, they might challenge the purpose of investing in philanthropic CSR, which can diversify the corporate resources away from business operations. The development of CSR definition stresses that social responsibilities of any corporation are no longer limited to solely making profits for their shareholders and complying with legislation. Instead, corporations are now more challenged to meet the values and interests of shareholders and other stakeholders like consumers, employees, communities, government, the environment, creditors and non-governmental organisations (Nasrullah & Rahim 2014:11).

Aguinis and Glavas (2012:15) stated that, because CSR includes caring for others, prior literature has naturally focused on the positive relation between CSR and employee outcomes in collectivistic cultures. For example, it is believed that the relation between CSR and organisational identification was stronger in collectivistic cultures. Most businesses would find it imperative to carry out philanthropic (donation) towards the community that supply them with human capital. According to Carroll (1991:42), philanthropy encompasses those corporate

actions that respond to society's expectation that businesses be good corporate citizens, which include actively engaging in acts or programs to promote human welfare or goodwill.

Visser (2017:42), stated that in Africa, philanthropy goes beyond simple charitable giving. HIV/AIDS is a case in point, where the response by business is essentially philanthropic (HIV/AIDS not being an occupational disease), although clearly in companies' own medium to long-term economic interest. According to Visser (2017:40), the South African model has more than the American model. South African philanthropy generally gets an even higher priority (as indicated by CSR) because where socio-economic needs are expected to be greater than philanthropy (donations) as an expected norm and such being considered to be the right thing to do by organisations. In South Africa, mining companies set aside funds to assist in corporate social/ community projects and donate funds towards education and training, health and social welfare because most of their employees are not skilled and come from poor rural areas.

5.7 LEGAL ASPECTS ON CORPORATE SOCIAL RESPONSIBILITIES

As a general norm, each country is expected to have a well-established ministry or department with the capacity to establish legislation and regulations for all businesses to comply with. Companies are encouraged to participate in community developments and other socio-economic programmes through CSR guidelines found in different sectors designed to encourage organisations to maintain good relations with government and local communities. In Africa, legal responsibilities have a lower priority than in developed countries because legal infrastructure is poorly developed and often lacks independence, resources and administrative efficiency (Visser 2017:42). Another reason is that African countries are also behind the developed world in terms of incorporating human rights and other issues relevant to CSR into their legislation (Visser, 2017:42). In South Africa, the main legislation that governs businesses is the Companies Act.

Frederiksen (2018:501) stated that investment in CSR could be a proactive response to the threat of increased regulation or legal action by the government. It could be seen as good corporate citizenship and a strategy to avoid increased industry regulation, which could be costlier and stricter than self-regulation. In most developing countries, government capacity for enforcement remains a serious limitation, reducing the effectiveness of legislation as a driver for CSR (Carroll, 2017:492). In South Africa, mining companies are regulated by the

DMR, which is the department that is responsible for gazetting and regulating the mining sector. All companies are required to be registered at the department of Companies and Intellectual Property Commission (CIPC) before they resume operating. Mining companies are then required to obtain a licence to operate as issued by the DMR.

5.8 ETHICAL MATTERS OF CORPORATE SOCIAL RESPONSIBILITIES

CSR is usually practised either under voluntary conditions or where the government regulates it. On voluntary basis, organisations adopt voluntary codes of governance and ethics such as the King Report 2009 and Johannesburg Stock Exchange in South Africa. Where organisations are regulated, the state would establish a ministry responsible for regulating such a sector. According to Wang and Pala (2020:3), the role of ethical and legal CSR in fulfilling the expectation of employees might be more prominent than that of philanthropic CSR, even though more and more banks started to proactively integrate philanthropic CSR into corporate practices after the financial crisis in 2008.

Visser (2017:43), stated that in 1992 and 2002 King Reports on Corporate Governance, South Africa led the world to include CSR issues. For example, the 1992 King Report 1 was the first global corporate governance code to talk about stakeholders and to stress the importance of business accountability beyond the interests of shareholders, while the 2002 revised King Report included a section on integrated sustainability reporting, covering social, transformation, ethical, safety, health, and environmental management policies and practices. Most South African firms, both new and old, including the mining companies before 1994 believed CSR was the responsibility of the government. Due to some constitutional changes after 1994, South Africa came up with various pieces of legislation that had a direct impact on the implementation of CSR within the South African economy, such as the Broad-Based Black Economic Empowerment Act (B-BBEE Act), Employment Equity Act (EEA) and the Companies Act (Anwana, 2018:28). The spirit and practice of CSR are often strongly resonant with traditional communitarian values and religious concepts in developing countries, for example, African humanism (*ubuntu*) in South Africa and harmonious society (Visser 2017:493).

Regardless of such information available to South African businesses, the mining sector has done very little adherence to such codes. After democracy in 1994, all mining and petroleum companies were under the DMR, which issued regulations and guidelines for conducting their

businesses and disclosing their social and environmental activities in their financial statements section. Management interview participants mentioned compliance to regulations as the first thing to do and then their companies needed to identify CSR projects in the community to support. When the researcher asked how mining companies apply themselves towards social and economic issues for the benefit of all stakeholders, community leaders expressed disappointment towards mining companies' management whom they believed are in pursuit of profits for the benefit of shareholders who the majority are believed to be of foreign origin.

According to Harmony Gold Financial Report 2018, the Vaal gold mines were bought by Anglo Gold Ashanti in 2018. They subsequently re-designed their CSR policy to formalise their CSR activities to align with both the company's strategic intent and the mining legislation under the Mining Charter guidelines. The CSR model above shows the tripartite relationship, which involves (Gold mines, the government and the community) that work together to achieve the interest of the company and the community of Klerksdorp area. The following authors below were each alluding to the development and the impact of CSR in various developing countries

According to Ndlovu (2011:72), CSR in South Africa involves corporate citizenship, that is, the integration of social and environmental considerations and other aspects of the enterprise's operations such as the welfare of the employees. According to Mahmood *et al.* (2019:03), stakeholder theory defines the relationship of different stakeholders (e.g., shareholders, customers, suppliers, creditors, civil society, media, and government) with the organisation and various stakeholders are considered the most powerful resources of the organisation as they influence the decision process. According to Mutti *et al.* (2016:213), the stakeholder theory posits that organisations are responsible for delivering benefits to all stakeholders, rather than only to shareholders and customers. Fraser Institute (2012:51) stated that CSR in the mining sector refers to voluntary actions undertaken by mining companies to either improve the living conditions (economic, social and environment) of local communities or to reduce the negative impacts of mining projects. The economic condition refers to a situation where mining companies need to be first profitable to provide funds for the second (social) and third (environmental) issues.

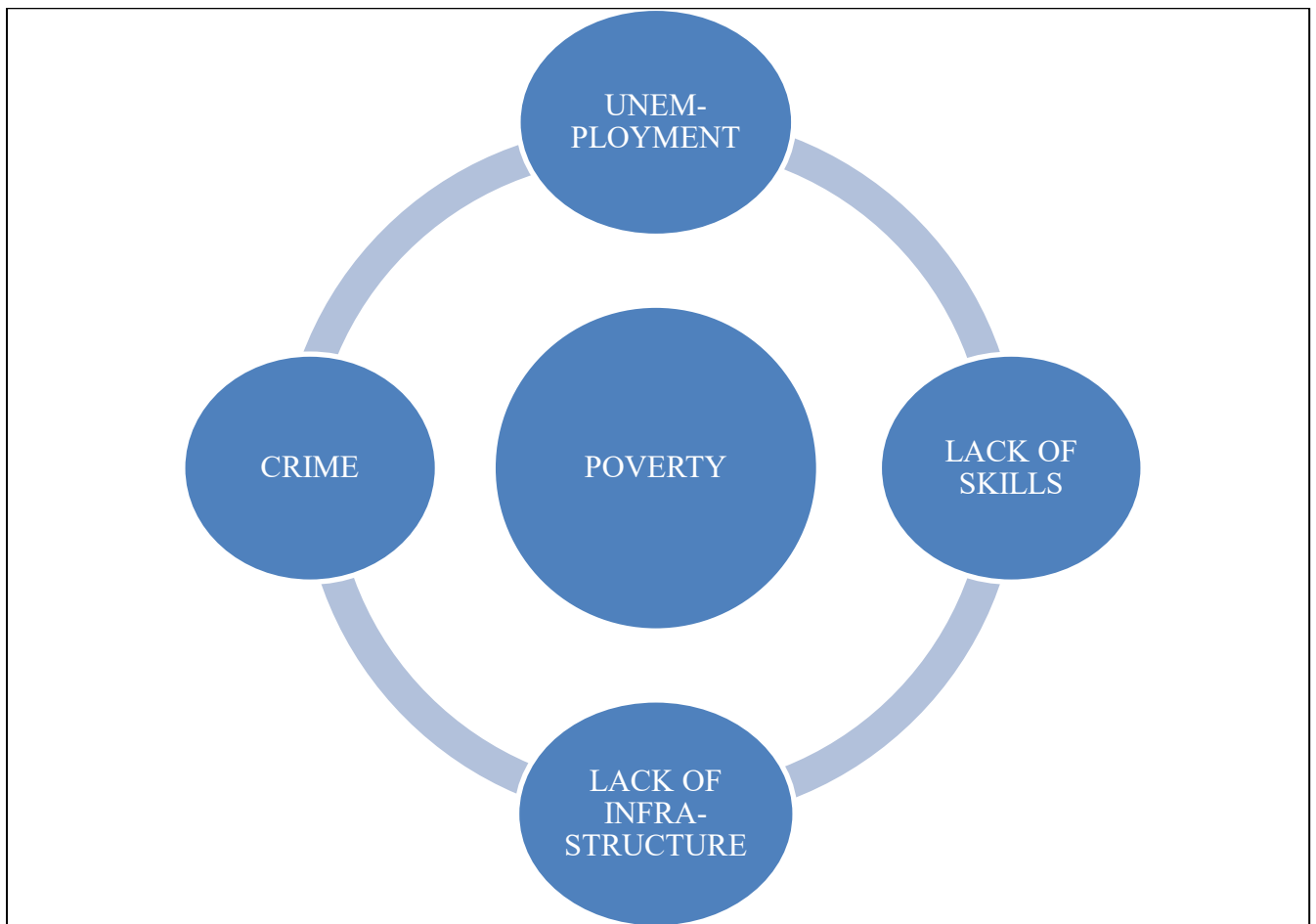
King 1V Report of 2009 states that every company is responsible for the impacts of its decisions and activities on society and the environment through transparent and ethical behaviour that contributes to sustainable development, including the health and welfare of society. It also considers stakeholders' legitimate interests and expectations and has to comply with applicable

law and consistent with international norms of behaviour, and has to be integrated throughout the company and practised in its relationships.

CSR in South Africa came about in response to apartheid, injustices, poverty mostly to previously disadvantaged groups (blacks), environmental degradation caused by mining companies and social inequality where miners lived in single-roomed accommodation in hostels. In the model, the gold mines are represented by the management who provided the business strategy and management, while the employees provide skills and labour to do the work. The national government can stimulate the economy by creating different investment packages, such as incentives through tax exemption to companies who invest in particular areas that the government would have identified for such development.

The local government, through the local economic development (LED) and DMR provide local development programs for uplifting the local business sector through discussions of various options of funding and skills development, while DMR provides the regulations and guidelines for mining operations. Social Challenges that were exacerbated by the mining companies closing down resulted in the issue of poverty getting worse, unemployment among the youth and unskilled members of the community worsened. Due to the mines closing down, most CSR projects active in the communities were withdrawn because there was no funding a more. Some of the infrastructure, like houses, mining laboratories that were not taken over by the new mining companies that bought some of the shafts, remained idling, while thieves vandalised some. Others were occupied by people who do not have places to stay.

Figure 5.3: Social challenges faced by the Klerksdorp community



Source: Author

The diagram above shows socio-economic challenges worsened by the mines' closure due to the depletion of gold reserves underground and the depreciation of the Rand against the American dollar, resulting in the community remaining in poverty in the Klerksdorp area. During the interview, the community leaders and employees were all concerned about how poverty has resulted in some areas being dangerous to work alone because of criminals who are always roaming the dark streets, especially at night.

Bronkhorst stated that South Africa's unemployment rate was 29.1% of the population (February 2020) (StatsSA, 2020). The number of employed persons increased by 45,000 to 16.4 million and the number of unemployed persons decreased by 8,000 to 6.7 million compared to Q3 2019 – resulting in an increase of 38,000 in the labour force. The working-age population increased by 145,000 people over the period, but the Klerksdorp area has experienced a decline in the mining activities since the 1990s. This resulted in almost 75% of

the original workforce (in 1996) being retrenched by 2011(South Africa Cities Network 2013:7).

5.9 UNEMPLOYMENT

Generally, there are numerous reasons for a country to experience unemployment at a given time. According to the World Employment and Social Outlook-Trends 2019/18, the global unemployment rate was estimated to stand at 5%of the world population and the unemployment rate is most relevant as an indicator of the health of the labour market in high-income countries, where unemployment greatly increases the risk of poverty.

According to Moses, Praise and Ilegbinosa (2013:277), the economies of the Least Developed Countries (LDCs) are characterised by high population growth and face a great challenge in generating adequate job opportunities for their rampant population growth. The factors responsible for the increase in unemployment in Nigeria include rural urban migration, wrong government policies, urban bias, lack of population control, lack of mental skill and practicability, corruption, and Inspired Entrepreneur drive (Moses *et al.*, 2013:277).

5.9.1 Unemployment

According to Pettinger (2019:2), there are different causes of unemployment and the major two causes are:

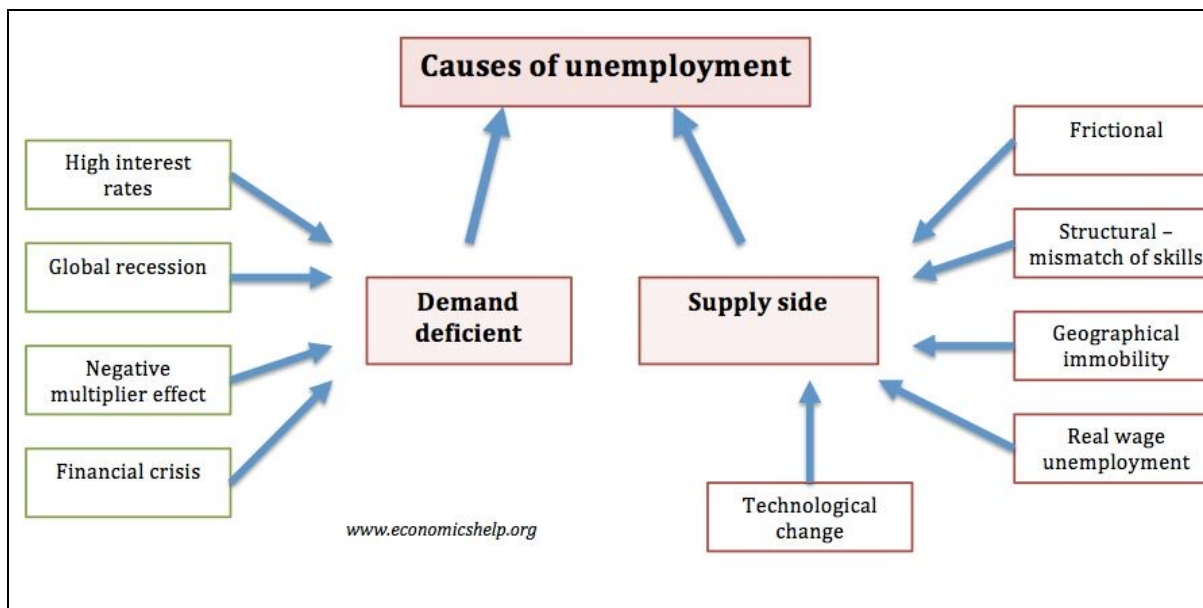
(A) The supply side where there are:

Frictional unemployment is caused by the time people move between jobs, such as graduates or people changing jobs. There will always be some frictional unemployment in an economy because the information is not perfect, and it takes time to find work. Structural unemployment is where there is a mismatch of skills in the labour market can be caused by:

- Occupational immobility refers to difficulties in learning new skills applicable to a new industry and technological change, e.g., an unemployed farmer may struggle to find work in high tech industries.
- Geographical immobility refers to the difficulty in moving regions to get a job. For example, there may be jobs in London, but it could be difficult to find suitable accommodation or schooling for their children; thus, they are unable to take up these opportunities.

- Technological change. If there is the development of labour-saving technology in some industries, there will be a fall in demand for some types of labour machines have replaced.
- Structural change in the economy. The decline of the coal mines due to a lack of competitiveness meant that many coal miners were unemployed. However, they found it difficult to get jobs in new industries such as computers.

Figure 5.4: Classical or real-wage unemployment



Source: Pettinger (2019:02)

- This occurs when wages in a competitive labour market are pushed above the equilibrium, where wages offered are equal to the number of labourers supplied.
- Wages could be pushed above the equilibrium level by minimum wages or trades unions. This is sometimes known as “disequilibrium” unemployment.

Voluntary unemployment

- This occurs when people choose to remain unemployed rather than take jobs available. For example, if benefits are generous, people may prefer to stay on benefits rather than get work.

(B) The Demand deficient or Cyclical unemployment

- Demand deficient unemployment occurs when the economy is below full capacity, for example, in a recession, aggregate demand (AD) will fall, leading to a decline in output and negative economic growth.
- In recessions, unemployment tends to rise rapidly as firms lay off workers.
- With a fall in output, firms will employ fewer workers because they are producing fewer goods. Also, some firms will go out of business, leading to large scale redundancies.

Mavundla (2018:162) mentioned that resolving youth unemployment will positively impact other societal challenges that both South Africa and Eswatini continue to experience, such as rural urban migration and informal settlements. As presented in this research, social responsibility includes adopting a position of support for public issues, especially among the young unemployed (Stanescu & Comandaru, 2019:46). Stanescu *et al.* (2019:46) concluded that it is very important for economic organisations to include departmental programs that will provide jobs for unemployed young among their social responsibility. Reducing unemployment is a continuing concern for authorities and companies who understand the importance of this phenomenon and the need to find solutions as effective and quick as possible to solve.

Corporations in developing countries that have CSR programmes as part of their operations are presenting themselves as representatives of development through their involvement in addressing poverty alleviation programmes and assisting in poor service delivery by the government departments. The purpose of this research study was to respond to the research questions about the past and present role of CSR activities by mining companies in the Klerksdorp area. The research study also indicated benefits and gaps created during CSR activities and the relevant theoretical framework for the study in the Klerksdorp area. Data was collected using a recorder and after that transcribed into informative data.

In the literature review, reference to previous research on CSR indicated how broad the subject could be applied by organisations of different sizes in both the developed and developing countries was used. In developed countries, businesses with CSR activities usually self-regulate their CSR programmes. This enables them to apply best practices simultaneously, and hence such freedom can allow complacency, especially with the knowledge that there is no

external pressure to comply with any expectations. In developing countries, governments are involved in CSR programmes by private businesses through issuing regulations and guidelines for the participation in socio-economic activities in the communities. The disadvantage of such regulations is that they can discourage businesses willing to invest more than just meeting minimum standards set by the regulatory authorities. Some companies might choose to look for other countries without such stringent regulations and move their investments there.

Some communities were established and remained poor regardless of a well-documented CSR programme about the Anglo Gold mining company's participation in health, education, and social welfare for the past five decades. Typically, like the Vaal-triangle region, where some of its employees remained housed in the hostels with their families and could not afford decent accommodation in townships. This also happened in the Klerksdorp area. According to Van Heerden (2016:3), South African gold mines are in decline due to the depletion of gold ore, which has seen the operating costs escalating, leading to downscaling and some mining companies closing down. The immediate implication for the decline in mining activities could translate to mining companies cutting back on CSR budgets, abandoning CSR projects, poor maintenance of existing CSR projects and depriving communities of the benefits of CSR projects which was exacerbated by the fall in the global prices of gold towards the end of the 20th century (Tawiah & Tuokuu, 2017:1). The past ten years experienced the gradually closing down of some gold mining shafts in the Vaal region due to rising mining costs compared to other areas outside South Africa. Anglo Gold is in the process of selling all its producing assets and related liabilities to Harmony Gold.

Being the largest employer of mining personnel, Anglo Gold Ashanti eventually closed its last shaft in December 2019. Some of its retrenched employees joined the new mines that took over from Anglo Gold Ashanti. The majority of ex-mine employees then joined the unemployment group in the Klerksdorp townships because the new mining companies that took over from Anglo Gold Ashanti started operating at lower outputs. The rising unemployment has created serious social challenges, as discussed below. The biggest challenge faced by communities in the Klerksdorp unemployment was exacerbated by the mines closing down and lack of alternative skills development centres that could provide training to some of the former mining employees and the youth that could not go for tertiary education.

Additionally, the downward trajectory of the country's unemployment rate stands at over 29%, with its youth unemployment rate estimated at over 50% (World Economic Forum 2014; The

World Bank 2016). The declining mining sector resulted in the number of people doubling between 1996 and 2011. This was exacerbated by the fact that municipal areas were characterised by high unemployment levels 19.6%, which was still lower than the national unemployment level. Entrepreneurial activities had to intensify due to some of the retrenched people trying to invest in their retrenchment packages before they ran out. As time went on, the youth and school dropouts were the ones who were hit hard by the unemployment situation in the Klerksdorp area.

The impact of most parents losing their jobs due to mines closing down has resulted in the escalation of crime and drug abuse among the youth due to them dropping out of school. Those who needed to join vocational training could not manage the cost of school fees because they had lost the financial support of their parents. There has been an exodus of those skilled miners to areas like Kuruman in the Northern Cape where new mines have been opening, and some of the retrenched miners moved to Gauteng and Rustenburg, where mines are still in operation.

Stats SA mentioned that national employment increased in two of the four sectors in Q4 of 2019 (in Table 5.6). The formal sector recorded the most significant employment increase of 117,000 followed by agriculture (6,000). Employment in the informal sector declined by 77,000. It remained unchanged in private households while declines in employment were recorded in the trade (159,000), manufacturing (39,000) and Utilities (14,000) industries, while private households remained constant. Compared to the same period last year, a net decline of 108,000 in total employment in Q4: 2019 was primarily due to decreases in the number of people employed in construction (131,000), trade (70,000), private households and manufacturing (46,000 each), and finance (43,000) industries. Employment gains were recorded in community and social services (168,000), transport (46,000) and agriculture (36,000) industries during the same period (Stats SA 2020 February)

Table 5.1: Key Labour market indicators

	Oct-Dec 2018	Jul-Sep 2019	Oct-Dec 2019	Qtr-to-qtr change	Year-on- year change	Qtr-to-qtr change	Year-on- year change
	Thousand			Per cent			
Population 15–64 yrs	38 134	38 582	38 727	145	594	0,4	1,6
Labour force	22 668	23 109	23 146	38	478	0,2	2,1
Employed	16 529	16 375	16 420	45	-108	0,3	-0,7
Formal sector (non-agricultural)	11 346	11 214	11 331	117	-15	1,0	-0,1
Informal sector (non-agricultural)	3 001	2 995	2 918	-77	-83	-2,6	-2,8
Agriculture	849	880	885	6	36	0,6	4,2
Private households	1 332	1 286	1 286	0	-46	0,0	-3,5
Unemployed	6 139	6 734	6 726	-8	587	-0,1	9,6
Not economically active	15 466	15 474	15 581	107	115	0,7	0,7
Discouraged work-seekers	2 841	2 793	2 855	62	14	2,2	0,5
Other (not economically active)	12 625	12 681	12 726	45	101	0,4	0,8
Rates (%)							
Unemployment rate	27,1	29,1	29,1	0,0	2,0		
Employed/population ratio (absorption)	43,3	42,4	42,4	0,0	-0,9		
Labour force participation rate	59,4	59,9	59,8	-0,1	0,4		

Due to rounding, numbers do not necessarily add up to totals.

Source: African Development Bank (2014:5)

According to African Union Report on (2020:20), in response to the COVID-19 in Africa, economic measures are intended to support the formal sector. It is critical to be conscious that the informal sector in developing countries contributes 35% of GDP and employs more than 75% of the labour force. The size of informality would represent nearly 55% of the cumulative gross domestic product (GDP) of sub-Saharan Africa, according to the African Development Bank (2014), even if further studies showed that it ranges from a low of 20 to 25% in Mauritius, South Africa and Namibia to a high of 50 to 65% in Benin, Tanzania and Nigeria (IMF, 2018). Excluding the agricultural sector, informality represents between 30% and 90% of employment. Additionally, the informal economy in Africa remains among the largest in the world. It consists of a kind of social shock-absorber in major African cities, and in many African countries, up to 90% of the labour force is in informal employment (AUC/OECD). Nearly 20 million jobs, both in the formal and informal sectors, are threatened with destruction

on the continent if the situation continues. The destruction of value chains, the lockdown of the population, and the closing of restaurants, bars, retailers, informal commerce, etc. would disrupt many informal activities.

In March 2020, South Africa experienced the Coronavirus pandemic that engulfed the world within a short time. According to Ebrahim and Buheji (2020:293), when awareness is high among CSR role players, greater transparency is brought about to eliminating the risk of conflict, which may be disruptive. COVID-19 pandemic brought with it many threats to lives and livelihoods, yet it also exploited many hidden opportunities that improve and develop our communities, besides our purpose in life. Ebrahim *et al.* (2020:293) mentioned that at the heart of the CSR needs and individual social responsibility (ISR), two important thematic responsibilities need to be well-orchestrated towards the COVID-19 crisis through genuine motives as effective mechanisms. During such a time of uncertainty, there are tremendous need to protect and reinforce our social well-being and life around the world at large. Educating community leaders has benefits for both the mines and the leaders. The mine can use the leaders as a conduit for community awareness of CSR efforts while complimenting the efforts of community leaders in addressing community needs.

All the socio-impact mentioned above by COVID-19 would worsen the unemployment situation, especially in the LDCs.

5.9.2 Shortage of skills

Competent skills may be used in different contexts to refer to competencies, educational attainment or qualifications, or occupations, and in some contexts, skills refer to job competencies, such as communication, literacy, or numeracy competencies that are required in the workforce, but that may not be adequately represented in the current skills profile of the workforce, are labelled critical skills, top-up skills, or skills gaps in the South African discourse (Report on Skills and Demand in South Africa, 2020:19)

According to Rasool and Botha (2011:2), skills shortages in South Africa are the consequences of the interplay of several complex socio-political and economic factors. With the advent of democracy in 1994, the new government inherited a divided education and training system comprised of fifteen education departments the apartheid government established along racial and regional lines. The apartheid education and training system produced super-structural

chaos that wasted funds, inefficiency and impoverished graduate outputs (Hofmeyr & Buckland, 1992:26)

The rapid economic decline of the Klerksdorp area has been buffered by (i) the regional service character of the area (ii) a business focus which has expanded into Botswana (iii) proximity to platinum belt (iv) proximity to Gauteng (in fact, some researchers view the areas as a spatial extension of Gauteng) and more specifically the West Rand (South Africa Cities Network, 2013:08). By the year 2013, the N12 Treasure Route put Klerksdorp town in the centre of new development of which the west of the N12 developments comprised residential development, retail nodes and mixed land usages and this Rio Task Casino and Shell garage (a future truck inn was developed and tower mall was opened in 2013).

There have been many entrepreneurial activities in the central business districts of SMMEs like hairdressers, cell phone repairs, and some are even selling their wares in street pavements (South Africa Cities Network, 2013:08). The Klerksdorp area currently lacks relevant skills that will help this area address unemployment, especially among the youth who cannot move to other provinces because the job market gives preference to recruits with work experience, not just qualifications. Klerksdorp area is suitable for entrepreneurial skills. More of the youth that are struggling to get employment can start up their small businesses and hence apply for funding from the ministry of small business development.

5.9.3 Poor infrastructure development

According to Oyedele (2017:1), The term infrastructure typically refers to the technical and organisational structures that support a society, such as roads, water supply, sewers, national electrical grids, telecommunications, good governance, services and so forth. It can be defined as the physical components of interrelated systems providing commodities and services essential to enable, sustain, or enhance societal living conditions. There are two types of infrastructure, which are, hard and soft infrastructures.

Hard infrastructure refers to the large physical networks necessary for the functioning of a modern industrial nation. In contrast, soft infrastructure refers to all the institutions which are required to maintain the economic, health, and cultural and social standards of a country, for example, the financial system, the education system, the health system, the governance system, and judiciary system, as well as security (Oyedele, 2016:2). Goodman, Rajagopal and Cassm (2019:2), stated that added to lack of operational and cost- competitiveness, South Africa's

mining has faced mounting infrastructure challenges like electricity costs that increased double the inflation rate since 2012, again, in the short to medium term, mining companies can collaborate with government and civil society stakeholders and their employees, to redefine the socio-economic role of mines, and associated processing facilities, as catalysts of broader economic development in the communities in which they operate. In the Klerksdorp area, lack of alternative skills has hampered the progress of industry development besides mining.

The infrastructure on the eastern side of Klerksdorp town on the N12 corridor was earmarked for bulk services like a Regional Shopping Complex, Integrated Housing, IT Call Centre, and Integration with Township Rejuvenation Grant Light Industry (Medical Supplies and mining Supplies) (South Africa Cities Network, 2013:08). Such planning is still good for the area. Still, it is not taking into account the urgent need to develop infrastructure that will support the improvement of the skills development first, to assist in the fight against poverty and unemployment. Entrepreneurial skills are important to harness all skills required for the future development of the Klerksdorp area in general.

Local government has not been active in mobilising local business investment drive with the private sector to deal with lack of infrastructure, which affects socio-economic issues like unemployment and poor business growth. Most of the failure by LED to propose a combined municipal and businesses forum to support industrial development in the Klerksdorp area has enabled the mining organisations to select those small CSR projects that are less expensive so that they can simply disclose such activities in their financial statements as being part of their CSR projects in the area. In contrast, the rest of the local community has remained poor and lacking essential infrastructure development to address the shortage of alternative skills. Some of the demonstrations of poor infrastructure in the townships are witnessed where water and sewage drainages are often gushing into the streets where children are playing because of their lack of playing facilities. This is another negative impact of poor and old infrastructure that is not maintained regularly.

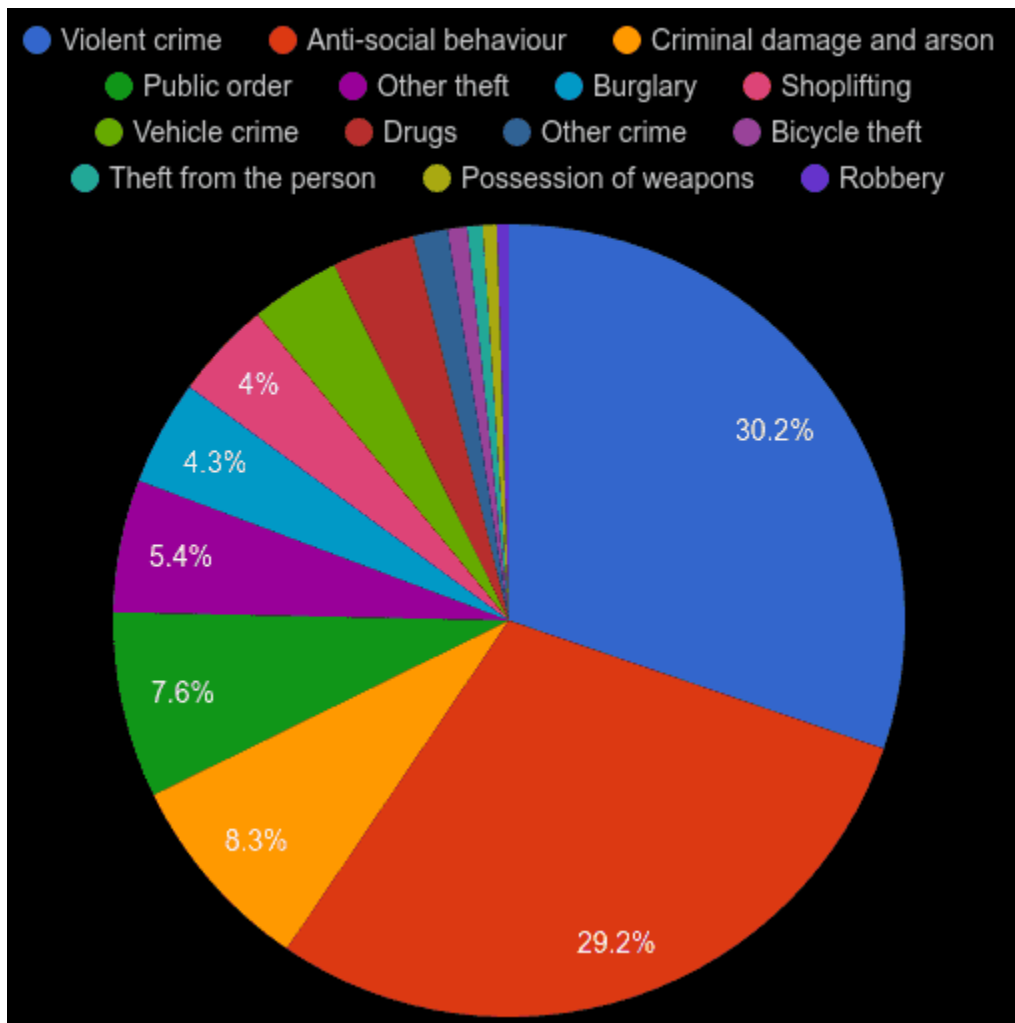
Par 07 mentioned that programmes like NDP have never been introduced even though mining companies have been operating in the area for more than five decades. Such omission by both the DMR and LED has led to high unemployment due to big mining companies like Anglo Gold glossing down in the Klerksdorp area. Mining companies like Anglo Gold only invested in those areas where mining employees came from, such as Eastern Cape, Kwa Zulu Natal and Limpopo, where they built schools, laboratories and helped in training small farmers in

agriculture. The LED department never questioned such discriminatory tendencies by mining companies' development planning, especially where the area under local municipalities remained underdeveloped. One of the management interviewees mentioned that most mining organisations were not eager to invest in infrastructure development. They were worried that corruption by government officials (a common occurrence at most municipalities_ will fail to meet their obligations which have seen some of them being placed under administration. According to the South African Cities Networks, the Matlosana Independent Development Plan (IDP) 2017- 20122 has various projects that were aligned for implementation. Still, some of these projects have lagged because of a lack of funds.

5.9.4 Crime in the North-West

One of the reasons why South Africa is consistently experiencing high levels of crime is because the majority of people continue living in shacks and cannot afford even the basics, while the minority live in relative comfort and luxury (Zhou, 2020:6). In a discussion of socio-economic determinants on crime in South Africa, Bhorat *et al.* (2017:1) mentioned that three socio-economic factors can be identified that play an important role in understanding the incidence of crime, namely unemployment, income levels and the prevalent level of income inequality. In South Africa, unemployment by the standard ILO definition was 27% in 2016, while the inclusion of discouraged workers raised the unemployment rate to 36% (Statistics South Africa, 2016). In terms of income, many studies have analysed poverty levels, and they suggest that South Africa has the highest poverty relative to its counterparts in developing countries, which resembles that of a low-income country (Bhorat *et al.*, 2021, Budlender *et al.*, 2015, Altman, 2006).

Figure 5.5: North-West crime statistics



Source: National Crime Statistics 09/2019

This figure above classifies the various crimes, from serious to petty crimes are in all the parts of the North-West province. The national crime statistics are published annually in September. The next table shows the national crime statistics. Interestingly, there is a decline from 2018/2019 to 2019/2020, albeit marginal.

Table 5.2 Summary of national crime statistics

2018/2019	2019/2020	Case Difference	% Change
Contact crimes (crimes against a person)			
37,487	36,286	-1,201	-3.2%
Murders (sub-category of contact crimes)			
961	864	-97	-10.1%
Total sexual offences (sub-category of contact crimes)			
4,021	3,824	-197	-4.9%
Contact-related crimes			
6,632	6,210	-422	-6.4%
Property-related crimes			
33,039	29,877	-3,162	-9.6%
Other serious crimes			
95,976	93,952	-2,024	-2.1%
Crime detected as a result of police action			
13,807	12,028	-1,779	-12.9%

Source: (National crime statistics 2019/2020)

Table 5.3 shows the North-West province crime figures in comparison.

Table 5.3 Summary of North-West crime statistics

2018/2019	2019/2020	Case Difference	% Change
Contact crimes (crimes against a person)			
617,210	621,282	4,072	0.7%
Murder (sub-category of contact crimes)			
21,022	21,325	303	1.4%
Total sexual offences (sub-category of contact crimes)			
52,420	53,293	873	1.7%
Contact-related crimes			
117,172	112,244	-4,928	-4.2%
Property-related crimes			
495,161	469,224	-25,937	-5.2%
Other serious crimes			
1,673,990	1,629,319	-44,671	-2.7%
Crime detected as a result of police action			
339,281	290,176	-49,105	-14.5%

Source: National Crime crime statistics (2019/2020)

Overall, there is a large percentage decline in total figures of crimes committed in the North-West province. The Klerksdorp area has been experiencing an increase in crime mostly in the townships. This is ascribed to the youth who make up the majority of the unemployed. The majority of gold mines have closed down since the early 1990s, and work is scarce. Some of the retrenched miners moved to the Free State region where Anglo Ashanti is still mining actively. Most crime has been witnessed due to the rise in unemployment since the gold mines started closing down. All the interviewed employees were worried about how crime has engulfed the townships since rising unemployment, particularly among the youth due to the Anglo Gold mine closing down.

During the interview, Participant 05 and Participant 06 expressed their concern with the high crime experienced that is rife in the townships, and they were both disappointed in the mining companies, who did not provide visible CSR projects to assist in social development needs and future generations. Participant 06 emphasised the urgent need for infrastructure development, which would assist in creating employment in the secondary and service industry, thereby reducing unemployment and crime. The interview participants could not account for the statistics of crimes committed in the townships even if they had an impact in their lives, direct

or otherwise. There is no combined crime report for the Klerksdorp area under Matlosana Integrated development Report. Instead, some crime is not documented because the victims do not usually report every incidence.

5.10 CONCLUDING REMARKS

The objectives of this study were provided through the development of a model indicating an insight into the awareness, purpose, gaps and impact of CSR step by step in Figure 5.1. Each of the steps was discussed after the model. The researcher started this research study by setting up the questions to investigate CSR's past and present impact by gold mines in the Klerksdorp area. The researcher then analysed the literature review on CSR that provided him with empirical information on CSR by the body of knowledge. The researcher selected a qualitative research approach instead of an approach to conducting this research study that uses the inductive method because of the information required specific to the community of Klerksdorp area.

According to Neingo and Tholana (2016:8), gold mining continues to be a major contributor to the South African economy. The country has a great comparative advantage in terms of gold mineral resource endowment. Still, the gold mining sector is faced with several challenges that prevent South Africa from turning this comparative advantage into a competitive advantage. Neing *et al.* (2016:8) added that South Africa is not immune to global economic forces due to globalisation. For example, the 2008 global financial crisis and the volatility and declining gold prices, declining grades of gold deposits, and access to capital are some of the global challenges the South African gold sector faces.

In South Africa, mining companies contributed a lot of funding towards health, education and social welfare, while a minimal contribution was directed towards the development of areas occupied by the black population, especially the townships and rural areas. Anwana (2018:105) mentioned that after South Africa gained its democracy in 1994, the democratic government then became one of the drivers of CSR among the public and private sectors through the use of various parts of legislation like the BBBEE Act, Employment Equity and others were used to re-direct economic activity which will continue including SMMEs in the supply chain of goods and services which MNC usually dominates. The majority of the beneficiaries from government legislation are the previously disadvantaged black entrepreneurs and women using a points system of BBBEE. CSR has existed for the past five decades in the mining sector in

South Africa, and companies were not regulated through legislation. Instead, they exercised their choice on where and when they wanted to implement their CSR/CSI programmes.

Neing et al (2016:8) also highlighted that, in addition to the global challenges, South African operations are also faced with challenges unique to the country that severely impact the sector's productivity, and hence profitability and sustainability. Such challenges include industrial action, political, social, and environmental issues, high electricity cost and erratic supply (load shedding), the Department of Mineral Resources' Section 54 safety related stoppages, and technical challenges associated with deep-level mining and all these global and local challenges have led to operating cost escalation, resulting in profit margin squeezes, decreased productivity, and possible future mothballing of some gold mines (Neing *et al.*, 2016:8). According to Ochieng, Seanego and Nkwonta (2010:3352), acid mine drainage is the single most significant threat to South Africa's environment. The effect of mining on the environment includes the release of many chemical contaminants into water resources, turning the water acidic; this is referred to as acid mine drainage. Ochieng *et al.* (2010:3352) also added that pollution had been identified as one of the many pressures affecting freshwater systems and resources in South Africa. Mine water impacts negatively on the water environment by increasing the levels of suspended solids, leading to mobilisation of elements such as iron, aluminium, cadmium, cobalt, manganese and zinc and decreasing pH of the receiving water.

The closure and departure of a typical well-established mining company, like Anglo Gold Ashanti, poses a threat to the environment due to the new mining companies lacking continuity in infrastructure maintenance. Problems with acid mine drainage are the contamination of drinking water, agricultural lands, and disrupted growth and reproduction of aquatic plants and animals if left untreated.

Hamann (2016:251) stated that mining companies face important challenges, particularly concerning company-community relations, while resisting the temptation to misuse their power advantage. They need to support the communities' right to prior informed consent and acknowledge and respect the culture gap between the corporation and indigenous communities. One implication is that standardised CSR strategies cannot be taken 'off the shelf'. These companies must also be established and managed within the local African context and in continual dialogue with key stakeholders. According to Anwana (2018:120), the ability to adequately measure the financial impact of CSR on the company triple bottom line will endear CSR implementation to company stakeholders and take CSR from mere corporate greening to

corporate strategy. Although many South African companies are yet to fully measure and evaluate their CSR spending, companies are beginning to realise that when stakeholders can appreciate CSR contributions to a company from a financial viewpoint, they will be more supportive of CSR implementation (Triologue 2014: 128).

5.11 LIMITATIONS OF THE STUDY

- Lack of policy framework that supports CSR projects in the Klerksdorp area. Two aspects need to be highlighted that is. Local economic development has not established partnerships. The lack of CSR projects in the Integrated Development Plan (IDP) and Social Labour Plans (SLPs) to substantially address developmental problems affect the long-term social and economic sustainability of the Klerksdorp area (Van Heerden, 2016:143). According to councillors who participated in the interview, no economic development plans are in place at the local IDP. Instead, the development aims at reducing the housing backlog in the townships and villages.
- The closing down of the Klerksdorp gold mines will result in the discontinuity of the CSR projects operated by such companies and plans intended to support social and environmental needs. The effect of the nine gold shafts closing down will raise the unemployment figures and affect the families of the ex-mine employees negatively and their children.
- No partnership between the mining sector, local government and community has ever been established. During the interview, participants highlighted a lack of organised support from mining companies and the government.
- The new mining companies that have bought some gold shafts that Anglo Gold left will need enough time for their businesses to be profitable before they can start engaging on CSR projects.

5.12 RECOMMENDATIONS FOR FUTURE STUDY

- The influence of CSR awareness, CSR purpose and CSR policy factors require further quantitative examination using tools such as factors analysis to establish their significance. Factor analysis is a technique used to reduce a large number of variables into fewer numbers of factors. This technique extracts maximum common variance from all variables and puts them into a common score.

- This study has generated theory that could be tested by either the quantitative or mixed approaches.
- The scope needs to be expanded beyond the Klerksdorp area to expand the utility of the study. Each of the CSR themes developed in this research study can be analysed further to find out its impact on the local community.
- The importance of forming a partnership between government and private sectors so that they plan economic development together.
- Increased promotion of direct foreign investments, especially the mining sector.
- The DMR could create incentives for small businesses to get involved in the mining sector.

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APPENDIX A: INTERVIEW QUESTIONNAIRE

My name is Davidson Sibanda, a PhD student at the North-West University, Potchefstroom Campus. I am currently researching Corporate Social Responsibility in gold mining: A model for Klerksdorp gold mines. I would like to ask you questions about CSR in the Klerksdorp area.

Managers

Demographic section

What gender group are you from?

What is your level of seniority and what department do you work from?

Research specific section

Is your organisation engaged in Corporate Social Responsibility activities?

What is the organisation's purpose in engaging in CSR projects?

What drives decision-making in CSR projects?

What specific CSR activities is your company involved in and what gaps are created during implementation?

What is the impact of CSR projects in your area?

Should CSR projects be regulated? Why?

Employees

Demographic section

In which department are you working?

How long have you lived in the Klerksdorp area?

Research specific section

What do you understand through the term Corporate Social Responsibility?

What is the impact of CSR in the community?

How would you appraise these CSR projects?

Do you think CSR should be encouraged (voluntary) and not enforced (mandatory)?

Is CSR important in South Africa? Why?

Are you aware of any CSR needs that have not been covered by your company previously or currently through CSR projects?

How can these needs be met by your company?

Community leaders

My name is Davidson Sibanda, a PhD student at the North-West University, Potchefstroom Campus. I am currently conducting research on Corporate Social Responsibility in gold

mining: a model for Klerksdorp gold mines. I would like to ask you a couple questions about CSR in the Klerksdorp area.

Demographic section

What is your gender and role in the community?

How long have you lived in the Klerksdorp area?

Are you aware of any social and environmental responsibility that the mining sector offered to the community?

Research specific section

What is the impact of CSR in the community of Klerksdorp?

Are there any challenges associated with these CSR projects in the Klerksdorp area?

What can be done to improve CSR in the Klerksdorp area?

Is there any need to regulate CSR? Why?

Do you think CSR projects implemented by the mining sector are geared to deal with the post-mine closures? Why?

Are you aware of any CSR project that was initiated that failed in the area? Why do you think it failed?

Are you aware of any CSR needs that have not been covered by previous or current CSR projects in the Klerksdorp area?

APPENDIX B: PARTICIPANT CONSENT FORM

Consent to take part in research:

I..... voluntarily agree to participate in this research study.

I understand that even if I agree to participate now, I can withdraw at any time or refuse to answer any question without any consequences of any kind.

I understand that I can withdraw permission to use data from my interview within two weeks after the interview, in which case the material will be deleted.

I have had the purpose and nature of the study explained to me in writing and I have had the opportunity to ask questions about the study.

I understand that participation involves individuals who have worked for the company for not less than two years.

I understand that I will not benefit directly from participating in this research.

I agree to my interview being audio-recorded.

I understand that all information I provide for this study will be treated confidentially.

I understand that in any report on the results of this research my identity will remain anonymous. This will be done by changing my name and disguising any details of my interview, which may reveal my identity or the identity of people I speak about.

I understand that disguised extracts from my interview may be quoted in the dissertation, conference presentation, published papers etc.

I understand that if I inform the researcher that myself or someone else is at risk of harm they may have to report this to the relevant authorities: they will discuss this with me first, but may be required to report with or without my permission.

I understand that signed consent forms and original audio recordings will be retained in the safe keep of the researcher until *the examination board confirms the results of the dissertation.*

I understand that a transcript of my interview in which all identifying information has been removed will be retained for two years from the date of the examinations.

I understand that under freedom of information legislation, I am entitled to access the information I have provided at any time while it is in storage as specified above.

I understand that I am free to contact any of the people involved in the research to seek further clarification and information.

Names, degrees, affiliations and contact details of researchers (and academic supervisors when relevant).

Signature of research participant

Signature of participant Date

Signature of researcher

I believe the participant is giving informed consent to participate in this study

Signature of researcher Date

APPENDIX C: ETHICS APPROVAL



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Economic and Management Sciences Research
Ethics Committee (EMS-REC)
Tel: 018 299-1427
Email: Bennie.Linde@nwu.ac.za

23 November 2018

Prof J Visagie
Per e-mail

Dear Prof J Visagie


FEEDBACK – ETHICS APPLICATION: – D SIBANDA (25368702)(RE-SUBMISSION)

Your ethical application *The Corporate Social Responsibility, the model for Gold mines in the Klerksdorp area* with Prof Jan Visagie that serve on the EMS-REC meeting of 23 November 2018 refers.

Outcome:

The ethical application is approved. Application for ethical number forwarded.

Kind regards,

PP 

Prof B Linde
Chairperson: Economic and Management Sciences Research Ethics Committee (EMS-REC)

APPENDIX D: LANGUAGE EDITOR'S LETTER



Antoinette Bisschoff
71 Esselen Street,
Potchefstroom
Tel: 018 293 3046
Cell: 082 878 5183
Language@dts.co.za
CC No: 1995/017794/23

Sunday, 19 September 2021

To whom it may concern

Re: Confirmation of language edit, typography and technical precision

The PhD dissertation "Corporate Social Responsibility in Gold Mining, a model for Klerksdorp gold mines" by D Sibanda (25368702) was edited for language and technical precision.

Final, last-minute corrections remain the responsibility of the author.



Antoinette Bisschoff

BA Languages (UPE – now NMU); MBA (PU for CHE – now NWU); Translation and Linguistic Studies (NWU)

Officially approved language editor of the NWU since 1998
Member of SA Translators Institute (no. 100181)

Precision ... to the last letter