

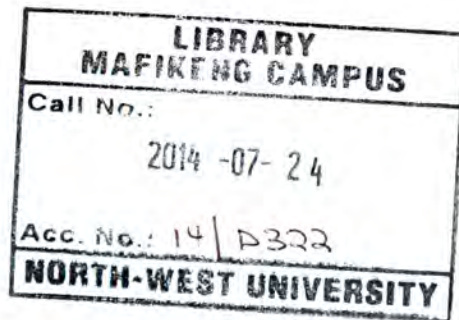
Corporate Social Responsibility in Botswana: A Management Perspective

BY

Mooketsi Maiketso

22577688

Mini-dissertation submitted in partial fulfillment of the requirements for the degree of Masters of Business Administration at the Mafikeng Campus of the North West University



North-West University
Mafikeng Campus Library

Supervisor: Professor. S.M. Kapunda

October 2013

Table of Contents

Table of Contents	i
LIST OF TABLES	iv
ABSTRACT	vi
ACKNOWLEDGEMENTS.....	vii
LIST OF ACRONYMS	viii
CHAPTER 1 - INTRODUCTION	1
1.1 BACKGROUND INFORMATION	1
1.2 STATEMENT OF THE PROBLEM.....	2
1.3 OBJECTIVES OF THE STUDY	3
1.4 RESEARCH QUESTIONS.....	3
1.5 HYPOTHESIS	4
1.6 SIGNIFICANCE OF THE STUDY	4
1.7 SCOPE OF THE STUDY	4
1.8 ORGANISATION OF THE STUDY	5
1.8 CONCLUSION	5
CHAPTER 2 – OVERVIEW OF CORPORATE SOCIAL RESPONSIBILITY IN BOTSWANA.....	6
2.1 INTRODUCTION.....	6
2.2 BOTSWANA TELECOMMUNICATIONS CORPORATION (BTC)	6
2.3 MINISTRY OF LABOUR AND HOME AFFAIRS.....	8
2.4 BANK OF BOTSWANA	8
2.5 CONCLUSION	9
CHAPTER 3 – LITERATURE REVIEW	10
CHAPTER 4-RESEARCH METHODOLOGY	36
4.0. Research Methodology	36
4.1 Research Design.....	36

4.2. Target Population	37
4.2.1 Sampling Strategy.....	37
Each quota was selected as follows:.....	38
[Number in population group]/[Total of all numbers in population groups] x 100%	38
4.3. Research Instrument	38
4.3.1 Format of the Questionnaire	39
The format of the instrument was as shown in Table 4.2.	39
4.4 Pilot Study.....	39
4.5 Data Collection.....	40
4.6 Data Analysis	41
4.7 Limitations of the Study	41
4.8 Ethical Considerations	41
4.8.1 Consent.....	41
4.8.2 Deception.....	42
4.8.3 Debriefing.....	42
4.8.4 Withdrawal from the investigation.....	42
4.8.5 Confidentiality	42
4.8.6 Protection of participants.....	42
4.8.7 Observation research.....	42
4.8.8 Giving advice.....	42
4.8.9 Data protection.....	43
4.9 Validity and Reliability.....	43
4.9.1 Reliability	43
4.9.2 Validity	44
4.10. Conclusion	46

CHAPTER 5- DISCUSSION AND INTERPRETATION OF RESULTS	47
5.0 INTRODUCTION.....	47
5.1 NATURE OF ORGANISATION.....	47
5.2 LOCATION OF ORGANISATION.....	48
5.3 LEVEL OF ADOPTION OF CSR BY COMPANIES IN BOTSWANA	49
5.4 WHY COMPANIES IN BOTSWANA HAVE EMBRACED CSR	51
5.5 RECOMMENDATIONS TO COMPANY MANAGEMENT AND STAKEHOLDERS ON HOW BEST THEY CAN USE CSR TO THEIR ADVANTAGE	53
5.6 SUMMARY OF FINDINGS	54
5.7 CONCLUSION	56
CHAPTER 6 – CONCLUSIONS AND RECOMMENDATIONS.....	57
6.1 INTRODUCTION.....	57
6.4 CONCLUSIONS	59
6.5 RECOMMENDATIONS.....	60
6.6 CONCLUSION	61
BIBLIOGRAPHY	62
Appendix A: Draft Covering Letter	67
Appendix B: Questionnaire	68
APPENDIX C: Permission Letter from Botswana Railways	72

LIST OF TABLES

Table 1.1: Organisation of the Study.....	15
Table 4.1: Sample selection for the study.....	48
Table4.2Format of the Questionnaire.....	49
Table 5.1: Nature of organisation.....	57
Table 5.2: Location of organisation	58
Table 5.3: Level of Adoption of CSR by Companies in Botswana.....	59
Table 5.4: Why Companies in Botswana have Embraced CSR.....	61
Table 5.5: Recommendations to Company Management and Stakeholders on how best they can make use of CSR to their Advantage.....	63

Academic Year: 2012 DECLARATION

I, Mooketsi Maiketso, do hereby declare that this dissertation is the result of my own investigation and research, except to the extent indicated in the acknowledgements and references and by comments included in the body of the report, and that it has not been submitted in part or full for any other degree to any other university.



Student Signature

26th October 2012

Date

ABSTRACT

This study focuses on corporate social responsibility from a management perspective. The study had the following objectives - to investigate the level of adoption of CSR by companies in Botswana; to find out why companies in Botswana have embraced CSR; to investigate the views of governments, pressure groups and stakeholders on companies which have embraced CSR in their communities; and to recommend to company management and stakeholders on how best they can use CSR to their best advantage.

A Positivist (quantitative) strategy was used to execute this study and data capture was done through the use of a structured questionnaire. This instrument was issued to 100 members of management from companies based near Mahalapye and Gaborone. The response rate was 88%.

The key findings were that many companies have CSR policies at their workplaces but they are not yet fully functional. Many companies have also embraced CSR for political mileage reasons only and to appear to be environmentally conscious.

Key words: Corporate Social Responsibility, Management Perspective, Competitive Advantage.

ACKNOWLEDGEMENTS

It has been a long uphill road from the day I read a North West University article on MBA study offer to this moment and I will not have managed without the support, guidance and support of the following

-My research lecturer and supervisor Professor S.M. Kapunda, for his quick feedback, thorough analysis, patience in guiding and assisting me from the conception of this study through to its completion under difficult situations due to the work/study imbalance. I have learnt a lot and appreciate his suggestions for corrections and adjustments to the research. May the great God bless and enrich him to empower more people and students.

-The management and the professional North West University (Botswana) lecturers for tirelessly assisting me throughout this course. It was an admirable experience to study at an efficient and well organized institution of North West University's calibre, keep educating the world.

-My wife, Phemelo Maiketso, son Thero Maiketso for the sacrifices of sleeping without seeing me most of the long nights and for encouraging me to believe that I can do it. You shall forever hold a special place in my mind for sharing the vision and I shall forever be grateful. Your unconditional love and understanding is beyond belief, thank you.

--To my employer, Botswana Railways for allowing me to use their facilities and giving me study leave days for examinations.

-Mr Tadios Munodawafa for the data analysis expertise that has seen raw data convert to a properly presented statistical analysis, God bless you.

-Finally, the Almighty GOD for the strength, protection and wisdom He granted me throughout this study.

LIST OF ACRONYMS

BAT – British American Tobacco

BP – British Petroleum

BTC – Botswana Telecommunications Authority

CITF – Construction Industry Trust Fund

CORE – Corporate Responsibility Coalition

CSO – Civic Society Organisation

CSR – Corporate Social Responsibility

CSV – Creating Shared Value

FIC – Forum Island Companies

GMO – Genetically Modified Organism

ILO – International Labour Organisation

ILO – International Labour Organisation

ISO – International Standards Organisation

MNC – Multinational Corporation

NGO – Non Governmental Organisation

SADC – Southern African Development Community

SPSS – Statistical Package for Social Sciences

SRI - Socially Responsible Investment

TBL – Triple Bottom Line

TNC – Transnational Corporation

UK – United Kingdom

UN – United Nations

UNDP – United Nations Development Program

UNRISD – United Nations Research Institute for Social Development

WHO – World Health Organisation

CHAPTER 1 - INTRODUCTION

1.1 BACKGROUND INFORMATION

This study focuses on corporate social responsibility from a management perspective. According to Rossi (2009), Corporate Social Responsibility (CSR, also called corporate conscience, corporate citizenship, social performance, or sustainable responsible business/Responsible business) is a form of corporate self-regulation integrated into a business model. CSR policy functions as a built-in, self-regulating mechanism whereby a business monitors and ensures its active compliance with the spirit of law, ethical standards, and international norms. The goal of CSR is to embrace responsibility for the company's actions and encourages a positive impact through its activities on the environment, consumers, employees, communities, stakeholders and all other members of public sphere (Rossi, 2009).

The term "corporate social responsibility" came into common use in the late 1960s and early 1970s after many multinational corporations formed the term stakeholder, meaning those on whom an organization's activities have an impact (May, Cheney and Roper, 2007). It was used to describe corporate owners beyond shareholders as a result of an influential book by R. Edward Freeman, *Strategic Management: A Stakeholder Approach* in 1984. Proponents argue that corporations make more long term profit by operating with a perspective, while critics argue that CSR distracts from the economic role of businesses. Others argue CSR is merely window-dressing, or an attempt to pre-empt the role of governments as a watchdog over powerful multinational corporations

According to May *et al* (2007), CSR is meant to aid an organization's mission as well as a guide to what the company stands for and will uphold to its consumers. Development business ethics is one of the forms of applied ethics that examines ethical principles and moral or ethical problems that can arise in a business environment. ISO 26000 is the recognized international standard for CSR. Public sector organizations (the United Nations, for example) adhere to the triple bottom line (TBL). It is widely accepted that CSR adheres to similar principles but with no formal act of legislation. The UN has developed the Principles for Responsible Investment as guidelines for investing entities.

1.2 STATEMENT OF THE PROBLEM

Care of the environment is becoming a prominent issue for many decision makers, including consumers and businesses. A CSR programme that aims to conserve earth's natural resources, avoid pollution and minimize global warming effects is a powerful marketing tool for any business (Kali-ski, 2001). Pursuing such policies often go hand in hand with reducing raw material and operating costs for businesses.

Legislators are increasingly turning their attention to environmental and ethical matters and are introducing regulations to force businesses to act more responsibly, whether that is in regard to the environment, finance, health and safety, wellbeing or a variety of other areas. A company can gain tremendous leverage when seen as a pioneer in these areas rather than being forced by law to comply (Kalinda, 2008).

Perhaps a somewhat less altruistic justification for CSR is that society often finds it easier to overlook or forgive some less desirable business decisions (mistakes) if the organisation is seen to be investing heavily for the benefit of society. Such a scenario has resulted in several movements turning their backs against the concept of corporate social responsibility (Lindquist, 2011).

According to Maignan, Ferrell and Ferrell (2008), the dilemma with CSR is apparently the depth and rationale to which management of companies abide with CSR principles. Concern has been raised that some companies actually embrace CSR as a marketing tool to further promote their businesses to the detriment of the environments they conduct the same business (Guthrie, 2004). Another concern is that sometimes companies claim to promote CSR and be committed to sustainable development but simultaneously engage in harmful business practices. Critics concerned with corporate hypocrisy and insincerity generally suggest that better governmental and international regulation and enforcement, rather than voluntary measures, are necessary to ensure that companies behave in a socially responsible manner (Drumwright, 1994).

The issue of CSR has proved to be very contentious across the globe. Many view CSR as a positive initiative from companies and how they aim to protect the environment and plough back their profits to promote environmental protection (Dees, 2001). Others also view these CSR gestures as cover-ups which are being done by companies so that governments and their citizens

do not view their operations in bad light. This study investigated how companies in Botswana are dealing with the concept of CSR and how stakeholders view such CSR initiatives from those companies. Currently there is scant literature on CSR in Botswana companies.

1.3 OBJECTIVES OF THE STUDY

The following were the objectives of the study:

1. To investigate the level of adoption of CSR by companies in Botswana.
2. To find out why companies in Botswana have embraced CSR.
3. To investigate the views of governments, pressure groups and stakeholders on companies which have embraced CSR in their communities.
4. To recommend to company management and stakeholders how best they can use CSR to their best advantage.

1.4 RESEARCH QUESTIONS

The following were the research questions of the study:

1. What is the level of adoption of CSR by companies in Botswana?
2. Why have companies in Botswana embraced CSR?
3. What are the views of governments, pressure groups and stakeholders on companies which have embraced CSR in their communities?
4. What recommendations can be given to company management and stakeholders on how best they can use CSR to their best advantage?

1.5 HYPOTHESIS

Companies which have adopted CSR in Botswana are doing it for the benefit of the communities they are operating in. They are also using CSR to protect the environment from further damage through pollution of wastes from their factories.

1.6 SIGNIFICANCE OF THE STUDY

This study will add to the available literature on CSR in Botswana. Currently there is very little information on CSR in Botswana companies. Many companies state that they have CSR principles on their organisations but little scrutiny has been made on such CSR principles and policies. Their functionality has never been put on the spotlight and tested. This study will help to expose the level to which companies in Botswana have adopted CSR and the level to which they are ethically responsible to the communities they are operating in.

The findings of this study will be of use to other researchers who may also want to cover the topic of CSR. The findings of the study have the potential to influence opinions and decisions of company management in Botswana, Botswana government executives, customers of those companies and related stakeholders. To many, the issue of CSR is not fully understood.

1.7 SCOPE OF THE STUDY

The study will be conducted in Gaborone city and management and stakeholders from selected companies will be asked to participate in the study. The study will be conducted from May 2012 to October 2012.

1.8 ORGANISATION OF THE STUDY

The study was divided according to the following chapters:

Table 1.1: Organisation of the Study

Chapter Number	Chapter Name	Description
1	Introduction	Covers the topics of background information of the research, problem statement, aim, objectives and research questions.
2	Overview of corporate social responsibility in Botswana	Covers the views of corporate management and related stakeholders on CSR in Botswana.
3	Literature review	Includes theoretical framework, analysis of the literature review and conclusion.
4	Research design and methodology	The sampling plan, period covered by the study, source of information, data collection method and limitations of the study.
5	Discussion and interpretation of results	Analysis of data, hypothesis testing and discussion of findings.
6	Conclusions and recommendations	Making recommendations to all stakeholders based on a list of conclusions from the study.

1.8 CONCLUSION

This chapter introduced the topic of CSR and how it affects companies, governments and stakeholders of those companies. A detailed background of the study was given, together with the problem statement, aims and objectives and the significance of the study. The next chapter, Chapter 2, focuses on the review of literature.

CHAPTER 2 – OVERVIEW OF CORPORATE SOCIAL RESPONSIBILITY IN BOTSWANA

2.1 INTRODUCTION

This chapter focuses on CSR in Botswana. CSR is a concept which is fairly recent in Botswana. The concept was introduced in the Botswana corporate world in 2002 (*Mid Week Sun*, 2011). Many companies have corporate social responsibility guidelines but many more are not fully implementing them. Corporate social responsibility by Botswana companies consists of helping the needy (Daily News, 2012) through appeals for housing for the economically disadvantaged, sponsorship in sport (Mascom, 2012, BeMobile, 2012), educational grants (Debswana, 2012) among others. The following sections discuss how particular companies and government departments have formulated and implemented CSR principles and practices.

2.2 BOTSWANA TELECOMMUNICATIONS CORPORATION (BTC)

BTC participates in a number of initiatives to foster relationships and contribute to the well being of communities. Discussed below are some of the company's initiatives:

Supporting Sport

BTC through its mobile network, BeMobile has set the standard in corporate sponsorship of sport. BTC actively supports soccer by sponsoring the Premier Football League to the tune of P24 million over a three year period, a 60% increase from the initial P15 million three years ago. The P8 million per season sponsorship, is the second highest in the Southern African Development Community (SADC) after South Africa. The biggest sponsorship in the annals of Botswana football has seen the game become very competitive to rival some of the top leagues and positively influence the performance of the National Team.

Athletics

BTC sponsored the Special Olympics team to the tune of P38 645.44 to participate in the Special Olympics Games that were held in Athens, Greece. The sponsorship included dressing a team of 20 with BTC branded sport apparel. The team lifted the Botswana flag high and brought home four gold medals , four silver and five bronze medals.

In golf, the Corporation, sponsored Botswana Golf Union with P20 000 for the Golf VI championship 2010. The Championships brought together players from neighbouring countries in a tournament at the Gaborone Golf Club

Supporting Small and Medium Size Enterprises and Service providers

BTC continues to participate in events and forums to promote economic growth and attract investment into the country. BTC participated in and made a P150 000.00 contribution toward the Local Enterprise Authority –Small Micro and Medium Enterprises Fair and participated at the Botswana Confederation of Commerce and Industry Northern trade fair.

Promoting the arts

BTC donated P25 000 to Thapong Visual Arts Centre and in collaboration with the center, BTC sponsored a competition to the tune of P 25 000 inviting artists to design the cover for the 2010 Phone Book Directory. BTC also supports musicians by affording them an opportunity to share the platform and showcase their talent during promotions.

Giving back to the community

BTC in partnership with the Ministry of Transport and Communications, answered the Presidential Housing Appeal and donated P20 000.00 towards the construction of a house for a needy person at Phuduhudu, in the Kgalagadi District.

The Corporation in partnership with the Ministry of Transport and Communications contributed P25 000.00 during the launch of Vision 2016 activities at Jackals No 1 in the North East District. The Corporation has also sponsored a number of charity organizations. Cheshire Foundation of Botswana received a P29 119.34 sponsorship. Y -Care also received a P27 500.00 sponsorship from a sponsored walk.

Skills Development and Investing the Future

BTC takes a proactive role in skills development especially in the area of Information Communication Technology. The Corporation made a computer and internet connection donation worth P40 130.95 to the Francistown School for the deaf.

BTC has also donated Copiers/ Printer to Chobokwane Customary Court and Nswazi Brigade to the value of P18 160.00 and P20 339. 20 respectively.

BTC participated in the World Telecommunications Day in Manxotae and donated nine computers and nine printers/ fax/scanner to the communities of Manxotae, Sepako and Maposa in line with the Maitlamo Policy of taking ICT services to the people and bridging the digital divide. Beneficiaries included the Primary schools, Kgotla and Clinics in the three villages. In support of the revival of culture and promotion of Setswana, BTC made a donation worth P96 700.00 towards the Maruapula Setswana week which was organized by Maruapula students.

2.3 MINISTRY OF LABOUR AND HOME AFFAIRS

Giving back to the community remains at the heart of the Botswana Ministry of Labour and Home Affairs. Since 2009, the Ministry has identified a community in which it has contributed positively towards a practice that has been turned into a monthly one since 2011. The Ministry of Labour and Home Affairs believes in sustainable contribution which will not just benefit individuals but the larger community as well.

The village of Diphuduhudu in the Letlhakeng area was one of the first big projects that the Ministry got involved in; where the connection with the village started off with a donation of school uniforms for some of the primary school pupils there. A relationship with both community and its leadership was then forged.

In 2010, a group of young people from Diphuduhudu were identified and enrolled at the Construction Industry Trust Fund (CITF) in Gaborone to learn various trades in the construction industry. Since then, three of the Diphuduhudu youth have graduated and are now employable.

2.4 BANK OF BOTSWANA

As a central bank, the Bank of Botswana's primary mandate is provision of central banking services. However, in contributing to broader social development in Botswana the Bank does consider, albeit on a limited and selected basis, requests for financial support in the form of grants or donations. These can take the form of one-off donations or more regular support, including annual grants or corporate membership of deserving bodies.

Mindful of the Bank's responsibility to promote good corporate governance and sound financial management, organisations must meet the following criteria in order to qualify for a donation:

- Non-profit organisations registered and in good standing under the Societies Act (Cap 18:01);
- Responsible and well-managed as evidenced by the bona fides of the management, availability of annual reports on their activities and audited annual accounts and a track record of effective performance;
- Perform services of benefit to the whole nation, including, but not limited to:
 - Conservation of the environment;
 - Care for the handicapped and socially disadvantaged;
 - Research and public education on the heritage and development of Botswana;
 - Sport and recreational services;
 - Investment and tourism promotion;
 - Skills development.

2.5 CONCLUSION

In conclusion, the above case studies indicate that there are various efforts being made by some Botswana government departments and private companies as far as the CSR mandate is concerned. Efforts from these organisations include donation of funds to sport, education, housing appeals, health services, judiciary services, and arts.

CHAPTER 3 – LITERATURE REVIEW

2.0 INTRODUCTION

A more common approach of CSR is philanthropy. This includes monetary donations and aid given to local organizations and impoverished communities in developing countries. Some organizations do not like this approach as it does not help build on the skills of the local people, whereas community-based development generally leads to more suitable development. Another approach to CSR is to incorporate the CSR strategy directly into the business strategy of an organization.

Another approach that is garnering increasing corporate responsibility interest is the concept of Creating Shared Value, or CSV. The shared value model is based on the idea that corporate success and social welfare are independent. A business needs a healthy, educated workforce, sustainable resources and adept government to complete effectively (Castka, Bamber and Sharp, 2004). For society to thrive, profitable and competitive businesses must be developed and supported to create income, wealth, tax revenues and opportunities for philanthropy (Castka, Bamber and Sharp, 2004). CSV received global attention in Harvard Business Review article *Strategy & Society: The link between Competitive Advantage and Corporate Social Responsibilities* [1] by Michael E. Porter, leading authority on competitive strategy and head of the institute for Strategy and Competitiveness at Harvard Business School; and Mark R. Kramer, Senior Fellow at the Kennedy School of Harvard University and co-founder of FSG social Impact Advisors. The article provides insights and relevant examples of companies that have developed deep linkages between their business strategies and corporate social responsibility. Many approaches to CSR pit business against society, emphasizing the cost and limitations of compliance with externally imposed social and environmental standards (Carpenter, Bauer and Eiderdown, 2010). CSV acknowledges trade-offs between short-term profitability and social environmental goals, but focuses more on the opportunities for competitive advantage from building a social value proposition into corporate strategy.

Many companies use the strategy of benchmarking to compete with their respective industries in CSR policy, implementing and effectiveness. Benchmarking involves reviewing competitor CSR

initiatives, as well as measuring and evaluating the impact that those policies have on society and the environment, and how customers perceive strategy CSR strategy. After a comprehensive study competitor strategy and an internal policy review performed, a comparison can be drawn and a strategy developed for competition with CSR initiatives (Rossi, 2009).

Amongst those who consider CSR from a neoliberal perspective there is heated debate about whether it constitutes a legitimate activities for a corporate to be engaged in. In a controversial book, *Misguided Virtue: False Nations of Corporate Social Responsibility*, published by New Zealand Business Roundtable, Henderson (2001) examines the CSR 'doctrine', subjecting it to a neoliberal critique. Henderson (2001) urges that, far from being harmless, the adoption of CSR threatens prosperity in poor countries as well as rich. It is likely to reduce competitive and economic freedom and to 'undermine the market economy'. David (2001) criticizes those who pressure corporations not simply to seek profit but to demonstrate their 'corporate citizenship' by working with a range of stakeholders to further environmental and social as well as economic goals. The origins of such pressures has come from Non-Government Organisations (NGOs) but have been taken up by academics, other commentators and multinational enterprises themselves. Similarly, 'Bryan Husted and Social Performance', argue that it is 'wiser for firms to act as strategically than to be coerced into making investments in the corporate and social responsibility' (Husted and Salazar 2008:481).

However, many neoliberal economic writers have argued that there are strategic reasons why corporations might be wise to adapt to CSR approach. Lantos (2001), while concurring with Friedman (2008) that 'altruistic' CSR is not a legitimate role of business (arguing in fact that the altruistic CSR is immoral), nevertheless argues that 'strategy' CSR is good for business and society. However, CSR policies and activities should only be undertaken when it appears that they can enhance the value of the firm, that is, when they are used as strategic CSR. In an article called 'A strategic response to Friedman's critique of Business Ethics', Gallagher (2005) aims to provide a practical neoliberal response to the question of why be ethical in business. He urges that strategic advantages are gained by being ethical – acting as form of insurance or strategic 'shock absorber' for firms. Gallagher (2005) notes that the scandals surrounding Enron and other firms have increased attention on the role of business ethics.

Amalric and Hauser (2005) argue that the potential benefits companies derive from CSR activities arise from two sources. The first source is expectations held by immediate stakeholders of a company – its consumers, employees and investors – for responsible corporate conduct. The second driver behind the adoption of CSR activities by corporations is the threat that the state will impose new building regulations on companies. This is clearly a neoliberal view that focuses on the potential threats to a company's bottom line that might emerge should the company's activities create an adverse reaction amongst its stakeholders. Porritt (2009) urges that corporations focusing solely on the bottom line risk a 'bottom line backlash' and hence for strategic reasons are well advised to develop a CSR strategy. He reveals the results from a survey of Australian consumers showing that, when in conflict, bottom line success can negatively affect the reputation of the corporation. Consumers who see a company as achieving profits at the expense of other stakeholders are likely to express hostility to the company. On the other hand, consumers tend to have a particularly favorable view of a company achieving a reputation for profitability while being socially responsible. According to Porritt, (2009) this 'bottom line backlash' effect has now confirmed in three large independent samples of Australian Consumers, and large of Australian small business managers. Hence 'companies are wise to adapt CSR policy as part of their risk management strategy' (Porritt, 2005:198).

Ken Coghill et al (2005) in their submission to Australian Parliamentary Inquiry on CSR argue that there are three potential drivers of CSR existence: CSR as a business strategy designed either to avoid risks that threaten the company's interests; CSR as policy based upon ethical and moral value; and CSR as a means for achieving social sustainability . While the authors see evidence of all approaches represented in Australian business they argue that the strategic approach is the dominant one. In their view, even companies adept at economic, political and technological risk management now face new challenges from social and environmental issues. However, without a focus on CSR, by the time a social or environmental issues become visible to management it will be too late to manage the issue. The corporation will inevitable be 'at the mercy' of government, civil activists and public opinions. Hence the need to pursue active CSR politics and to make CSR corporate governance issue. The neoliberal perspective therefore emphasizes the strategic benefits are in the form of risk management strategies, designed to

protect corporations from threats arising from stakeholder, civil activist, consumers or government attacks.

BUSINESS CASE OF CSR WITHIN A COMPANY

There is a perception that there can be positive strategic advantages in the market for a corporation that adopts a CSR approach. CSR within a company will likely rest on one or more of the following arguments which are a combination of risk management and strategic advantage and approaches (Armstrong, 2007; Dawkins, 2004a);

- **Human Resources**

Corporate Social Responsibility can be important aid in recruitment and retention, particularly within the competitive graduate market. CSR can also help to build a 'feel good' atmosphere among existing staff.

- **Risk Management**

Managing risk is a central part of much corporate strategies. Reputation that takes decades to build up can be ruined in hours through incidents such as corruption scandals or environmental accidents. These events can also draw unwanted attention from regulators, courts, governments and media. Building a genuine culture of 'doing the right thing' within a corporation can offset these risks.

- **Brand Differentiation**

In crowded marketplaces companies strive for 'X Factors' which can separate them from the competition in the minds of consumers. Several major brands, such as The Body are built on ethical values.

- **License to operate**

Corporations are keen to avoid interference in their business through taxation or regulations. By taking substantive voluntary steps they can persuade governments and the wider public that they

are taking current issues like health and safety, diversity or the environments seriously and so avoid interventions.

- **Diverting Attention**

Major corporations which have existing reputational problems due to their core business activities may engage in high-profile CSR programs to draw attention away from their perceived negative impacts. Thus British American Tobacco (BAT) will take part in health initiatives and the petroleum giant BP has installed very visible wind-turbines on the roofs of some petrol stations in UK.

CSR AND SUPPORT FOR THE BOTTOM LINE

One of the most controversial issues that was debated amongst both neoliberal and neo-Keynesian commentators in whether CSR was a cost or a benefit to the corporate bottom line. While some neoliberal economics remain staunchly skeptical, others are more uncertain. Bryan Husted (2003) argues that researchers have not examined the cost implications associated with the different forms of CSR activities. Eveline van de Velde et al (2005) set out to investigate the interaction between sustainable and financial performance and concluded that high sustainability-rated portfolio have performed better than low-rated portfolios, but not to a significant extent.

Other mainstream economists, including both neoliberals and neo-Keynesians, are more inclined to see CSR as a positive contributor to corporate value (Rossi, 2009). Amalric and Hauser (2005) enquire under which circumstances a company may increase its value through the development and implementation of corporate responsibility activities. They argue that, under various conditions of imperfect competition, firms can increase their value with corporate responsibility activities. In a 2005 article in *Global Finance*, Fittipaldi (2005) argues that the evidence is piling up that corporate responsibility pays. He claims that the studies are increasingly indicating that companies may already be reaping some rewards. One such study by Germany's Oekom Research (2009), an independent sustainability rating agency, correlates sustainability with financial performance. The study indicates shares of companies with good sustainability with good records perform better than those of their less socially responsible competitors. Rushton

(2002) similarly argues that there is evidence to show that the corporate social responsibility pays; for example, the Dow Jones sustainability group index outperformed the Dow Jones index by 36% over the past three-year period.

According to Salles (2011), one of the key strategic advocated by more progressive advocates of CSR is the best promotion of socially responsible investment (SRI). Invariably advocates argue that SRI companies are likely to be at least as profitable as others. Here again, however, there is contradictory research about the claims. For example, Sparkes and Cowton (2004) review the development socially responsible investment (SRI) over recent years and argue that not only has SRI grown significantly, it has also matured. On the other hand, a more skeptical attitude is taken by Haigh and Hazelton (2004). The only conclusion that really can be drawn from this debate at present is that the issue remains unresolved.

RELATIONSHIP BETWEEN CSR AND THE RESPONSIBILITIES OF CORPORATE DIRECTORS

According to Visser, Wayne, Matten, Pohl and Nick (2007), a contentious issue that is frequently raised in the literature is the argument that current directors' duties and legal requirements constrain the extent to which corporations are able to engage in CSR or philanthropic activities without running the risk of breaching corporations themselves as a rationale for not adopting CSR. However, it is also frequently expressed by advocates as a constraint that must be removed if CSR is to be wisely adopted. For example this concern was raised by the Public Interest Advocacy Center in the submission to the Australian Parliamentary Joint Committee on CSR (2006:46) when it stated its concern that the 'best interest of the corporation' has been interpreted at common law to mean the financial interest of the shareholders as a collective body. This means that the scope of interest that directors can take into account is limited to the interest of the corporation's shareholders. Accordingly, corporations can only have regard to and act positively on the financial interest of the shareholders' (Public Interest Advocacy Center, 2005).

The report of the Australian Joint Parliamentary Inquiry summarizes the positions taken by various commentators on these issues as being:

- The *directors' restrictive interpretation*, under which directors claim that they are unable to undertake activities based on corporate responsibility, because such activities may not be directly 'in the best interest of the corporation';
- The *shareholders' restrictive interpretation*, which objects to corporations providing philanthropic funds or acting with deliberate corporate responsibility, because those funds could be invested in wealth generation (and thus returns to the shareholders);
- The *short term interest interpretation*, which allows that investment corporate responsibility may be appropriate, but only if it can be justified on the basis of annual return on investment (competing with other possible investments); and
- The *enlighten self-interest interpretation*, which holds that carefully and appropriate corporate responsibility is almost always in the interest of corporation, and thus falls well within the behavior permitted to directors under current duties (Australian Government, 2006: 46).

Interestingly, the committee concluded that the most appropriate perspective for directors to take is that of *enlighten self-interest interpretation*. It concludes that 'there is nothing in the current legislating which genuinely constraints directors who wish to contribute to the long term development of their operations by taking account of the interest of stakeholders other than shareholders' (Australian Government, 2006:91). Whether or not this conclusion by the parliamentary committee allays the concerns, or overcomes the resistance, of the various commentators on this issue remains to be seen.

REGULATION VERSUS VOLUNTARY CSR MEASURES

A great deal of business, academic and government literature on CSR simply takes it for granted that CSR strategies of all various forms will be voluntary (Zerk, 2006). Any form of business regulations is off course anathema to the neoliberal approach. Nevertheless this is an issue that neoliberal commentators are forced to debate since pressures continually arise for government regulations to either support or voluntary CSR measures adopted by operations. A major theme of much of the CSR discourse emanating from the business community in the argument that regulating CSR is either undesirable or dangerous. For example, the Melbourne based *Business Community Intelligence* presented the view of the Director for Policy for Chartered Secretaries

that mandating CSR reporting would render CSR meaningless (For, 2006). A similar view was endorsed by the Australian Parliamentary joint Committee on Corporations and Financial Services in June 2006 in its report: *Corporate Responsibility: Managing Risk and Creating Value*. The key conclusion of the report stated:

“The committee strongly further support successful engagement in the voluntary development and wide adoption of corporate responsibility. The committee has formed the view that mandatory approaches to regulating Directors’ duties and to sustainability reporting are not appropriate. Consequent on the recommendations of this report, the committee expects increasing engagement by corporation in corporate responsibility activities. This would obviate any future moves towards a mandatory approach (Australian Government 2006: xix).”

Similarly, amongst those who write from a liberal or neo-Keynesian ideological perspective, there is generally a ‘take-for-granted’ assumption that CSR initiatives will be voluntary. On the other hand, within the neo-Keynesian commentators’ ranks there are those who question whether voluntary CSR programs and activities by corporations are sufficient to ensure that the benefits of CSR are achieved or whether government regulations of corporate behavior are necessary. For example, Marta de la Cuesta Gonzalez and Carmen Valor Martinez (2004) raise the question: should CSR be approached only on voluntary basis or should be complimented with a compulsory regulatory framework; and what type of government interventions is more effective in fostering CSR among companies? After reviewing the debate between proponents of the

Voluntary case and the obligatory case for CSR, and critically analyzing current international government-led initiatives to foster CSR among companies, they argue for a more proactive government position in CSR related issues. Hertz (2004) argues that governments need both the civil and market based form of regulation. These have had some effect in moderating anti-social corporate behavior. What is proving to be more effective is instead the threat of litigation. Yet despite the evidence, ‘the trend amongst government policies makers has been to encourage corporations to voluntarily self regulate’. However, Hertz (2004) warns the policymakers pursue this end ‘at the peril not only of external stakeholders, but also of multinational corporation’ and argues that corporate regulation is in ‘our’ collective interest (Hertz, 2004:202).

Jeffcott and Yanz (2000) examine the advantages and limitations of voluntary codes of conducts, which have become prominent as labor standards and working conditions in consumer product industries. These have deteriorated in the wake of trade liberalization and globalization, and have resulted in the restriction of production and distribution. They argue that 'there are legitimate grounds to be skeptical about the usefulness of voluntary codes of conduct, particularly if there are no provisions for independent verification and worker and particularly if there are no provisions for independent verification and worker and third party complaints, or transparency in the monitoring, verification and remediation processes' (Jeffcott and Yanz, 2000). However, they also argue that voluntary codes need not be seen as an alternative to state regulation, but can actually complement and reinforce the regulatory role of the state. Their conclusions include the following points:

- In the era of globalization and trade liberalization, voluntary codes have the advantage of extending the application of labor standards across national boundaries, across governmental jurisdictions along international corporate supply chains;
- Corporate acceptance of ILO standards through voluntary codes could therefore help strengthen the authority of the ILO and potential for international labor rights enforcement mechanisms;
- Whether codes global auditing and certification systems strengthen worker organization or offer companies a paternalistic alternatives to unions depends a great deal on how unions and NGOs intervene in the processes;
- The negotiation of multi-stakeholder codes of conduct, particularly when such negotiations are endorsed and supported by national governments, can potentially civil society/private sector consensus on minimum labor standards.

Kolk and Van Tulder (2002) critically examine the effectiveness of voluntary corporate codes of conduct by a study of child labour codes developed by six international garment companies. Overall, the research shows that corporate codes are important, though not the only, instrument for addressing child labor. Polaski (2006) reports on an innovative policy experiment in Cambodia that links improvement of workers' rights with increased orders and market access for the products of the country's garment factories. The policy originated with the US-Cambodia

Textile Agreement, which awarded Cambodia higher garment export quotas into the US marketing return for improved working conditions and labor regulations. Polaski (2006) concludes that the agreement's effectiveness was dependent on a regulatory role for the ILO, 'acting as a compliance monitor and government interventions, preventing some apparel producers from free riding on others' improvements' (Polaski 2006: 919)

Royke (2005:14) suggest that 'hard' forms of legal regulation (such as national law and EU law) needed to be 'beefed-up' to be more effective, because quasi-legal regulation (such as ILO codes) are clearly inadequate. Furthermore, 'without the good faith of employees, private codes of conduct and other employer-driven solutions like CSR are unlikely to be of any value in protecting, let alone improving, employees' representation rights, pay and working conditions'. Royke (2005:14) suggest that not only is the concept of stakeholders' democracy unrealistic, but it also 'sits uneasily with economic liberalism and the need to return maximum short-term gains to shareholders' (Royke 2005:14).

CSR AND STAKEHOLDERS THEORY

One of the important differentiating factors in approach of neo-Keynesian commentators to CSR (in contrast to the neoliberal view) is the argument that in order for CSR to be effective and meaningful, the interests of a range of stakeholders other than shareowners need to be taken into account by corporations. Stakeholders' theory is based on the notion developed by Freeman (1984) that corporations consist of various stakeholders beyond their own stakeholders and that they should be managed with those groups in mind. According to the Australian Corporations and Markets Advisory Committee Discussion paper on CSR (Australian Government, 2005:28) the term 'stakeholder' can include:

- Shareholders, who unlike other stakeholders, have a direct equity interest in the company other persons with a financial interest in the company (financiers, suppliers and other creditors), or those in some other commercial legal relationship with the company (for instance, business partners);
- Persons who are involved in some manner in the company's conduct (for instance communities adjacent to a company's operations);

- Pressure groups or NGOs, usually characterized as public interest bodies that espouse social goals relevant to the activities of companies.

The term is sometimes also used more generally to include regulators, the financial markets, the media, government and community. In its submission to the Australian Joint Parliamentary Inquiry on CSR, the Public Interest Advocacy Centre (2005) succinctly defines 'stakeholders' as 'any individual or group affected, either directly or indirectly, by the activities of corporations. Stakeholders include shareholders, employees, consumers, neighboring communities, indigenous people and others.

A submission to the Australian Parliamentary Joint Committee on CSR from the Key Centre of Ethics, Law, Justice & Governance (2006) at Griffith University indicated that there were at least two approaches to defining 'stakeholders': 'The term 'stakeholder' covers a wide array of interest holders depending on the definition used. It is important to recognize the stakeholder definition impacts on what is required of corporations to meet CSR demands. Early stakeholders' theory focused on the managerial model of any entity and, as a result, narrowly defined 'stakeholders' as a group that impacts on the success of the organization in terms of production outcomes and transactions. The broader definition of the stakeholder view of the firm includes who may affect or be affected by organization – employees, customers, local community, management, owners and suppliers and so on' (Sampford *et al*, 2005:6).

A submission to the Australian Parliamentary Joint Committee on CSR from the Australian Conservation Foundation (ACF, 2005) identified the possible stakeholders in a corporation's activities as follows:

RADICAL CRITIQUES OF CSR

Commentators from a radical perspective are generally more skeptical about the possibility of voluntary CSR making a significant difference and more demanding in the level of state intervention and corporate accountability that is associated with it.

The UK NGO Christian Aid (2004) provides a powerful critique of CSR in *behind the mask: The Real face of Corporate Social Responsibility*. The authors acknowledge that some voluntary policies and programs may result in improvements in corporate behavior: 'Because CSR efforts are public they encourage external scrutiny, making it more likely that the problems will be identified and dealt with. The media, industry organization, trade unions and NGOs can use CSR as a focal point to press for protection of human rights, workers and the environment' (Christian Aid, 2004:4). However, Christian Aid stresses that such initiatives are, for the most part, purely voluntary. 'Few include effective monitoring mechanisms or disclosure requirements. Furthermore, while some high-profile companies are in the forefront of the corporate social responsibility movement, countless others remain outside it. The problem is exacerbated by 'rogue businesses' that operate with virtual impunity, especially in developing countries' (Ibid). But it is not just a question of good versus bad companies. Christian Aid's (2004) view companies that have championed voluntary CSR initiatives may 'still fail to meet the standards they appear to have embraced. The rhetoric of many large companies belies the continuing damage they inflict' (Ibid). The report also expresses concerns about 'how companies use CSR to deflect regulation and convince governments that voluntary efforts are sufficient. Professionals in the field are increasingly convinced that voluntary initiatives are not enough' (Ibid).

Valor (2005), in evaluating the benefits of CSR is skeptical about its potential for advancing social control over companies. There are two conditions for the advancement of social control of companies:

'First is the stakeholders' pressure through their economic decisions. Companies will only incorporate social and environmental objectives in their agenda when economic agents show that they also seek these values by incorporating them into their economic decisions' (Valor,

2005:191). However, Valor (2005:191) argues that stakeholders have incorporated ethical values in their economic decision only in partially and selectively. Additionally, even when stakeholders have done so, managers have shown reluctance, which Valor (2005:191) labels 'managerial capture.' Managers have turned CSR programs into little more than PR exercise rather than serious attempts to restructure corporate policy and behavior. Secondly therefore, to become meaningful CSR 'implies accepting that the common good is more important than the right to receive a dividend and those social and environmental performances must be balanced with economic performance. This paradigm of the firm should be adopted by shareholders, by managers, and by regulators. Regulations should provide citizens with political means to sanction corporate and social and environmental failure' (Ibid). Frankental (2001:18), considers the paradox inherent in CSR to include: 'procedure of corporate governance, the market's view of organizations' ethical stances, the lack of clear definition, acceptance or denial, the lack of formal mechanisms for taking responsibility and the placing and priority that most organizations give to social responsibility (Frankental, 2001:18). Frankental (2001:18) concludes that until these paradoxes are properly addressed, corporate social responsibility can legitimately be branded an invention of PR.

Radical critiques frequently point to the lack of a sophisticated analysis of the political economic dimensions of corporate power that is manifest in the pro-voluntary CSR literature. The current CSR agenda is critiqued by UK politics economic Jenkins (2005) for being as significant for what it does not include as for what it does. Corporate practices such as transfer pricing, tax avoidance or the abuse of power are not part of the CSR mainstream. Most significantly, CSR has not explicitly dealt with the poverty impacts of business activities. Utting (2005), Deputy Director and CSR Research Co-ordinator, United Nations Research Institute for Social Development (UNRISD), similarly urges that the CSR agenda can deal with some of the worst symptoms of mal-development, such as poor working conditions, pollution, and poor factory-community relations, but that it does not deal with the key political and economic mechanics through which transitional companies undermine the development aspects of poor countries. Similarly, Peter Newell (2005) notes that power disparities and how to contest them are neglected within mainstream CSR approaches. Liberal notions of CSR place great emphasis on voluntary, partnership and market based approaches to tackling social and environmental

problems and managing conflict. He argues that this undermines their ability to address issues of corporate accountability in stations sharp inequities in power exist. While acknowledging that the rise of voluntary standards and codes of conduct and the growing popularity of various forms of 'civil regulations' has improved the responsiveness of corporations to social and environmental issues, Newell (2006) sees these as only partially adequate and in particular he has great doubts about their transferability or relevance in developing countries.

A number of commentators have identified a significant critique of CRS that has developed out of the 'corporate accountability movement' (Broad and Cavanagh, 1999; Newell, 2002; Bendell, 2004; Utting, 2005). Organization and groups associated with this movement are critical of mainstream CSR agenda for various reasons. Utting (2005:383) summarizes these reasons around the following themes:

CSR allows ample scope for companies, through PR and minimal adjustments to policy and practice, to project an image of reform while changing little, if anything, in terms of actual of actual corporate behavior (for example, 'greenwash').

- The mainstream discourse often gives the impression that the corporate sector in general is seriously engaged with CSR but the reality is very different. For example, in 2002, of the world's 65 000 transnational corporations (TNCs), an estimated 4000 companies produced reports dealing with a company's social and/or environmental performances (Holliday *et al.*, 2002) and fewer even had codes of conducts.
- Reforms in corporate policies often take place in a context of counter-trends that are masked by apparent concern about CSR. These trends include worsening labor standards and conditions associated with outsourcing and labor market liberalization, increases in levels of pollution, tax avoidance and evasion, and corporate lobbying to resist social and environmental impacts (Zerk, 2006). For example, Monsanto's influence on the international debate and policy on GMOs; the tobacco industry's attempt to influence WHO and governments; and the resistance of pharmaceutical companies to attempt to promote cheaper generic drugs (White, 2005).
- Another major criticism of CSR relates to 'institutional capture' that is, the increasing penetration and influence of large corporations in the public-policy process through

partnerships, consultation and dialogue with governments and civil organizations, and other mechanisms. These concerns have arisen, for example, in relation to the UN summits and recent wave of partnership, notably those involving UN agencies and TNCs and corporate foundations (Richter, 2001). Initiatives like the Global Compact, for example, have provoked reactions from civil society because of the involvement of companies like Coca-Cola, McDonald's, Nestle and Nike – all of which have been severely criticized for their social, economic and environmental practices (McBarnet, Voiculescu and Campbell, 2007).

- The CSR voluntary agenda is perceived as inferior alternative to law and state regulation (Richter, 2001).

A more pessimistic view again is presented by Lund-Thomsen (2005) who critically evaluates the progressive capacities of both CSR and corporate Accountability approaches. While, in this view each has some merit, both approaches fail to address the underlying, global level structural causes of conflicts between companies and stakeholders affected by their operations. These conflicts can only be resolved by fundamental changes in the global economy.

CSR AND DEVELOPMENT ISSUES

The most powerful critique of voluntary CSR have been generated within the development literature. The theme of special issue of *international Affairs* (Blowfield and Frynas, 2005) is corporate Social Responsibility (CSR) in the developing world, and the need for more critical perspectives to understand what CSR does and could mean for the poor marginalized in developing countries. Numerous claims have been made about the contribution the CSR can make to poverty alleviation and other development goals. However, the contributors to this issue reach the conclusion that current CSR approaches do not warrant such claims. Their work shows the need for critical approach to the strength and limitations of CSR, one that poses questions that hitherto have been neglected (Blowfield and Frynas, 2005).

In an important article in the significant *International Affairs* special issues, 'Globalization, Corporate Social Responsibility and poverty', Jenkins (2005) describe the factors that have led to the recent emphasis on CSR by the official development agencies, and questions whether CSR can in fact play the significant role in poverty reduction in developing countries that its

proponents claim for it. While development NGOs have been critical of voluntary corporate initiatives, official development agencies have taken a more positive view and in some cases encouraged CSR.

Frynas (2005), using the example of multinational oil companies, argues that the current CSR agenda fails to address the crucial issues of governance and the negative macro-level effects that multinational companies cause in host countries. Frynas (2005) argues that a focus on CSR may divert attention from broader political, economic and social solutions for development problems. Overall, the articles in the special issue of *international affairs* conclude that is unlikely to play the significant role in poverty reduction in developing countries that its prominent claim for it.

Numerous other scholarly articles similarly reject the adequacy of voluntary corporate codes of conduct to effectively restrain the damage done by MNCs in developing countries let alone act as a force for good. Garvey and Newell (2005) argues that the mainstream approaches to CSR underestimate the importance of power in the relationship between corporations and the communities in which they invest, which limits their applicability to many developing-country contexts in particular.

Graham and Woods (2006) argue that while self-regulation by MNCs of social/environmental impacts has been advocated as a solution to the regulatory capacity problems faced by developing states, these impacts are not enough by themselves, by setting social goals and upholding the freedom of civil society actors to organize and mobilize, but international organizations and legal instruments are also important to assist developing country governments in fulfilling these roles' (Graham and Woods, 2006:868).

Prasad (2004) criticises the effectiveness of the UN Global Compact on Pacific Forum Island Countries. 'while the UN Global Compact is a well-intentioned approach to convince corporate entities, particularly transnational corporations, to adopt principles that would lead to an improvement in the quality of life of people and maintain sustainable environment policies, it is far from satisfaction in developing South Pacific Forum Island Countries (FICs) are small, have fragile environments, large subsistence and rural populations and additionally, have large numbers of households living in poverty' (Prasad, 2004:65). The UN Global Compact will

certainly help these countries to articulate concerns in the global environmental governance, however 'it will not be enough to ensure that they are actually protected from environmental degradation or to help them reduce poverty.

THE ROLE OF NON-GOVERNMENT ORGANIZATION (NGOS) AND CIVIL SOCIETY ORGANIZATION (CSOS) IN CSR

Non government organizations (NGOs) and civil society organizations (CSOs) have been critical in the spread of CSR over the past two decade Midttun (2005). Utting (2005) examines the reasons for civic society mobilization on CSR issues, the type of organization involved, and their different forms of activism and relations with business. Various factors account for the upsurge in CSR activism and involvement of NGOs advocacy, economic, and regulatory activities:

- First, the NGO sector was expanding rapidly, gaining legitimacy as a development actor seeking new areas of engagement (Utting, 2005:376);
- Second, some activists and NGOs were critical of the failed attempts by government and international organizations to regulate TNCs. They sought a 'third way' centered involuntary approaches, collaboration, and partnerships. The third-way approach was also reinforced by pressures and incentives that encouraged NGOs to move beyond confrontation and criticism, and the engage 'constructively with mainstream decision-making processes (Utting, 2005:376);
- Third, there was growing recognition that globalization and economic liberalization were altering the balance of rights and obligation that structure the behavior of corporations. TNCs were enjoying new rights freedoms as a result of economic liberalization and globalization without commensurate obligations and responsibilities, most notably in developing countries (Utting, 2005:376);
- Forth, several environmental and social disaster and injustices, linked to the large corporations or specific industries, became high-profile international issue around which activists mobilized (Utting, 2005:376).

Of course, NGOs and CSOs articulate a wide variety of views how they should engage with the CSR 'movement'. Some are quite comfortable in supporting the development of voluntary CSR

programs and many are prepared to engage in collaboration with corporations to develop and promote these programs. In *Barricades and Boardrooms: A Contemporary History of the Corporate Accountability Movement*, a history overview of the varied relationship that have developed between NGO's and corporations in relation to CSR, Bendell (2004:P15) has described how during the 1990s 'some civil groups and companies formed partnership to develop new products, techniques or management practices. Civil groups began advising companies on best practices, and endorsing or promoting such practices. Code of conduct and certification schemes, often as part of multi stakeholder initiatives, grew significantly during the 1990s' (Bendell, 2004:15).

Of course, other NGOs and CSOs remain highly critical of voluntary CSR schemes and rejected collaboration with corporation, preferring a more critical and activist strategy: 'many partnership participants had to face the realization that, by working with companies, they might be helping the corporate sector as a whole to defend itself from call for state and intergovernmental regulation' (Bendell 2004:33). Utting (2005) notes that NGOs and CSOs are now engaged in an increasingly diverse range of activist. These include:

- **Watchdog activism**, which involves identifying and publicizing corporate malpractice by 'naming and shaming' specific companies;
- **Shareholder activism** and ethical investment, where CSOs or individuals buy shares in companies and use the format of Annual General Meetings of shareholders to raise complaints and propose changes to corporate policy and practice;
- **Litigation**, where activists and victims use the courts prosecutes corporate malpractice, as in recent cases involving Shell and Coca-Cola.
- **Eclectic activism**, where CSOs simultaneously engage in both collaboration and confrontation (Utting, 2005:377).

CSR VERSUS CORPORATE ACCOUNTABILITY: CONFRONTING CORPORATE POWER

Bendell (2004) notes that a key divide has emerged amongst activists around CSR between those who regard corporate power as an opportunity, if engaged appropriately. The latter are said to be

involved in 'responsibility', and the former involved in seeking 'corporate accountability' (Haman *et al.*, 2003; Richter, 2001). Utting (2003) has identified four key aspects of corporate accountability movement that make it quite different from corporate responsibility:

- Rather than saying companies should assume responsibility for their actions ; corporate accountability proposals stress that companies must be held to account;
- Rather than trying to monitor, audit or report on the vast activities of giant global corporations, corporate accountability proposal also place considerable emphasis on complaints procedures that focus on specific abuses of corporate power or instances of malpractice;
- Rather than seeing corporate self-regulation and voluntary approaches as an alternative to governmental and international regulation, the corporate accountability movement is calling for a new mix of voluntary and legal approaches.
- The corporate accountability movement is also saying that if CSR is to really work for development, then it is not enough for companies to improve selected aspects of working conditions, and community relations. Corporate responsibility cannot be separated from structural and macro-policy issues, such as perverse patterns of economic liberalization and de-regulations, corporate power, lobbying for certain macro-economic policies, and fiscal pricing practices.

PROGRESSIVE STRATEGIES FOR CSR

What should be the attitude of progressive NGOs and civil organization to cooperation pursuit of CSR? Hamann and Acutt (2003) outline important benefits of the CSR concept for civil society groups, in terms of increased power and rights and hence better negotiating positions. This, however, requires that NGOs and other proactively engage in shaping the CSR debates, insisting that the CSR be underpinned by corporate accountability. They argue that the partnerships with business can be beneficial to civil society groups, but that a 'critical cooperation'. Such partnerships will require the strategic use of power, rights and interest-based negotiation. The article concludes by pointing out the important role of the government in facilitating fair and effective partnership.

As a critic of voluntary CSR, Frenkental (2001) argues it can only have real substance 'if it enhances on the stakeholders of a company, if it is reinforced by changes in company law relating to governance, if it is rewarded by financial markets, and if it embedded across the organization horizontally and vertically.'

Palacios (2004) discusses the limits to corporate social responsibility and the extent to which capitalism can be 'caring'. The argument advanced is that, 'by virtue of their very nature, transitional corporations (TNCs) cannot become fully responsible and accountable citizens. Nonetheless, they can be induced to transform themselves in ways that may be compatible with socially and environmentally desirable objectives' (Palacios 2004: 383). The article explores paths for action and, in particular, the potential of NGOs and anti-globalization social movements to become civil regulators able to push for the introduction of binding rules and regulations and the construction of a governance framework capable of restraining the powers of TNCs.

Lund-Thomsen (2005) analyses the two contrasting perspectives that have divided recent debates about corporate responsibility – CSR (emphasizing 'the role of international companies in voluntarily contributing towards the solution of pressing social and environmental problems through partnerships with other stakeholders') and Corporate Accountability (the rallying point for sustainable development demanding 'stricter regulation of corporate behavior by national governments and the enactment of an international corporate accountability conventions').

Lund-Thomsen (2005) concludes that both approaches fail to address the underlying, global level structural causes of conflicts between companies and stakeholders affected by their operations. These points have been reinforced by Clark (2000) of the International Forum on Globalization who argues that the task is 'not simply to make individual corporations more "socially responsible" or more "publicly accountable." Instead, it was 'dismantling the systems of corporate rule that now dominate both humanity and the earth' (Bendell, 2004: 51).

Bendell (2004:52) argues that the growth of a global civil society in the last decades has created a new context, and a new opportunity to address the problem of corporate power. Bendell looks at the limitations of voluntary corporate initiatives in addressing the system problem in the global

economy. However, he urges that the emphasis on voluntary corporate responsibility 'could be an opportunity if it can lead to the re-channeling of corporate power to address those systemic problems. This concept of capital accountability provide an opportunity for common ground to be formed among progressive working in the quite separate arenas of corporate accountability, corporate social responsibility and anti -globalization' (Bendell 2004: v)

An impressive example of activists groups finding such 'common ground' around the key issues of 'corporate accountability, corporate social responsibility and anti-globalization' is manifest in the UK campaign on corporate accountability launched by the CORE Coalition and the Trade Justice Movement in April 2006.

(CORE) Coalition, as described above, represents over 130 charities and campaigning organisation such as Amnesty International UK, Friends of the Earth, church, community and union organisations. The Trade Justice Movement represents 75 activist organisations such as Oxfam, Greenpeace the National Union of Students, and the TUC. Together they have a combined membership of 9 million people. The focus of the campaign is to generate public awareness in support of proposal changes to corporate law through the labor government's currently proposed amendments to the UK Company Law reform Bill.

The company's aim is to ensure that the new laws 'hold company directors to account for the impact of their activities on community workers and the environment in Britain and overseas', As part of the campaign, the Coalition commissioned a public opinion poll on attitudes to CSR. The poll revealed than 90% of voters agree that the government should enact enforceable rules to ensure that corporation are 'socially responsibility'. 89% think that multinationals should be legally obliged to publish reports on a range of CSR issues – including how they treat their workers and the impact of their activities on local communities. More than 100 000 supporters for the campaign wrote to their MP in support of these principles.

ROLE OF CSR IN INCLUSIVE GROWTH CONSIDERING THE GOVERNMENT EXPENDITURE IN DEVELOPING SOCIAL INFRASTRUCTURE

The issue of inclusive and sustainable growth is very crucial considering the disproportionate allocation of wealth and the widening gap between the prosperity of rich and the plight of the

poor (Henderson, 2001). The robust economic growth of 8% notwithstanding, India is ranked 119th among 169 countries surveyed, in the United Nation's Human Development Index, due to poor social infrastructure. India is lagging behind even countries like Bangladesh and Pakistan in education and healthcare. The poverty rates in 8 Indians states similar to 26 of poorest countries in Africa (Henderson, 2001).

On the basis of the Census Report, 2011 and the 'Human Development Report 2010' by UNDP, we examines the role of both the Government and the corporate sector in alleviating the sufferings of the poor while at the same time it also tries to find out the solution by suggesting appropriate policy formulations (Husted, 2005:65).

CSR is generally understood to be the way a company achieves a balance or integration of economic, environmental, and social imperatives while at the same time addressing shareholders and stakeholder and shareholders expectations. CSR is generally accepted as applying to firms wherever they operate in the domestic and global economy (Porritt, 2009:16).

The way business engage/involve the shareholders, employees, customers, suppliers, governments, non-government organization, international organizations, and other stakeholders is usually a key feature of the concept. While business compliance with laws and regulations on social, environmental and economic objectives set the official level of CSR performances, CSR is often understood as involving the private sector commitments and activities that extend beyond this foundation of compliance and laws (Amalric and Hauser, 2005:216).

The World Business Council for Sustainable Development, in its publication "Making Good Business Sense" by Lord Holme and Richard Watts, used the following definition: - Corporate Social Responsibility is the continuing commitment by business to behave ethically and contribute to the 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. Traditionally in the United States, CSR has been defined much more in terms of a philanthropic model (Newell, 2006:320).

Companies make profits, unhindered except by fulfilling their duty by paying taxes. Then they donate a certain share of the profits to charitable causes. In European definition social responsibility becomes an integral part of wealth creation that if, managed properly, should

enhance the competitiveness of business and maximise the value of wealth creation to society. Aided by equally globalizing communication technologies, international awareness of consequences of global economic liberalization grew in the 1990's. While labor and environmental conditions deteriorated and the number of people in extreme poverty failed to decline, inequality increased (Polaski, 2006:111).

US companies such as Shell, Nike, Gap and Levi Strauss were challenged to justify their actions and Wall Street demonstrated that the increased significance of the brand and the corporate reputation made leading companies vulnerable to the effect bad publicity has on profit. A series of UN summits and commissions were set up as profile calls for greater regulation and supervisions increased (Oekom Research, 2009:76).

Corporations are motivated to involve stakeholders in their decision-making and to address societal challenges because today's stakeholders are increasingly aware of the importance and impacts of corporate decisions upon society and the environment. The stakeholders can reward or punish corporations. Corporations can be motivated to change their corporate behaviour in response to the business case which a CSR approaches potentially promises. The initiatives include (Jeffcott and Janz, 2000):

- i. Stronger financial performances and profitable (for example, through eco-efficiency),
- ii. Improved accountability to and assessment from the investment community.
- iii. Enhanced employee commitment,
- iv. Decreased vulnerability through stronger relationships with communities, and
- v. Improved reputation and branding

KEY DRIVERS FOR CSR

The term is often used interchangeably for other terms such as Corporate Citizenship and is also linked to the concept of Triple Bottom Line Reporting (TBL), which is used as a framework for measuring an organisation's performance against economic, social and environmental parameters (Jenkins, 2005:10).

The rationale for CSR has been articulated in a number of ways. In essence it is about building sustainable businesses, which need healthy economies, markets and communities.

The key drivers for CSR are (Garvey and Newell, 2005:150):

- i. **Enlightened self-interest** – creating a synergy of ethics, a cohesive society and a sustainable global economy where markets, labor and communities are able to function well together.
- ii. **Social investment** – contributing to physical infrastructure and social capital is increasingly seen as a necessary part of doing business.
- iii. **Transparency and trust** – business has low ratings of trust in public perception. There is increasingly expectation that companies will be more open, more accountable and be prepared to report publicly on their performance in social and environment arenas
- iv. **Increased public expectations of business** – globally companies are expected to do more than merely provide jobs and contribute to the economy through taxes and employment.

CRITICISM AND RELEVANCE OF CSR IN TODAY'S BUSINESS ENVIRONMENT:

Critics (Prasad, 2004:85; Graham and Woods, 2006:136) concerned with corporate hypocrisy and insincerity generally that better governmental and international regulation and enforcement, rather than voluntary measures, are necessary to ensure that companies behave in a socially responsible manner. CSR could prove to be a valuable asset in an age of Mergers & Acquisition, as it helps firms spread their brand name. A range of scholars question whether CSR can be adapted into meeting the needs of the poor. The very idea of business playing a role in development is subject to considerable debate, because it implies the acceptance that you can meet social and environmental challenges through market-based solutions, and that the private sector is better at optimizing resources than the public sector. Criticism is aimed at CSR being (Prasad, 2004:85; Graham and Woods, 2006:136):

- 1) Misplaced as a concept;
- 2) Competing interest between short-term and long term horizon; between shareholders and any other stakeholders; between outputs and outcomes when defining CSR's impact; and between sharing and withholding social learning;
- 3) Criticism is also directed in non-addressing power and participants issues.

Other opponents argue that CSR is only a public relation tool used to mask the sometimes devastating impact large corporations can have on vulnerable people and the environments in which they live. Case on point are continuing negative effects on Nigerian communities because of Shell's oil extractions; the health issues of workers on plantations under British American Tobacco contract; and Coca-Cola depriving local communities in southern India rights abuses, poor labor standards, and environmentally harmful activities that occur within their core operations (Prasad, 2004:85; Graham and Woods, 2006:136). For example, even though British Petroleum had complied with the codes of conduct laid down in the Extraction Industries Transparency Initiatives, in relation to the construction of the Baku-Tbilisi-Ceyhan pipeline, it did not address the human rights abuses and the destructive of livelihoods of the local communities as a result (Midttun, 2005:222).

Given the immense impact business can have on people's lives , and their increasing power, environmental, human-rights, and social justice activists have tried different ways to get businesses to be accountable for their actions. They have tried to go through their government (that is supposed to be representative of their people, in a democracy), and even to businesses and shareholders themselves to urge better responsibility. As a result, many business leaders have tried to pursue corporate social responsibility practises, or attempted to.

POLICY SUGGESTIONS

1. CSR should be made mandatory for all companies operating in host countries which reports annual profit to the registrar of companies in those host countries.
2. Percentage of profits amount to be sent on CSR programme should be determined on the basis of the turn-over of the respective profitable companies.
3. Companies associated with manufacturing products like cigarettes and alcohol should spend more of their profit amount on CSR programme than other companies.
4. More and more companies should be encouraged to adapt backward and under-developed villages and undertake development work, like, establishing health-centers and hospitals, schools and colleges, night schools for elderly people.
5. Central governments should also encourage companies to try to develop community infrastructure by developing roads and establishing pure drinking water facilities.

6. In return, central governments should think of providing companies tax-relief or duty-relief to some extent as an impetus.

CONCLUSION

The concept of corporate social responsibility has gained prominence from all avenues. Organization must realize that government alone will not be able to get success in its Endeavor to uplift the downtrodden of society. The present societal marketing concept of companies constantly evolving and has given rise to a new concept of Corporate Social Responsibility. Many of the leading corporations across the world had realized the importance of being associated with socially relevant causes as a means of promoting their brands. It stems from the desire to do good and get self satisfaction in return as well as societal obligation of business. CSR is not a matter of department within a corporate; it is the way of corporate life. Our framework attempts to put CSR in everything a corporate does and the society. CSR pursued in the suggested manner would usher a corporate social renaissance, which will not only restore the image of the business in the post-Enron world, but will also pave the way for 'responsible profits'.

CHAPTER 4-RESEARCH METHODOLOGY

4.0. Research Methodology

A methodology is a documented process for management of projects that contains procedures, definitions and explanations of techniques used to collect, store, analyze and present information as part of a research process in a given discipline (Cresswell, 2009). It refers to the procedures and approaches used to carry out a piece of research (Creswell, 2009). This chapter presents the research methodology. It outlines the study rationale, research design while describing the target population and sample procedure. An explanation of the research process is presented with reference to the collection of data, the research instrument used and the data analysis that was adopted and related justifications for each strategy. Lastly the chapter presents an explanation of how ethical issues were addressed in the research.

4.1 Research Design

The researcher used a survey approach to design the study. According to Galliers (2009) surveys enable the researcher to obtain data about practices, situations or views at one point in time through questionnaires or interviews. Quantitative analytical techniques are then used to draw inferences from this data regarding existing relationships. The use of surveys permit a researcher to study more variables at one time than is typically possible in laboratory or field experiments, whilst data can be collected about real world environments (Galliers, 2009).

A key weakness is that it is very difficult to realise insights relating to the causes of or processes involved in the phenomena measured. There are, in addition, several sources of bias such as the possibly self-selecting nature of respondents, the point in time when the survey is conducted and in the researcher him/herself through the design of the survey itself. However, some statistical tools like Cronbach alpha are used to eliminate some bias in the data captured from the questionnaires (Cortina, 2008).

According to the objectives of this research, the researcher intended to investigate corporate social responsibility from a management perspective. In order to extract as much information for this survey a research instrument (a questionnaire) will be administered to a list of selected management staff of companies from both the private and public sectors in Mahalapye and Gaborone . According to Legotlo (2008), a questionnaire is a key data collection device though it entails lower response rate.

4.2. Target Population

The study population comprised of all companies, both public and private, based in Mahalapye and Gaborone. The researcher used the Botswana telephone directory to select the actual companies which participated in the study. There are approximately 300 companies based in Mahalapye and Gaborone and it is from these companies that the researcher selected the management staff to participate in the study.

4.2.1 Sampling Strategy

Due to the size of the population, it was not be possible to conduct the survey on all management staff and therefore a sample was selected. A sampling strategy is a plan a researcher set forth to be sure that the sample used in a research study represents the population from which the sample is drawn (Landreneau,2007). A sample is a subset of the population from which the participants of the study are selected (Landreneau, 2007). The researcher stratified the sample into five groups, as: government departments, parastatals, NGOs, private companies and public companies in Mahalapye and Gaborone. Thereafter a sample was drawn using quota sampling in proportionate to the target size. Quota sampling is an example of non-probabilistic sampling whereby the elements that make up the sample are selected by nonrandom methods and this type of sampling is less likely to produce a representative sample (Polit and Beck, 2008). The researcher chose this method because of the ease at which a sample can be generated from the population.

In quota sampling, a population is first segmented into mutually exclusive sub-groups. Then judgment is used to select the subjects or units from each segment based on a specified proportion (Polit and Beck, 2008). In this study quota sampling was chosen because the

population consists of five mutually exclusive subgroups, government departments, parastatals, NGOs, private companies and public companies. These groups also do not exist in equal numbers so participants could be best represented in their subgroups.

Stratification was used in order to compare the views amongst the five groups. Table 4.1 presents the sample size in relation to the population.

Table 4.1: Sample selection for the study

Population Group	Number	Quota
Government Department	75	25
Parastatal	25	8
Non-Governmental Organisation (NGO)	25	9
Public Company	55	18
Private Company	120	40
Total	300	100

Each quota was selected as follows:

$[\text{Number in population group}] / [\text{Total of all numbers in population groups}] \times 100\%$

For example the quota for Government Department was calculated as follows:

$$75/300 \times 100\% = 25.$$

4.3. Research Instrument

A research instrument is a testing device for measuring a given phenomenon such as a questionnaire, an interview or a set of guidelines for an observation (Polit and Beck, 2008). The data collection instrument for this study was a questionnaire which consisted of 22 questions.

The questionnaire comprised of demographical data and content items. In format, biographical data preceded content items in order to allow a smooth flow into the crux of the instrument of respondents. This questionnaire is attached in Appendix B.

4.3.1 Format of the Questionnaire

The format of the instrument was as shown in Table 4.2.

Table 4.2 **Format of the Questionnaire**

ITEM NUMBER	ITEM NAME	DESCRIPTION
1	Covering letter and consent letter	This section introduced the student and the topic under study.
2	Biographical data	This section gathered variables like gender, age group, current management position, nature of organisation and role of organisation in CSR.
3	Section B	This section gathered respondents' views on the level of adoption of CSR by companies in Botswana.
4	Section C	This section gathered respondents' views on why companies in Botswana have embraced CSR.
5	Section D	This section gathered recommendations from company management and stakeholders on how best they can use CSR to their advantage.

4.4 Pilot Study

The term pilot study is used in two different ways in social science research. It can refer to so-called feasibility studies which are "small scale version(s), or trial run(s), done in preparation for the major study" (Polit et al., 2007). However, a pilot study can also be the pre-testing or 'trying

out' of a particular research instrument (Baker, 2006). One of the advantages of conducting a pilot study is that it might give advance warning about where the main research project could fail, where research protocols may not be followed, or whether proposed methods or instruments are inappropriate or too complicated. In the words of De Vaus (2010) "Do not take the risk. Pilot test first." These are important reasons for undertaking a pilot study, but there are additional reasons, for example convincing funding bodies that a research proposal for the main study is worth funding. The study instrument was piloted in order to:-

- Correct the instrument for grammar, repetition ,relevance, sequencing and timing;
- Develop and testing adequacy of research instruments.
- Assess the feasibility of a (full-scale) study/survey.
- Assess the research protocol if it was realistic and workable.
- Identify logistical problems which could occur using proposed methods.
- Determine what resources (finance, staff) are needed for a planned study.
- Assess if the proposed data analysis techniques to uncover potential problems.
- Convince other stakeholders that the main study is worth supporting.

In this study, a pilot study was conducted on 10 management staff from a randomly selected list of companies in Mahalapye and Gaborone. The researcher then analyzed the responses and takes corrective and perfective measures in order to improve its implementation. The findings of the pilot study will not be included in the main study because there will be some corrections which will result in the change of questionnaire format.

4.5 Data Collection

The researcher hand delivered the questionnaire to the sample and collects the questionnaire after 3 to 5 days. Some respondents misplaced the questionnaire and duplicates had to be provided to them, while others are likely to forget to respond within time lines hence had to be reminded.

4.6 Data Analysis

Data analysis is a process of inspecting, cleaning, transforming, and modeling data with the goal of highlighting useful information, suggesting conclusions, and supporting decision making (Hopkins, 2010). A statistical package (Statistical Package for Social Science, SPSS version 20.0) was used to capture the coded responses from members of management staff who participated in this study. This package enabled the researcher to conduct data analysis through the use of frequency tables, histograms and correlations. Other variables like means and variances will be used.

4.7 Limitations of the Study

The study was conducted in Mahalapye and Gaborone. It did not include management staff from all the 300 companies in the town but a smaller sample resulting in an unavoidable sample error. The study was conducted over one semester, which is from April 2012 to October 2012. This impacted on the time available and the capture of critical information during the study.

4.8 Ethical Considerations

Research that involves human subjects or participants raises unique and complex ethical, legal, social and political issues (Marczyk, 2008). Research ethics is specifically interested in the analysis of ethical issues that are raised when people are involved as participants in research. There are three objectives in research ethics. The first and broadest objective is to protect human participants. The second objective is to ensure that research is conducted in a way that serves interests of individuals, groups and/or society as a whole. Finally, the third objective is to examine specific research activities and projects for their ethical soundness, looking at issues such as the management of risk, protection of confidentiality and the process of informed consent. The following ethical issues will be considered by the researcher (Marczyk, 2008; Creswell, 2009):

4.8.1 Consent

The researcher sought permission from respondents before proceeding with the data gathering process. For questionnaires, a cover letter was given or read out to the respondent introducing the

topic under investigation and the respondents' right to either participate or decline from participating in the study.

4.8.2 Deception

The study was neither be convert nor deceptive to anybody. Facts were given to respondents in all cases..

4.8.3 Debriefing

A detailed covering letter accompanied the research instrument. The researcher read out the topic under study, the conditions under which the study were conducted like time duration, anonymity and the fact that there was no coercion after which respondents willingly participated.

4.8.4 Withdrawal from the investigation

The respondents were informed that they can withdraw from the study at any time and at any point at their own free will. They were also be informed that they are free to withdraw their responses as long as they have not passed the data analysis stage of the study.

4.8.5 Confidentiality

Participants were informed that at any time, their names and personal details would neither not be used in the data analysis nor could be traced back to the originator. They were in fact not obligated to disclose their names.

4.8.6 Protection of participants

Participants were not under any form of physical, psychological or emotional harm greater than encountered ordinary life. The researcher did not use coercion to obtain data from participants. Neither did the researcher ask questions which impacted on the psychological and emotional well-being of participants.

4.8.7 Observation research

This study did not involve any data gathering through the observation of participants.

4.8.8 Giving advice

The researcher sought advice and did not put himself in any position of authority when it came to dealing with or handing issues related to the study.

4.8.9 Data protection

The researcher respected, observed and adhered to the Data Protection Act of the Republic of Botswana, guidelines and policies of North-West University and those of the companies participating in the study.

4.9 Validity and Reliability

4.9.1 Reliability

Reliability is the extent to which an experiment, test, or any measuring procedure yields the same result on repeated trials (Babbie and Hiutt, 2009). Without the agreement of independent observers able to replicate research procedures, or the ability to use research tools and procedures that yield consistent measurements, researchers would be unable to satisfactorily draw conclusions, formulate theories, or make claims about the generalisability of their research (Babbie and Hiutt, 2009). In addition to its important role in research, reliability is critical for many parts of our lives, including manufacturing, medicine, and sports (Babbie and Hiutt, 2009).

Reliability is such an important concept that it has been defined in terms of its application to a wide range of activities. For researchers, four key types of reliability are:

Equivalency Reliability

Equivalency reliability is the extent to which two items measure identical concepts at an identical level of difficulty (Babbie and Hiutt, 2009). Equivalency reliability is determined by relating two sets of test scores to one another to highlight the degree of relationship or association (Babbie and Hiutt, 2009). In quantitative studies and particularly in experimental studies, a correlation coefficient, statistically referred to as r , is used to show the strength of the correlation between a dependent variable (the subject under study), and one or more independent variables, which are manipulated to determine effects on the dependent variable (Babbie and Hiutt, 2009). An important consideration is that equivalency reliability is concerned with correlational, not causal, relationships (Babbie and Hiutt, 2009). This study used standard deviations and means to ensure equivalency reliability.

Stability reliability

Stability reliability (sometimes called test, re-test reliability) is the agreement of measuring instruments over time (Fink, 2005). To determine stability, a measure or test is repeated on the same subjects at a future date. Results are compared and correlated with the initial test to give a measure of stability (Fink, 2005). In this study secondary literature was compared with primary literature and comments made on any observations.

- **Internal Consistency**

Internal consistency is the extent to which tests or procedures assess the same characteristic, skill or quality (Campbell and Stanley, 2006). It is a measure of the precision between the observers or of the measuring instruments used in a study. This type of reliability often helps researchers interpret data and predict the value of scores and the limits of the relationship among variables (Campbell and Stanley, 2006). A pilot study was made in order to cater for internal consistency.

- **Interrater reliability**

Interrater reliability is the extent to which two or more individuals (coders or raters) agree. Interrater reliability addresses the consistency of the implementation of a rating system (Campbell and Stanley, 2006). In this study a standard questionnaire will be used to collect and analyse the views of respondents.

4.9.2 Validity

Validity refers to the degree to which a study accurately reflects or assesses the specific concept that the researcher is attempting to measure (Campbell and Stanley, 2006). While reliability is concerned with the accuracy of the actual measuring instrument or procedure, validity is concerned with the study's success at measuring what the researchers set out to measure (Campbell and Stanley, 2006). Researchers should be concerned with both external and internal validity. External validity refers to the extent to which the results of a study are generalisable or transferable (Campbell and Stanley, 2006).

Internal validity refers to the rigor with which the study was conducted (e.g., the study's design, the care taken to conduct measurements, and decisions concerning what was and was not measured), and, the extent to which the designers of a study have taken into account alternative

explanations for any causal relationships they explore (Huitt, 2008). In studies that do not explore causal relationships, only the first of these definitions should be considered when assessing internal validity.

Scholars discuss several types of internal validity. Below is a discussion of the four main types of validity:

Face Validity

Face validity is concerned with how a measure or procedure appears. Does it seem like a reasonable way to gain the information the researchers are attempting to obtain? Does it seem well designed? Does it seem as though it will work reliably? Unlike content validity, face validity does not depend on established theories for support (Fink, 2005). In this study face validity was established through correlations analysis and inspecting the p-values of the F-Test after SPSS runs.

- **Criterion Related Validity**

Criterion related validity, also referred to as instrumental validity, is used to demonstrate the accuracy of a measure or procedure by comparing it with another measure or procedure which has been demonstrated to be valid (Huitt, 2008). In this study, the questionnaire used was compared with standard research instruments for similar studies and benchmarked against such questionnaires.

- **Construct Validity**

Construct validity seeks agreement between a theoretical concept and a specific measuring device or procedure. For example, a researcher inventing a new IQ test might spend a great deal of time attempting to "define" intelligence in order to reach an acceptable level of construct validity (Carmines and Zeller, 2001). A Likert scale was used to construct research instrument items.

Construct validity can be broken down into two sub-categories: Convergent validity and discriminate validity. Convergent validity is the actual general agreement among ratings, gathered independently of one another, where measures should be theoretically related

(Carmines and Zeller, 2001). Discriminate validity is the lack of a relationship among measures which theoretically should not be related (Carmines and Zeller, 2001).

To understand whether a piece of research has construct validity, three steps should be followed. First, the theoretical relationships must be specified. Second, the empirical relationships between the measures of the concepts must be examined. Third, the empirical evidence must be interpreted in terms of how it clarifies the construct validity of the particular measure being tested (Carmines and Zeller, 2001).

- **Content Validity**

Content Validity is based on the extent to which a measurement reflects the specific intended domain of content (Carmines and Zeller, 2001).

Content validity is illustrated using the following examples: Researchers aim to study mathematical learning and create a survey to test for mathematical skill. If these researchers only tested for multiplication and then drew conclusions from that survey, their study would not show content validity because it excludes other mathematical functions. Although the establishment of content validity for placement-type exams seems relatively straight-forward, the process becomes more complex as it moves into the more abstract domain of socio-cultural studies. For example, a researcher needing to measure an attitude like self-esteem must decide what constitutes a relevant domain of content for that attitude. For socio-cultural studies, content validity forces the researchers to define the very domains they are attempting to study (Carmines and Zeller, 2001).

4.10. Conclusion

This section focused on research design and methodology. The researcher chose the survey approach and discussed its relevance in this study. The population for this study was a group of management staff from companies based in Mahalapye and Gaborone. A statistical analysis tool, SPSS version 20.0, was chosen to generate frequency tables and histograms to use in this study.

The next chapter presents data analysis and discussion of findings.

CHAPTER 5- DISCUSSION AND INTERPRETATION OF RESULTS

5.0 INTRODUCTION

This chapter focuses on the presentation, discussion and interpretation of findings of the study. One hundred questionnaires were distributed and eighty eight were returned completed, representing a response rate of 88%. A statistical package, SPSS version 20.0, was used to capture and analyse the data from the questionnaires through the generation of frequency tables and charts.

The study was on corporate social responsibility from a management perspective. A sample was drawn from different types of organisations in Mahalapye and Gaborone ranging from government departments, parastatals, non-government organisations, public and private companies. Their views on corporate social responsibility were captured on questionnaires and results analysed using a statistical package. Below are the findings:

5.1 NATURE OF ORGANISATION

The following table discusses the nature of organisations which participated in the study.

Table 5.1: Nature of organisation

Nature of organisation	Frequency	Percentage frequency
Government Department	12	13.6
Parastatal	14	15.9
Non-Governmental Organisation (NGO)	20	22.7
Public Company	15	17.0
Private Company	22	25.0
Other (specify	5	5.7
Total	88	100.0

The above findings show that 13.6% of respondents came from government departments, 15.9% from parastatals, and 22.7% from NGOs, 17.0% from public companies, 25.0% from private companies and 5.7% from other organisations (churches).

5.2 LOCATION OF ORGANISATION

This section discusses the location of organisations which participated in this study.

Table 5.2: Location of organisation

Location of organisation	Frequency	Percentage frequency
Mahalapye	24	27.3
Palapye	12	13.6
Lobatse	8	9.1
Serowe	17	19.3
Gaborone	27	30.7
Total	88	100.0

The above findings show that 27.3% of respondents were based in Mahalapye, 13.6% were based in Palapye, 9.1% were based in Lobatse, 19.3% were based in Serowe and 30.7% were based in Gaborone.

5.3 LEVEL OF ADOPTION OF CSR BY COMPANIES IN BOTSWANA

This section discusses the level of adoption of CSR by companies in Botswana. The following are the responses.

Table 5.3: Level of Adoption of CSR by Companies in Botswana

	Strongly Agree		Agree		Not Sure		Disagree		Strongly Disagree		Total	
	F	%F	F	%F	F	%F	F	%F	F	%F	F	%F
My company has a CSR policy in place.	31	35.2	38	43.2	5	5.7	9	10.2	5	5.7	88	100.0
CSR is not fully embraced in my company.	31	35.2	38	43.2	6	6.8	7	8.0	6	6.8	88	100.0
My company donates part of its profits to the needy.	20	22.7	33	37.5	7	7.9	18	20.5	10	11.4	88	100.0
My company donates part of its profits to the Government of Botswana.	11	12.5	10	11.4	4	4.5	27	30.7	26	29.5	88	100.0
My company donates part of its profits to NGOs.	10	11.4	15	17.0	10	11.4	35	39.8	18	20.5	88	100.0
My company donates part of its profits to environmental groups.	8	9.1	11	12.5	6	6.8	42	47.8	21	23.9	88	100.0
My company donates part of its profits to sporting disciplines.	25	28.4	37	42.0	8	9.1	11	12.5	7	8.0	88	100.0

The above findings show that 35.2% of respondents strongly agreed that their companies have a CSR policy in place, 43.2% agreed, 5.7% were not sure, 10.2% disagreed and 5.7% strongly disagreed. The mean and standard deviation were 2.05 and 0.99 respectively, thus favouring the responses "Agree".

The findings also show that 35.2% of respondents strongly agreed that CSR is not fully embraced by their companies, 43.2% agreed, 6.8% were not sure, 8.0% disagreed and 6.8% strongly disagreed. The mean and standard deviation were 1.95 and 0.85 respectively, thus favouring the response "Agree".

On the issue of donation of part of their companies' profits to the needy, 22.7% of respondents strongly agreed that their companies donate to the needy, 37.5% agreed, 7.9% were not sure, 20.5% disagreed and 11.4% strongly disagreed. The mean and standard deviation were 2.33 and 1.12 respectively, thus favouring the response "Agree".

The findings also show that 12.5% of respondents strongly agreed that their companies donate part of their profits to the Botswana government, 11.4% agreed, 4.5% were not sure, 30.7% disagreed and 29.5% strongly disagreed. The mean and standard deviation were 3.72 and 0.87 respectively, thus favouring the response "Disagree".

The findings also show that 11.4% of respondents strongly agreed that their companies donate part of their profits to NGOs, 17.0% agreed, 11.4% were not sure, 39.8% disagreed and 20.5% strongly disagreed. The mean and standard deviation were 3.26 and 0.92 respectively, thus favouring the response "Disagree".

On the issue of donation of profit to environmental groups, 9.1% of respondents strongly agreed that their companies donate part of their profits to environmental groups, 12.5% agreed, 6.8% were not sure, 47.7% disagreed and 23.9% strongly disagreed. The mean and standard deviation were 3.68 and 1.25 respectively, thus favouring the response "Disagree".

The findings show that 28.4% of respondents strongly agreed that their companies donate part of their profits to sporting disciplines, 42.0% agreed, 9.1% were not sure, 12.5% disagreed and 8.0% strongly disagreed. The mean and standard deviation were 2.23 and 1.11 respectively, thus favouring the response "Agree".

5.4 WHY COMPANIES IN BOTSWANA HAVE EMBRACED CSR

This section focuses on why companies in Botswana have embraced CSR. The following are the findings:

Table 5.4: Why Companies in Botswana have Embraced CSR

	Strongly Agree		Agree		Not Sure		Disagree		Strongly Disagree		Total	
	F	%F	F	%F	F	%F	F	%F	F	%F	F	%F
Companies have embraced CSR in order to associate with those in need.	13	14.8	20	22.7	3	3.4	27	30.7	25	28.4	88	100.0
Companies have embraced CSR in order to paint a positive image of the company.	21	23.9	29	33.0	4	4.5	19	21.6	15	17.0	88	100.0
Companies have embraced CSR in order to gain political mileage.	23	26.1	26	29.5	3	3.4	23	26.1	13	14.8	88	100.0
Companies have embraced CSR in order to recognize individuals who excel in sport and other activities.	14	15.9	22	25.0	5	5.7	29	33.0	18	20.5	88	100.0
Companies have embraced CSR because other major companies are doing so.	25	28.4	28	31.8	7	8.0	17	19.3	11	12.5	88	100.0
Companies have embraced CSR to shed off excess profits.	12	13.6	24	27.3	3	3.4	26	29.5	23	26.1	88	100.0
Companies have embraced CSR in order to gain recognition from the market.	19	21.6	27	30.7	6	6.8	19	21.6	17	19.3	88	100.0
Companies have embraced CSR in order to deflect pressure from environment groups.	18	20.5	23	26.1	4	4.5	21	23.9	22	25.0	88	100.0

The above findings reveal that 14.8% of respondents strongly agreed that their companies embraced CSR in order to associate with those in need, 22.7% agreed, 3.4% were not sure,

30.7% disagreed and 28.4% strongly disagreed. The mean and standard deviation were 3.31 and 1.08 respectively, thus favouring the response “Disagree”.

The findings reveal that 23.9% of respondents strongly agreed that their companies embraced CSR in order to paint a positive image of the company, 33.0% agreed, 4.5% were not sure, 21.6% disagreed and 17.0% strongly disagreed. The mean and standard deviation were 1.75 and 0.73 respectively, thus favouring the response “Disagree”.

On the issue of political mileage, 26.1% of respondents strongly agreed that their companies embraced CSR in order to gain political mileage, 29.5% agreed, 3.4% were not sure, 26.1% disagreed and 14.8% strongly disagreed. The mean and standard deviation were 2.10 and 1.43 respectively, thus favouring the response “Agree”.

The findings reveal that 15.9% of respondents strongly agreed that their companies embraced CSR in order to recognize individuals who excel in sport and other activities, 25.0% agreed, 5.7% were not sure, 33.0% disagreed and 20.5% strongly disagreed. The mean and standard deviation were 3.98 and 1.11 respectively, thus favouring the response “Disagree”.

The findings also reveal that 28.4% of respondents strongly agreed that their companies embraced CSR because other major companies are doing so, 31.8% agreed, 8.0% were not sure, 19.3% disagreed and 12.5% strongly disagreed. The mean and standard deviation were 2.38 and 1.65 respectively, thus favouring the response “Agree”.

On the issue of shedding excess profits, 13.6% of respondents strongly agreed that their companies embraced CSR in order to shed excess profits, 27.3% agreed, 3.4% were not sure, 29.5% disagreed and 26.1% strongly disagreed. The mean and standard deviation were 5.12 and 1.35 respectively, thus favouring the response “Disagree”.

On the issue of gaining recognition from the market, 21.6% of respondents strongly agreed that their companies embraced CSR in order to gain recognition from the market, 30.7% agreed, 6.8% were not sure, 21.6% disagreed and 19.3% strongly disagreed. The mean and standard deviation were 2.38 and 1.27 respectively, thus favouring the response “Agree”.

The findings also show that 20.5% of respondents strongly agreed that their companies embraced CSR in order to deflect pressure from environmental groups, 26.1% agreed, 4.5% were not sure, 23.9% disagreed and 25.0% strongly disagreed. The mean and standard deviation were 3.77 and 0.87 respectively, thus favouring the response “Disagree”.

5.5 RECOMMENDATIONS TO COMPANY MANAGEMENT AND STAKEHOLDERS ON HOW BEST THEY CAN USE CSR TO THEIR ADVANTAGE

Table 5.5: Recommendations to Company Management and Stakeholders on how best they can make use of CSR to their Advantage

	Strongly Agree		Agree		Not Sure		Disagree		Strongly Disagree		Total	
	F	%F	F	%F	F	%F	F	%F	F	%F	F	%F
Companies can embrace CSR by making it part of their corporate strategy.	28	31.8	30	34.1	6	6.8	13	14.8	11	12.5	88	100.0
Companies can embrace CSR in order to develop a positive impact on society.	26	29.5	29	33.0	4	4.5	14	15.9	15	17.0	88	100.0
Companies can embrace CSR in order to appear like pioneers through serving communities in particular ways.	18	20.5	24	27.3	3	3.4	23	26.1	20	22.7	88	100.0
Companies can embrace CSR in order to have ethical appeal to all stakeholders.	26	29.5	26	29.5	7	8.0	18	20.5	11	12.5	88	100.0
Companies can embrace CSR in order to appear to be environmentally conscious and friendly.	25	28.4	33	37.5	6	6.8	12	13.6	12	13.6	88	100.0
CSR is currently an international norm which stands to give mileage to any organisation which adopts and implements it.	28	31.8	28	31.8	3	3.4	16	18.2	13	14.8	88	100.0

The above findings show that 31.8% of respondents strongly agreed that companies can embrace CSR by making it part of their corporate strategy, 34.1% agreed, 6.8% were not sure, 14.8%

disagreed and 12.5% strongly disagreed. The mean and standard deviation were 1.15 and 0.86 respectively, thus favouring the response “Agree”.

The findings also show that 29.5% of respondents strongly agreed that companies can embrace CSR in order to develop a positive impact on society, 33.0% agreed, 4.5% were not sure, 15.9% disagreed and 17.0% strongly disagreed. The mean and standard deviation were 1.55 and 1.04 respectively, thus favouring the response “Agree”.

The findings also show that 20.5% of respondents strongly agreed that companies can embrace CSR in order to appear like pioneers through serving communities in a particular way, 27.3% agreed, 3.4% were not sure, 26.1% disagreed and 22.7% strongly disagreed. The mean and standard deviation were 3.65 and 0.79 respectively, thus favouring the response “Disagree”.

The findings also show that 29.5% of respondents strongly agreed that companies can embrace CSR in order to have ethical appeal to all stakeholders, 29.5% agreed, 8.0% were not sure, 20.5% disagreed and 12.5% strongly disagreed. The mean and standard deviation were 1.68 and 1.36 respectively, thus favouring the response “Agree”.

The findings also show that 28.4% of respondents strongly agreed that companies can embrace CSR in order to appear to be environmentally conscious and friendly, 37.5% agreed, 6.8% were not sure, 13.6% disagreed and 13.6% strongly disagreed. The mean and standard deviation were 1.55 and 1.25 respectively, thus favouring the response “Agree”.

The findings also show that 31.8% of respondents strongly agreed that CSR is currently an international norm which stands to give mileage to any organisation which adopts and implements it, 31.8% agreed, 3.4% were not sure, 18.2% disagreed and 14.8% strongly disagreed. The mean and standard deviation were 1.83 and 0.86 respectively, thus favouring the response “Agree”.

5.6 SUMMARY OF FINDINGS

- The majority of respondents (78.4%) agreed that their organisations have a CSR policy in place.
- The majority of respondents (78.4%) agreed that their organisations have not fully embraced CSR.

- The majority of respondents (60.2%) agreed that their organisations donate part of their profits to the needy.
- The majority of respondents (60.2%) agreed that their organisations do not donate part of their profits to the Botswana government.
- The majority of respondents (60.3%) agreed that their organisations do not donate part of their profit to NGOs.
- The majority of respondents (81.6%) agreed that their organisations do not donate part of their profit to environmental groups.
- The majority of respondents (70.4%) agreed that their organisations donate part of their profits to sporting disciplines.
- The majority of respondents (59.1%) agreed that their companies have not embraced CSR in order to associate with the needy.
- The majority of respondents (56.9%) agreed that their companies have embraced CSR in order to paint a positive image of the organisation.
- The majority of respondents (55.6%) agreed that their companies have embraced CSR in order to gain political mileage.
- The majority of respondents (53.5%) agreed that their companies did not embrace CSR in order to recognize individual who excel in sport and other activities.
- The majority of respondents (60.2%) agreed that their companies have embraced CSR because other companies are doing so.
- The majority of respondents (55.6) agreed that their companies have not embraced CSR in order to shed off excess profits.
- The majority of respondents (52.3%) agreed that their companies have embraced CSR in order to gain recognition from the market.
- The majority of respondents (48.9%) agreed that their companies have not embraced CSR in order to associate with the needy.
- The majority of respondents (64.9%) agreed that their companies can embrace CSR by making it part of their corporate strategy.
- The majority of respondents (62.5%) agreed that their companies can embrace CSR in order to make a positive impact on the society.

- The majority of respondents (48.8%) disagreed that their companies can embrace CSR in order to appear like pioneers through serving their community in a particular way.
- The majority of respondents (59.0%) agreed that their companies can embrace CSR in order to have ethical appeal to all stakeholders.
- The majority of respondents (65.9%) agreed that their companies can embrace CSR so that they appear to be environmentally conscious and friendly.
- The majority of respondents (63.6%) agreed that CSR is currently an international norm which stands to give mileage to any organisation which adopts and implements it.

5.7 CONCLUSION

This chapter focused on data presentation, analysis and discussion. Issues relating to key objectives of the study were analyzed and discussed based on the responses of management from various organisations based in towns around Botswana. Management from these companies gave their views on CSR including their level of CSR adoption and implementation. Management also gave their views on why they have implemented CSR and also gave further recommendations on how similar companies can gain competitively when they embrace CSR.

The next chapter, Chapter 6, focuses on conclusions and recommendations.

CHAPTER 6 – CONCLUSIONS AND RECOMMENDATIONS

6.1 INTRODUCTION

This chapter focuses on conclusions and recommendations. Having obtained the findings of the study, it is important for conclusions and recommendations to be drawn from the study so that the way forward can be explained.

6.2. FINDINGS FROM PRIMARY RESEARCH

- The majority of respondents (78.4%) agreed that their organisations have a CSR policy in place.
- The majority of respondents (78.4%) agreed that their organisations have not fully embraced CSR.
- The majority of respondents (60.2%) agreed that their organisations donate part of their profits to the needy.
- The majority of respondents (60.2%) agreed that their organisations do not donate part of their profits to the Botswana government.
- The majority of respondents (60.3%) agreed that their organisations do not donate part of their profit to NGOs.
- The majority of respondents (81.6%) agreed that their organisations do not donate part of their profit to environmental groups.
- The majority of respondents (70.4%) agreed that their organisations donate part of their profits to sporting disciplines.
- The majority of respondents (59.1%) agreed that their companies have not embraced CSR in order to associate with the needy.
- The majority of respondents (56.9%) agreed that their companies have embraced CSR in order to paint a positive image of the organisation.
- The majority of respondents (55.6%) agreed that their companies have embraced CSR in order to gain political mileage.
- The majority of respondents (53.5%) agreed that their companies did not embrace CSR in order to recognize individual who excel in sport and other activities.

- The majority of respondents (60.2%) agreed that their companies have embraced CSR because other companies are doing so.
- The majority of respondents (55.6) agreed that their companies have not embraced CSR in order to shed off excess profits.
- The majority of respondents (52.3%) agreed that their companies have embraced CSR in order to gain recognition from the market.
- The majority of respondents (48.9%) agreed that their companies have not embraced CSR in order to associate with the needy.
- The majority of respondents (64.9%) agreed that their companies can embrace CSR by making it part of their corporate strategy.
- The majority of respondents (62.5%) agreed that their companies can embrace CSR in order to make a positive impact on the society.
- The majority of respondents (48.8%) disagreed that their companies can embrace CSR in order to appear like pioneers through serving their community in a particular way.
- The majority of respondents (59.0%) agreed that their companies can embrace CSR in order to have ethical appeal to all stakeholders.
- The majority of respondents (65.9%) agreed that their companies can embrace CSR so that they appear to be environmentally conscious and friendly.
- The majority of respondents (63.6%) agreed that CSR is currently an international norm which stands to give mileage to any organisation which adopts and implements it.

6.3 FINDINGS FROM THE LITERATURE REVIEW

The literature review highlighted several aspects of CSR:

- The concept of CSR has gained prominence in most organisations recently.
- Whilst corporations have codes of CSR, many critics feel that these codes do not effectively restrain the damage done by multinational corporations.
- Many organisations use CSR to market and protect their brands without necessarily supporting issues like environment protection and local communities.

- Companies which produce hazardous products like cigarettes and alcohol should be encouraged to advertise less, create awareness about the harmful effects of their products, and also support local causes financially. This will help to deal with the negative impacts of these products.
- Corporations should do more to assist their host governments in improving infrastructure like roads, hospitals, schools and telecommunications.
- Activists, pressure groups and NGOs should be given more say in determining what is good and bad for their communities.
- Many critics suspect that corporations use CSR as a public relations tool which masks the sometimes devastating impact large corporations can have on vulnerable people and the environments in which they live.
- Corporations should involve stakeholders like local communities and governments in their drive to achieve a balance or integration of economic, environmental, and social imperatives while at the same time addressing shareholders and stakeholders' expectations.
- Companies should be held accountable for whatever harm they cause as a result of their operations in their host countries.

6.4 CONCLUSIONS

A list of conclusions can be drawn based on the findings they are listed under the 4 objectives covered in the study:

Research Objective 1 - To investigate the level of adoption of CSR by companies in Botswana.

The majority of companies in Botswana have a CSR policy in place but CSR is not yet fully embraced in those companies. What this means is that they have documents and frameworks in place but they are not yet fully functional. Most companies which participated in this study donate their profits to the needy and sporting disciplines and not directly to the government of Botswana, NGOs or environmental groups.

Research Objective 2 - To find out why companies in Botswana have embraced CSR.

Most companies which participated in the study embraced CSR in order to gain political mileage, paint a positive image of the company, and they are embracing it because major companies are also doing so. They have also embraced CSR so that they gain recognition from the market and also deflect pressure from environmental groups. Reasons like recognition of sporting effort and shedding off of excess profits were not dominant.

Research Objective 3 - To investigate the views of governments, pressure groups and stakeholders on companies which have embraced CSR in their communities.

Many respondents felt that those companies which have embraced CSR are only doing so for political mileage. Others companies which produce materials which pollute the environment, for example mining companies, have embraced CSR in order to appear to be environmentally friendly and caring. Companies are not involved in CSR in order to shed off excess profits but have underlying ulterior motives for doing so.

Research Objective 4 - To recommend to company management and stakeholders on how best they can use CSR to their best advantage.

Many company managers felt that they can make best use of CSR by making it part of their corporate strategy and also develop a positive impact on society. Embracing CSR was also identified as something which can be appealing to stakeholders and companies which adopted CSR appeared to be environmentally conscious and friendly. Many companies also embraced CSR because it was found to be an international norm especially with large international corporations.

6.5 RECOMMENDATIONS

The following recommendations can be drawn from the conclusions:

- Companies should strive to portray a positive image and intention on why they have embraced CSR. Currently, governments, pressure groups and the communities they serve treat their involvement in CSR with suspicion. More need to be done so that

company management do not seem to be protecting their profits and markets at the expense of the environment and the communities they do business with.

- Companies should engage pressure groups in a positive way. Bringing pressure groups on board can help to allay the fears of such pressure groups that companies are there to exploit people and natural resources.
- Companies should also be seen to be cooperating with the governments of countries they are operating from within. Currently companies donate excess profits to other parties at the expense of the governments they are working with.
- There is too much emphasis on sponsorship of sporting discipline in Botswana at the expense of other needs like education, healthcare and housing. Companies should shift their focus to longer lasting needs like these key human needs.

6.6 CONCLUSION

This study focused on CSR from a management perspective. A literature review was done whereby information was extracted from textbooks, journals and online sources. This was followed by a survey which covered in the Mahalapye and Gaborone area. The results of the survey were analyzed using SPSS and conclusions and recommendations drawn from the findings of the study. The overall objectives of the study were achieved although more could have been done if more time and resources were allocated to this study.

BIBLIOGRAPHY

- Armstrong, J., S. (2007). "Social Irresponsibility in Management". *Journal of Business Research* (Elsevier North-Holland Inc.) 15: 185–213.
- Baker, A. (2006). *Mixed Methods Research: Volume 1*. London: Sage.
- Bendall, J., Concannon, T., Shah, R., Visser, W. and Young, M. (2003). Lifeworth annual review of corporate responsibility. 30 (3). 221-241.
- Besser, T. and Miller, N. (2001). Is the good corporation dead? *Journal of Socio-Economics*,
- Besser, T. and Miller, N. (2009). "Is the Good Corporation Dead?" *Journal of Socio-Economics*, 30 (3). 221-241.
- Botswana Ministry of Labour and Home Affairs (MLHA) (2012). *Corporate Social Responsibility*. Gaborone: Government Printers.
- Botswana Telecommunications Corporations (2012). *Corporate Social Responsibility*. Gaborone: Government Printers.
- Carpenter, M., Bauer, T. & Eiderdown, B. (2010). *Principles of Management*. Arlington, NY: Flat World Knowledge.
- Castka, P., Bamber, C.J., Bamber, D.J., and Sharp, J.M. (2004). Integrating corporate social responsibility (CSR) into ISO management systems – in search of a feasible CSR
- Coldwell, N. and Herst, A. (2008). *Understanding Reliability and Validity in Qualitative Research. The Qualitative Report*, 8(4), 597-606. Retrieved [Date accessed: 15 June 2012], from <http://www.nova.edu/ssss/QR/QR8-4/golafshani.pdf>.
- Cortina, D., R. (2008). *Business Research Methods*. New York: McGraw Hill.
- Crane, Andrew, Abigail McWilliams, Dirk Matten, Jeremy Moon, and Donald S. Siegel (Editors) (2008). *The Oxford Handbook of Corporate Social Responsibility*. Oxford, England; New York, NY: Oxford University Press.

- Creswell, J., W. (2009). *Research Design: Qualitative, Quantitative, and Mixed Methods Approaches*, 2nd edition. Thousand Oaks, CA: Sage. 27-47.
- Dawkins, J. (2004a). The Public's View of Corporate Responsibility.
- De Vaus, G. (2010). *Surveys in Social Research*, 3rd edition. London: UCL Press.
- Debswana (2012). *Annual Review*. Botswana: Debswana Diamond Company (Pro-prietary) Limited.
- Dees, J. G. (2001). The meaning of 'Social Entrepreneurship.'
- Drumwright, M. E. (1994). "Socially Responsible Organizational Buying: Environmental Concern as a Non-Economic Buying Criterion." *Journal of Marketing*, 58(3), 1-19.
- Faucet, T., A. and Nasty, H. (2009). "Normative Foundations of Technology Transfer and Transnational Benefit Principles in the UNESCO Universal Declaration on Bioethics and Human Rights." *Journal of Medicine and Philosophy*
- Grayson, D. and Hodges, A. (2002). *Everybody's business*. New York: Dorling Kindersley.
- Guthrie, D. (2004). *Survey on corporate-community relations*.
- Haynes, T. (n.d.). *Social Responsibility and Organizational Ethics*.
- Herst, A. (2008). *How to Sample in Surveys*. California: Sage Publications.
- Holloway, I. (2007). *Basic Concepts for Qualitative Research*, Oxford: Blackwell Science.
- Hopkins, C., T. (2010). *Some Practical Guidelines for Effective Sample Size Determination*. Chicago, 6th ed. McGraw-Hill.
- Hundley, V, Milne, J, Leighton-Beck, L. et al. (2010). "Raising research awareness among midwives and nurses: does it work?" *Journal of Advanced Nursing* 31 (1): 78-88.
- ISO - International Organization for Standardization. (2009), *Social Responsibility - ISO 26000*,
- J. Scott Armstrong (2007). "Social Irresponsibility in Management". *Journal of Business Research (Elsevier North-Holland Inc.)* 15: 185–213.

Jonker, J., Cramer, J. and van der Heijden, A. (2004), *developing meaning in action: (Re) constructing the process of embedding corporate social responsibility (CSR) in companies*.

Kalinda, B. (2008). *Social Responsibility and Organizational Ethics. Encyclopedia of Business and Finance*. New York: Macmillan Reference.

Kalinda, B. (Ed.). (2008). *Social Responsibility and Organizational Ethics. Encyclopedia of Business and Finance (2nd ed., Vol. 1)*. New York: Macmillan Reference.

Kali-ski, B. (2001). "Ethics in Management." *Encyclopedia of Business and Finance (2nd ed., Vol. 1)*. New York: Macmillan Reference.

Landreneau, J. (2007). *Business Research Methods. 10th Ed*. London: McGraw-Hill.

Legotlo, M. W. (2008). *Some Elements of Research. Student Handbook*. Mmabatho: University of Bophuthatswana.

Leighton-Beck, T., S. et al. (2010). *Essentials of Nursing Research: Methods, Appraisal and Utilization. 5th Ed.*, Philadelphia: Lippincott Williams and Wilkins.

Lindquist, R. (2011). "Don't forget the pilot work!" *Heart Lung* 20: 91-92.

Maignan, I., Ferrell, O., C. and Ferrell, L. (2008). *Managing Corporate Social Responsibility: How to Nurture Stakeholders Confidence, Working Paper*. Colorado State University.

Management system framework. *The TQM Magazine*, 16 (3), 216-224.

Marczyk, R., M., E. (2008). *Research Methods for Business and Social Sciences, 5th ed*. New York: McGraw-Hill.

May, Steve, George Cheney, and Juliet Roper (2007). *The Debate over Corporate Social Responsibility*. Oxford, England; New York, NY: Oxford University Press.

McBarnet, Doreen J., Aurora Voiculescu, and Tom Campbell (2007). *The New Corporate Accountability: Corporate Social Responsibility and the Law*. Cambridge, England: Cambridge University Press.

Miller, N. J. and Besser, T. (2000). "The importance of community values in small business strategy formation: Evidence from rural Iowa". *Journal of Small Business Management*, January.

Polit, D., F., Beck, C., T. and Hungler, B., P. (2007). *Mixed Methodology: Combining Qualitative and Quantitative Approaches*. London: Sage.

Polit, M. and Beck, P., R. (2008). *Management Research*, 3rd ed. London: Sage.

Porter, Michael E. and Kramer, M.R. (2002). "The Competitive Advantage of Corporate Philanthropy." *Harvard Business Review*, December, pp. 57-68.

Pride, William M., Hughes, Robert James, & Kickapoo, Jack R. (2008). *Business* (9th ed.) Boston, MA: Hough-ton McFarland Company.

Rossi, A., S. (2009). *Caring and Doing for Others: Social Responsibility in the Domains of Family, Work, and Community*. Chicago, IL: University of Chicago Press.

Rossi, Alice S. (2009). *Caring and Doing for Others: Social Responsibility in the Domains of Family, Work, and Community*. Chicago, IL: University of Chicago Press.

Salles, Denis (2011) "Responsibility based environmental governance" S.A.P.I.EN.S 4 (1)

Steve, M., Cheney, G. and Roper, J. (2007). *The Debate over Corporate Social Responsibility*. Oxford: Oxford University Press.

The Botswana Daily News. (2012). *Government Eager to House Disadvantaged*. Gaborone: Government Printers.

Thompson, J. K. and Smith, H.L. (1991). "Social Responsibility and Small Business: Suggestions for Research." *Journal of Small Business Management*, January.

Visser, W, Matten, D., Pohl, M. and Tolhurst, N. (2007). *The A to Z of Corporate Social Responsibility*. New York, NY: Wiley.

Visser, Wayne, Dirk Matten, Manfred Pohl, and Nick T. (2007). *The A to Z of Corporate Social Responsibility*. London, England; New York, NY: Wiley.

White, A. L. (2005). *Fade, integrate, or transform? The future of CSR*. London: Sage.

Wood, D. J. (1991). *Corporate social performance revisited*. *Academy of Management Review* 16(4) 691-718.

Zerk, Jennifer A. (2006). *Multinationals and Corporate Social Responsibility: Limitations and Opportunities in International Law*. Cambridge, UK: Cambridge University Press.

Appendix A: Draft Covering Letter

Botswana Railways

P Bag 0052

Mahalapye

BOTSWANA

15 August 2012

Dear Respondent

My name is Mooketsi Maiketso. I am pursuing an MBA degree with the North-West University. As part of my degree requirement, I am supposed to present a project (dissertation). The topic of my dissertation is entitled, **“Corporate Social Responsibility (CSR): A Management Perspective”**.

The purpose of the study is to get views on corporate social responsibility from management of various companies based in Botswana. The objectives are: - to investigate the level of adoption of CSR by companies in Botswana; to find out why companies in Botswana have embraced CSR; to investigate the views of governments, pressure groups and stakeholders on companies which have embraced CSR in their communities; and to recommend to company management and stakeholders on how best they can use CSR to their best advantage.

The information obtained from this questionnaire will be used wholly and entirely on this project and no other publication will be made using this information apart from this project. You have the right to decline from participating in this study.

Yours faithfully

Mooketsi Maiketso

Contact number: 71325427

Appendix B: Questionnaire
Biographical Data

Nature of Organisation

Government Department ☐

Parastatal ☐

Non-Governmental Organisation (NGO) ☐

Public Company ☐

Private Company ☐

Other (specify _____) ☐

Location of Organisation

Mahalapye ☐

Palapye ☐

Lobatse ☐

Serowe ☐

Gaborone ☐

Section A

5. Questions 1 to 7 are intended to gather information on the level of adoption of CSR by companies in Botswana. Place a tick (✓) or cross (X) to indicate your response.

		Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree
1	My company has a CSR policy in place.					
2	CSR is not fully embraced in my company.					
3	My company donates part of its profits to the needy.					
4	My company donates part of its profits to the Government of Botswana.					
5	My company donates part of its profits to NGOs.					
6	My company donates part of its profits to environmental groups.					
7	My company donates part of its profits to sporting disciplines.					

Section B

Question 8 to 15 is intended to gather views on why companies in Botswana have embraced CSR. Place a tick (✓) or cross (X) to indicate your response.

		Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree
8	Companies have embraced CSR in order to associate with those in need.					
9	Companies have embraced CSR in order to paint a positive image of the company.					
10	Companies have embraced CSR in order to gain political mileage.					
11	Companies have embraced CSR in order to recognize individuals who excel in sport and other activities.					
12	Companies have embraced CSR because other major companies are doing so.					
13	Companies have embraced CSR to shed off excess profits.					
14	Companies have embraced CSR in order to gain recognition from the market.					
15	Companies have embraced CSR in order to deflect pressure from environment groups.					

16. Any other reasons? (Specify _____

Section C

Questions 16 to 20 are intended to gather recommendations from company management and stakeholders on how best they can use CSR to their best advantage. Place a tick (✓) or cross (X) to indicate your response.

		Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree
17	Companies can embrace CSR by making it part of their corporate strategy.					
18	Companies can embrace CSR in order to develop a positive impact on society.					
19	Companies can embrace CSR in order to appear like pioneers through serving communities in particular ways.					
20	Companies can embrace CSR in order to have ethical appeal to all stakeholders.					
21	Companies can embrace CSR in order to appear to be environmentally conscious and friendly.					
22	Companies can embrace CSR in order to appear to be environmentally conscious and friendly.					
23	CSR is currently an international norm which stands to give mileage to any organisation which adopts and implements it.					

24. What recommendations would you make on best use of CSR?

THANK YOU FOR YOUR TIME

APPENDIX C: Permission Letter from Botswana Railways



9 April 2012

Our Ref: 0152/2012

To Whom It May Concern

This letter serves to confirm that Mr. Mooketsi Maiketso has been given permission by Botswana Railways to conduct a study under the topic “Corporate Social Responsibility in Botswana: A Management Perspective.”

This study is in partial fulfillment of his MBA which he is doing through the Northwest University. The study will involve:

- Disseminating and collecting back questionnaires to management and staff at your company. He will issue you with a sample questionnaire at your request.
- Making follow ups on those who will not have completed the questionnaires by the stipulated deadline of 5 working days.
- His work will have minimal impact on the day to day activities at your company.

We are optimistic you will give Mr. Mooketsi Maiketso all the support he requests.

Yours faithfully,

Mr.Stephen Makuke