The effectiveness of social investment programmes to improve education in Gauteng

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ABSTRACT

The decisions and actions of management in organisations have an increasing impact on individuals, other organisations and the community. The importance of the exercise of corporate social responsibility can no longer be based on the assumption that the self-interest of the owner of the property will lead to the public good, or that self-interest and public good can be kept apart and have nothing to do with each other. On the contrary, it requires of managers that they assume responsibility for the public good, that they subordinate their actions to an ethical code of conduct, that they restrain their authority wherever their exercise would infringe upon the common will and upon the freedom of the individual.

South Africa is one of the countries with the highest illiteracy rate in the world. There are more children dropping out of school in South Africa than any other country in the world. The social and economic impact of the lack of education is difficult to comprehend.

Lack of education affects company productivity and competitiveness adversely. A lack of education increases the training costs of organisations immensely. Hence, companies cannot sit on the sideline, but should rather be involved in education through corporate social responsibility programs.

The primary objective of the study is to investigate the relationship between corporate social responsibility spending by companies, especially on education, and improvement in standards of education, thereby increasing the overall annual Grade 12 pass rate.

In order to address the primary objectives of the study, the following secondary objectives were formulated:

- To understand and obtain insight into the dynamics of social responsibility programs of companies that are involved in education;
- To analyse and identify the main reason for companies to be involved in education;
- To analyse and assess corporate and school partnerships in and around the designated area;
- To measure output for different township high schools by using the grade 12 pass rate as a measuring tool;
- To establish the level of satisfaction within companies that have embarked on corporate social responsibility programs; and
- To establish the importance of mathematics and science as part of the school education.

The most important conclusions that could be drawn from the study are:

- Companies had endorsed corporate social responsibility as part of their strategy;
- It had been extremely difficult to obtain information about companies' corporate social responsibility programs due to information being classified as confidential by companies. This could be a serious impediment for advancement of literature and research in the country; and
- Companies had contributed massive resources to the advancement of education through their educational programs, but this had not yielded the consistently desired results through improvement of the Grade 12 pass rate.

Key terms: Improvement of Grade 12 pass rate in townships; Corporate social responsibility; Educational programs; Productivity; Competitiveness

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LIST OF ABBREVIATIONS

BEE	-	Black Economic Empowerment
BER	-	Bureau for Economic Research
CSR	-	Corporate Social Responsibility
GDP	-	Gross Domestic Product
HPI	-	Human Poverty Index
HR	-	Human Resources
IMD	-	International Institution of Management Development
MD	-	Managing Director
NBI	-	National Business Initiative
NPAT	-	Net Profit After Tax
NWU	-	North-West University
SA	-	South Africa
SARS	-	South African Revenue Services
SED	-	Socio-economic Development
UNHDI	-	United Nations Human Development Index

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CHAPTER 1
NATURE AND SCOPE OF THE STUDY

1.1 INTRODUCTION

In many developing countries, including South Africa (SA), due to inability or unwillingness, formal state systems are unable to meet the social needs of a majority of citizens, particularly the poor. Consequently, many poor people depend on non-state actors for their social needs, with both positive and negative effects.

Profit maximisation is the huge motivation for business enterprises to engage in business activities because this ensures the enterprise's long-term sustainability. Since the enterprise does not operate in a vacuum, it needs the environment around it to be conducive for conducting business. As the business increases its profits, the state receives a bigger chunk of the profit in the form of corporate taxes (SARS, 2010:74).

According to the website of Statistics South Africa (StatsSA, 2010), the unemployment rate in SA is one of the highest in the world. In 2008, it was 23.4%, whilst it deteriorated to 25.5% in 2009. Skills shortage and a high illiteracy rate are major factors that can be attributed to this increase. SA has more than 24 000 schools spread across the country (Department of Education, 2009a). This is a massive and serious investment in the country's educational infrastructure. The dismal Grade 12 pass rate does not help to address the shortage of skills because it has been dropping consistently from 73.3% in 2003 to 60.6% in 2009 (South Africa Web, 2010). The drop-out rate at tertiary institutions has skyrocketed over the past years. These university and college drop-outs become job seekers and the skills shortage becomes exacerbated.

The basic education system fails to prepare the learners for the job market after Grade 12 and for tertiary education. This denies the country of potential entrepreneurs and professionals. It has a snowballing effect on the economy and therefore ultimately the employment rate. The result is that the economy does not grow at a desired rate and this makes it difficult to catch up with the rest of the world. According to information obtained from the 2010 World Competitive Yearbook, SA rankings have deteriorated from 39 in 2002 to 44 in 2010, according to the world competitive scoreboard (Swift & Zadek, 2002:7 & IMD, 2010).

The main input in the operations of the companies to produce goods and services is human capital. The goods and services are sold at a profit and this leads to long-term competitive advantage of the company and ultimately that of a country. For example, Japan has no mineral resources, but its Gross Domestic Product and ranking on the World Competitive Survey is higher than all the countries in Africa and the Middle East that are rich in mineral resources (The World Bank, 2010).

Scholtz (2008:53) conducted a study to determine to what extent companies in South Africa are prepared to use corporate social responsibility (CSR) as a development tool to alleviate poverty. Previously, Du Plessis (2004:3) also conducted a study on the social responsibility of the South African mining companies dealing with HIV/AIDS employees. These research projects played a significant role towards highlighting and emphasising the importance of CSR.

1.2 PROBLEM STATEMENT

According to the Department of Education website, there were more than 24 460 schools in SA in 2009 and 1 993 of these schools are situated in the Gauteng Province. More than half, 59%, of these schools have libraries, 40% have laboratories and 76% have computer centres (Department of Education, 2009a). The percentage of students that successfully completes grade 12 is declining and those that pass and gain tertiary entrance are ill-prepared for the task ahead. The most alarming is the decline in the percentage of learners who take Mathematics and Science up to grade 12. These subjects are essential for the competitiveness of any nation because of its common characteristics amongst the competitive nations. The higher the percentage of learners who take these subjects and pass, the better is the competitive position of that nation.

Currently, the corporate organisation starts to be involved when the learners pass grade 12 when they offer bursaries for further tertiary studies. The question to be answered is: "Will increased involvement by private companies through social investment programs, improve the standard of basic education?"

The European Community adapted a strategy in its Lisbon Summit in March 2000 to become by 2010 the most competitive knowledge based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion. Epstein (2009:23) confirmed that social impact has long-term corporate profitability.

Large corporations in SA had made education the focal point of their CSR activities because this ensures that the future sustainability of the corporation and ultimately sustainability of the country is achieved. Dr Nomsa Masuku, head of Corporate Social Investment (CSI) at Standard Bank (Jackson, 2010:8), affirmed this view through her assertions given as follows: "Education and health are two focal points of my organisation's contribution towards social responsibility".

This view is confirmed by Mr Carl Ballot, KPMG director of marketing, communication and corporate citizenship, by re-iterating that his organisation's corporate social investment strategy is aligned to the Millennium Development Goals. It focuses on three of the main goals, namely education, eradication of poverty and hunger, and the empowerment of women.

1.3 RESEARCH OBJECTIVES

The objectives are divided in two categories, namely the primary and secondary objectives.

1.3.1 Primary objective

The primary objective of the study is to investigate the relationship between social responsibility spending by companies, especially on education, and improvement in standards of education, thereby increasing the overall annual Grade 12 pass rate.

1.3.2 Secondary objectives

In order to address the primary objective of the study, the following secondary objectives were formulated:

- To understand and obtain insight into the dynamics of social responsibility programs of companies that are involved in education;
- To analyse and identify the main reason for companies to be involved in education;

- To analyse and assess corporate and school partnerships in and around the designated area;
- To measure output for different township high schools by using the Grade 12 pass rate as a measuring tool;
- To establish the level of satisfaction within companies who have embarked on CSR programs; and
- To establish the importance of mathematics and science as part of the school education.

1.4 RESEARCH METHOD

Welman and Kruger (2001:2) define research as a process using scientific methods in order to expand knowledge in a particular field of study. Hillway (1956:126) pointed out earlier that a vague description of the research was indicative of poor understanding of what is to be done and such research will be ineffectual whilst Leedy and Ormrod (2001:8) stated that research originates with a problem and ends with a solution to such a problem.

1.4.1 Phase 1: Literature review

The literature review is based on the research and integration of literature, which already exists on social responsibility, education programs and education in schools. The researcher has used recent and relevant literature – national and international – as well as information on the internet. This has been done to obtain a more detailed theoretical framework and definitions of variables that will influence the questionnaire and interview design and subsequent analysis. Through incorporation of figures and tables the researcher has strived to obtain greater clearance about education and the social responsibility of organisations.

According to Balsely and Clover (1979:76-77) and De Wet et al. (1981:39), the literature review consists of three distinctive phases, namely:

- The gathering of useful references;
- The research of these references; and
- The studying of these references.

1.4.2 Phase 2: Empirical study

The empirical study consists of the research design, participants, measuring instrument, and statistical analysis. The empirical study was conducted during May to September 2010. The dependent variables are social responsibility programs in education whilst the independent variable is an improved Grade 12 pass rate.

1.4.2.1 Questionnaires

The questionnaires that were used in this study were based on a Likert type scale ranging from 1 to 5 where 1 represents strongly disagree and 5 represents strongly agree. Dichotomous questions that require yes/no answers and checklist-type questions that required respondents to indicate a cross (x) next to the corresponding choice were also used in the questionnaire. Page and Meyer (2000:84) emphasised that the reliability and construct validity of measurement should be evaluated. Telephonic interviews were used to follow-up on questionnaire responses. The results of the questionnaires were analysed using PhStats tools in conjunction with the North-West University's Statistical Consultation Services.

1.4.2.2 Participants

The study population of this research was high schools and companies that were involved in educational social responsibility programs. The high schools were situated in the Gauteng Province and focused on previously disadvantaged areas, whilst the companies were nationally represented. The rationale behind choosing schools from previously disadvantaged communities is that these schools have historically performed poorly in Grade 12 (matric) whilst the former Model C schools have been the pace setters. It will be difficult to find a relationship between the variables if the former Model C schools are included in the study population as its Grade 12 pass rate has always been good. The Grade 12 pass rate statistics were obtained from the Department of Education whilst the data containing the list of companies that are involved in corporate social responsibility in education, was obtained from the National Business initiative (NBI) website. However, the information on the website was limited to 40 companies and the population was chosen from 53 organisations. This was achieved by requesting respondents to suggest contacts in other organisations that were not listed on the website.

The sample that has been used in the research is based on the companies' involvement in social responsibility and the schools sample was based on whether the schools were the direct recipients or beneficiaries of social responsibility programs of the chosen companies.

1.4.2.3 Measuring instrument

The research was done by means of a questionnaire that was mailed to the Corporate Social Investment Officers of companies. These companies were involved in corporate social responsibility programs in high schools. The high schools were situated in previously disadvantaged areas of Gauteng. The questionnaires were also dispatched to high schools that were recipients or beneficiaries of the companies' responsibility programs. The questionnaire was compiled in consultation with the North-West University's Statistical Consultation Services as well as questionnaires used by previous researchers (Du Plessis, 2004:5).

1.4.2.4 Statistical analysis

Data interpretation is vital as it provides relevance to the researcher of the research findings through proper interpretation. Interpretation refers to the drawing of inferences from the collected facts and implies a search for the broader meanings of the findings. The data collected has been statistically analysed using PhStats.

The study has focused on corporate social investment in the Gauteng Province directed on high schools from previously disadvantaged backgrounds in the last five years where practicable.

1.5 LIMITATIONS/ANTICIPATED PROBLEMS

Some problems that could affect the research include a limited access to some organisations like the large multinationals. This can, however, be overcome by using 'gatekeepers' at these institutions. Another problem that has arisen was the transmission of inherent errors and biases of data collected from secondary sources. To resolve this, secondary data that has been used has been limited to official documents and research done by appropriately recognised bodies who would have likely taken the necessary precautions to reduce such errors and biases.

1.6 LAYOUT OF THE STUDY

The study consists of four chapters:

Chapter 1 provides the background and introduction to the study. In addition, the problems statement and objectives are presented and a short reference to the research methodology used, is provided.

Chapter 2 consists of the literature research. The chapter starts off by providing a historical overview of social responsibility. The concept of social responsibility is then defined and discussed in detail, and finally applied to the educational environment.

Chapter 3 consists of the empirical research. It described the research methodology in detail, and presents the results. A biographical profile is drawn where after the findings on the corporate social responsibility in education are presented.

Chapter 4 is the final chapter. It presents the conclusions and recommendations of the research while also identifying areas of further research.

1.7 SUMMARY

In chapter one, the problem from which the study evolved has been stated. In addition to this, the primary and secondary objectives, which the study aims to achieve, were defined. Furthermore, the method of research and its limitations were described.

Chapter two sets out to present the literature review of the study.

CHAPTER 2
CORPORATE SOCIAL RESPONSIBILITY IN EDUCATION

2.1 SOCIAL RESPONSIBILITY

Social responsibility is an area of concern that has existed since the early days of mankind (Cannon, 1992:2; Slabbert et al., 1998:16-17). In the last two decades, corporate social responsibility (CSR) has gained impetus.

In a general sense, CSR is management's acceptance of the obligation to consider profit, consumer satisfaction, and societal well-being of equal value in evaluating the organisation's performance. Under CSR, organisations strike a balance between the qualitative dimensions of consumer, employee, and societal benefits as well as the quantitative measures of sales, revenue, and profit, by which organisations' performance is traditionally measured (Boone & Kurts, 2000:54).

According to Mullins (2002:143), the concept of social responsibility means that organisations respond to stakeholders' concerns from society by considering more than just the organisation's own interests. The organisations can incorporate social responsibility into its culture and business strategy. Mullins (2002:143) confirms that organisations of the future will embrace CSR proactively. This state of affairs is achieved through greater participation by employees (Clutterbuck, 1992:17).

This chapter covers the background and presents a macro overview of CSR, education programs and education in schools.

2.1.1 Historical perceptive

CSR has evolved over mainly three phases, namely the classical phase, the social awareness phase and social responsibility phase (Van Niekerk, 1987:268).

2.1.1.1 The classical phase

The concept of business responsibility that prevailed in the United States during most of our history was fashioned after the traditional, or classical, economic model. It gained impetus through Adam Smith's concept of the 'invisible hand.' The classical view stipulates that a society best determines its needs and wants through the marketplace. If business simply responds to these demands, society will get what it wants. If business is rewarded on the basis of its ability to respond to the demands of the market, the self-interested pursuit of that reward will result in society getting what it wants.

In the 1800s, large corporations emerged. This fastened the pace of the movement away from the classical economic view (Caroll & Buchholtz, 2000:30). This change resulted in the establishment of the big corporations replacing the small ones. The questions of business responsibility to society started to surface. According to Van Niekerk (1987:266), Olivier Sheldon emphasised in 1923 that the responsibility of organisations was primarily towards the community.

2.1.1.2 Social awareness phase

The 1930s culminated in the emergence of a mixed economy away from the predominantly *laissez-faire* economy. Under this new system of things, business found itself one of the constituencies monitored by a more activist government. Howard R. Bowen's book, *Social responsibilities of the Businessman*, published in 1953, was the first comprehensive approach to modern era social responsibility. Furthermore, Bowen felt that public responsibility, social obligations, and business morality were synonyms for corporate social responsibility (Anderson, 1998:3).

2.1.1.3 The social responsibility phase

Dr Anton Rupert stated: “In a legal sense, a company is a person and the question arises: how human is it in its actions, how big is its heart and what services does it offer to the community within which it has its being and from which it derives its profits?” (Esterhuyse, 2002:10). Adversely, Friedman stated: “The one and only social responsibility of business is to increase its profits”. (Esterhuyse, 2002:10).

The general idea is that a better society creates a better environment for business. In this regard, Slabbert et al. (1998:16) state that crime will decrease with the consequence that less money will be spent to protect property, and fewer taxes will have to be paid to support police services. The argument can be extended into all directions showing that a better society produces a better environment for business.

2.1.2 Corporate social responsibility defined

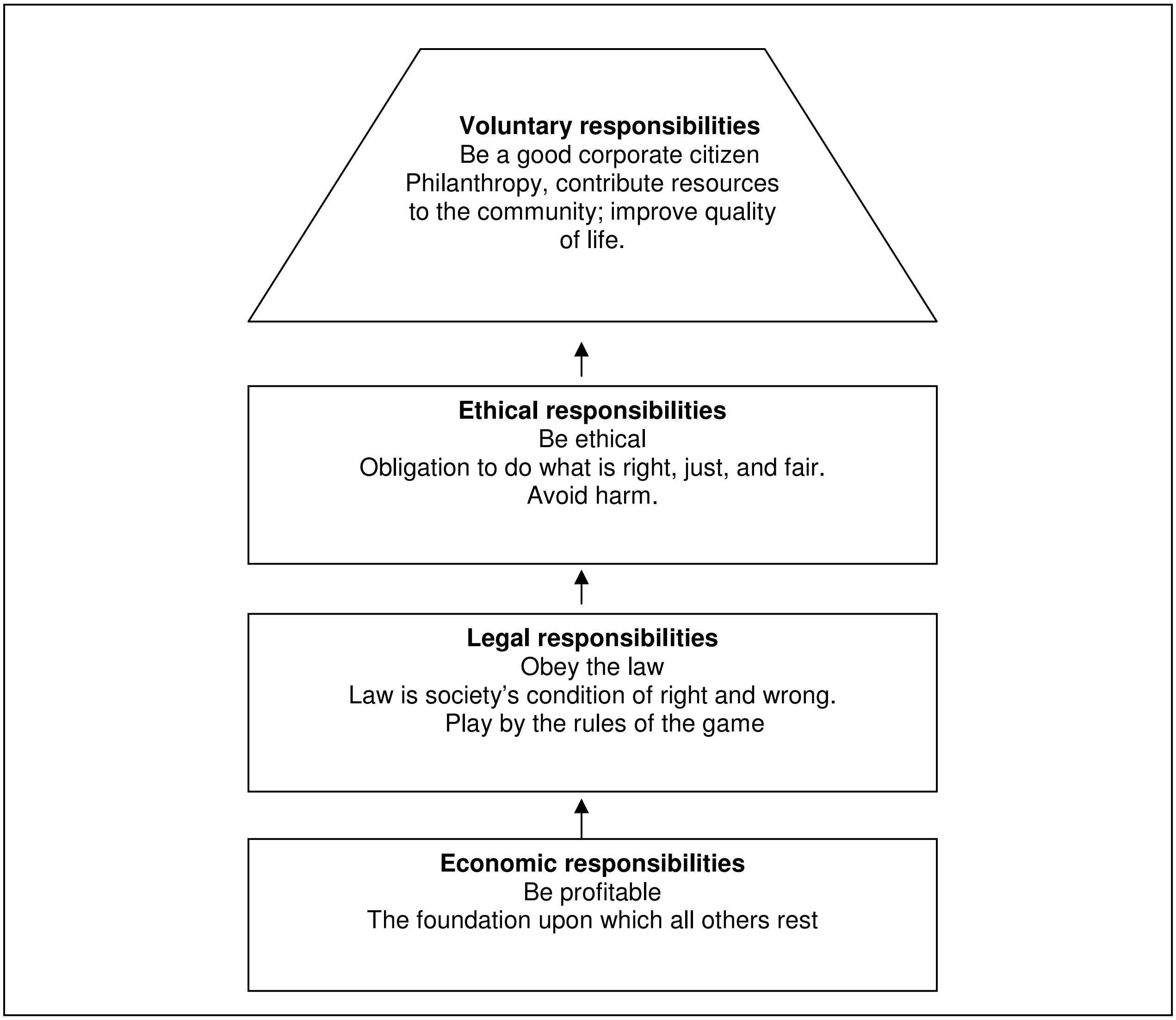
From the above, it is clear that CSR involves two major participants: business and society (stakeholders). As stated above, the concept of social responsibility has been known since the beginning of mankind and has slowly evolved to its present state (Wilson, 2001:1). The World Business Council for Sustainable Development defines CSR as the ‘continuing commitment by business to behave ethically and contribute to economic development, while improving the quality of life of the workforce and their families as well as the local communities and the society at large’ (Chonco, 2007:23). The European Commission defines CSR as ‘a concept whereby companies integrate society and environment in their operations and in their interactions with their stakeholders on a voluntary basis' (Newell & Frynas, 2007:673).

In the South African context, perhaps the best know definition is that of the King 2 Report (2002:12) that states: "A well managed company will be aware of, and respond to, social issues, placing a high priority on ethical standards. A good corporate citizen is increasingly seen as that is non-discriminatory, non-exploitative, and responsible with regard to environment and human rights issues. A company is likely to experience indirect economic benefits such as improved productivity and corporate reputation by taking those factors into consideration."

Coldwell (2003:40) states that: CSR is management's acceptance of the obligation to consider profit, customer satisfaction, and societal well-being of equal value in evaluating the organisation's performance. The definition for CSR of Slabbert et al. is (1998:16) "the intelligent and objective concern for the welfare of society that restrains individual and corporate behaviour from the ultimate destructive activities, no matter how immediately profitable, and leads in the direction of positive contributions to human betterment".

Bateman and Snell (1999:165) has categorised CSR into four dimensions, namely, economic responsibilities, legal responsibilities, ethical responsibilities and philanthropic responsibilities. These are depicted in Figure 2.1:

Figure 2.1: The pyramid of corporate social responsibility



(Source: Adapted from Bateman & Snell, 1999:165)

After all the various definitions and perceptions of CSR it seems as though CSR is a concept whereby organisations integrate social and environment concerns in their business operations and in their interaction with their stakeholders on a voluntary basis (Mammatt et al., 2004:64).

However, CSR should not sacrifice the main function of an organisation of creating value through producing goods and services that society demands, thereby generating profit for its owners and shareholders as well as welfare for society, particularly through an ongoing process of job creation.

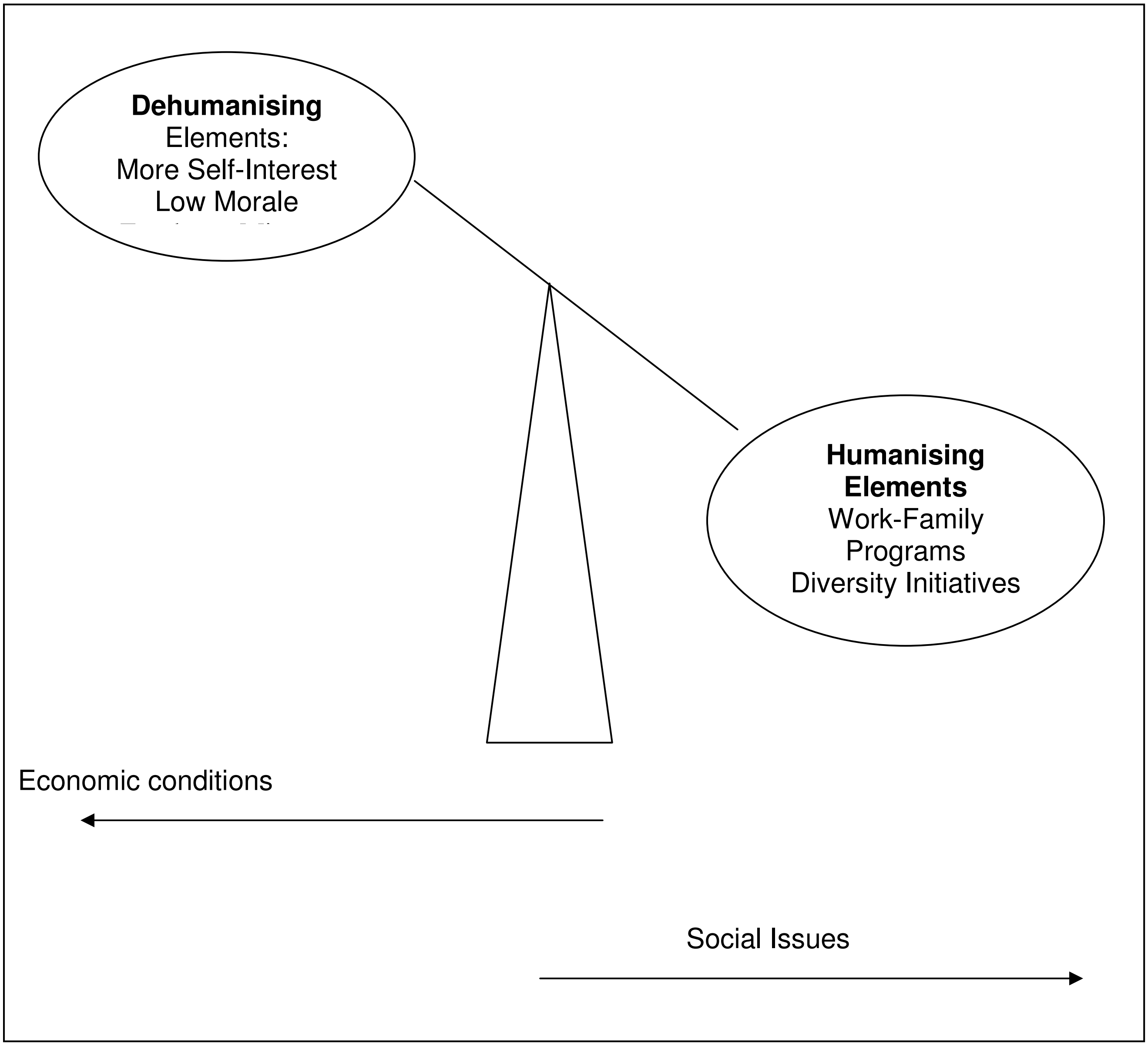
2.1.3 Corporate social responsibility in South Africa

In South Africa (SA), the nature and content of CSR was fundamentally shaped by the apartheid state (Bezuidenhout et al., 2007:14), apparently spawning a form of CSR that assumes a broader responsibility to society at large. The odd history SA has on CSR, has impacted on terminology as well (Bezuidenhout et al., 2007:37). This is evidenced in the rejection of the term corporate social responsibility, with its implied 'obligation' in favour of corporate social investment (CSI).

The call for SA companies to begin to assume responsibilities over and above profit-making was first raised by Fieldberg in 1972. He said, "Obligations to the wider society had to be shouldered if the private sector was to endure" (Mann, 1991 in Charney, 1999:184). In 1977, social responsibility was characterised by a movement from a culture of handouts to a culture of participatory involvement in local communities of organisations. The change was brought about by the Global Sullivan Principles developed by Reverend Sullivan (Charney 1999:185). This idea is depicted in Figure 2.2.

All organisations that endorse the Global Sullivan Principles must respect the law, and as a responsible member of society will need to apply these principles with integrity consistent with the legitimate role of business. There is a general belief that if these principles are applied correctly, a greater degree of tolerance and better understanding among people and advance of a culture of peace will be achieved.

Figure 2.2: Balancing the work environment



(Source: Hall, 1996:65)

In addition, organisations need to:

- Express their support for universal human rights and, particularly, those of their employees, the communities within they operate, and parties whom they do business with;

- Promote equal opportunity for their employees at all levels of the company with respect to issues such as colour, race, gender, age, or religious beliefs, and operate without any form of abuse;
- Respect their employees' voluntary freedom of association;
- Compensate their employees to enable them to meet at least their basic needs and provide the opportunity to improve their skill and capability in order to raise their social and economic opportunities;
- Provide a safe and healthy workplace; protect human health and the environment; and promote sustainable development;
- Promote fair compensation including respect for intellectual and other property rights, and not offer, pay or accept bribes;
- Work with governments and communities in which they do business to improve the quality of life in those communities – their educational, cultural, economic and social well-being – and seek to provide training and opportunities for workers from disadvantaged backgrounds, and
- Promote the application of these principles by those with whom these organisations do business (King II, 2002:246-247).

2.1.4 Levels of social responsibilities

Du Plessis (2004:59) and Lussier (2000:66) identified four levels of social responsibilities, namely, social obstruction, social obligation, social reaction and social involvement.

2.1.4.1 Social obstruction

The concepts encompassed organisations that will perform unethical or illegal business practices. These are done deliberately through the request of senior employees in the organisation. Whistle-blowing and stiff government penalties have cited as preventative measures for social obstruction.

2.1.4.2 Social obligation

Managers meet only the minimum legal requirements. Compliance is an approach in which organisations rely on end-of-pipe types of pollution control and often resist the order and enforcement of environmental regulations (Du Plessis, 2004:60).

2.1.4.3 Social reaction

Managers respond to appropriate societal requests. The most common type of social reaction takes place when civic groups go, for example, to a company and ask for donations for the arts, college scholarships, anti-drug programs, sponsorship of sport teams or for the use of company facilities for meetings or sport practice (Gerber et al., 1992:362-363).

2.1.4.4 Social involvement

Managers voluntarily initiate socially responsible acts by encouraging employees to devote personal time to community service through volunteerism.

According to Lussier (2000:66), many organisations can be classified as being at one of the four levels of social responsibility. However, an organisation can be on different levels for different reasons.

2.1.5 Social responsibility spending in SA

In the early days of CSR, there was no clear basis on which companies determined the amount to spend on social investment each year. And it was often based on the discretion of the chairperson or senior executive. In 2001, organisations in SA spent R2 billion on social programs, a ten per cent increase on the previous year (Theobald, 2002:24). Trialogue (an organisation which conducts annual field research amongst many South African top companies and gauges their evolving spending patterns relating to social responsibility) estimates that the total expenditure on social responsibility in SA for the 2006/7 financial year referred to as 2007) amounted to R3.2 billion. In the previous year, the total social responsibility expenditure was R2.88 billion. The year-on-year increase is 11.1% (CSI Handbook, 2007:83).

Organisations have the following approaches to CSR spending:

- **Percentage of profit after tax (NPAT)** – this approach as determined by the Black Economic Empowerment (BEE) Code of Good Practice requires organisations to spend 1% of net profit after tax (NPAT) on socio-economic development (SED), including all the initiates defined by CSI.
- **Percentage of pre-tax profit** – this approach calls for organisations to allocate their CSI budget from the taxable profit made by the organisation.
- **Percentage of payroll** – this approach determines organisations' CSI budgets to the percentage of payroll deduction, which links CSI contributions to the size and/or value of the workforce. This approach originated prior to 1994, when American companies that remained in SA were encouraged to subscribe to the Global Sullivan Code. Signatories to this code were required to contribute 12% of payroll to community development programs in order to earn a good scoring.
- **Percentage of dividends** – this formula is linked to profitability which requires organisations to contribute their CSI budgets from the percentage of dividends (CSI Handbook, 2008:54).

2.1.6 Arguments in favour of and against social responsibility

Today, to a greater extent than ever before, most people support organisations becoming involved in CSR. Some of the popular arguments for organisations supporting CSR activities are:

- It can and should improve the corporate and local image of the firm;
- It is in the stockholders best interest – by making communities a better place to live, it can entice superior and happier workers to the organisation who in turn will put out better products and increase profits;
- Business is partially responsible for getting themselves in the mess they are in, so they should help to get themselves out of it;
- It will help maintain and gain customers;
- It will help prevent possible unpalatable and even destructive government regulations;
- More and more investors prefer to invest in socially responsible organisations;
- To do good in order to do well, is to convert social needs and problems into profitable business opportunities;
- It is better to take some positive action than to take no action at all, and
- It is better to prevent the problems from occurring in the first place (Cannon, 1992:31-33; Anderson, 1998:10-11; Theobald, 2002:24; Tapscott & Tapscott, 2003).

Major arguments against an organisation becoming involved in CSR activities are:

- Society will be better off if it asked businesses only to maximise their efficiencies and thus lower costs;
- It violates the policy of profit maximation, and as a result stockholders will suffer;
- It will increase the price of the end item, and as a result all purchasers of the item will suffer;
- Most corporate executives lack the knowledge, perceptions, skills, and patience to deal with and solve society's problems;
- Social actions cannot be measured, so why participate in them?

- Businesses already have too much power. Increased activity in the social arena will only increase its power to remould society to their way of thinking;
- If governments want organisations to support social activities, if should give them adequate incentives to do so (Cannon, 1992:37-39; Anderson, 1998:11-12; Theobald, 2002:25).

2.1.7 Areas of social responsibility

Social responsibility can be categorised into two areas, namely, primary and broad as depicted by Table 2.1 below (Donnelly et al., 1992:70). Education falls within the broad aspect of social responsibility. As discussed earlier, one of the most rapidly evolving areas of community involvement is the relationship between organisations and the world of education. Organisations felt they had a duty to do something for local schools, or saw the production of education packs as either a form of marketing or philanthropic gesture.

Table 2.1: Primary and broad social responsibility

Involvement	Interest groups	Areas of involvement
1. Primary social responsibility	1.1 Organisation as a whole	• Pursuit of profit • Environmental control • Promotion of image • Quality of service
	1.2 Owners, shareholders and partners	• Promotion of image • Earnings per share • Profit sharing
	1.3 Employees	• Training and development • Conditions of service • Working conditions • Remuneration • Safety and health of employees

Table 2.1: Primary and broad social responsibility (continued)

	1.4 Supplier	• Raw materials • Loans • Credit
	1.5 Customers	• Quality products and services • Consumer protection • Product improvement
2. Broad social responsibility	2.1 Local community	• Community development • Support of health and medical services • Sponsorships of schools and sporting bodies • Preservation of historical buildings
	2.2 Country as a whole	• Nature conservation • Upliftment of the poor and illiterate • Welfare • Financial support of education and training

(Source: Donnelly et al., 1992:70)

2.2 EDUCATION

During the past two decades, the school education in SA has undergone a huge transformation. Pre-1994, SA had four provinces: Cape Province, Natal, Orange Free State and Transvaal. Each province had its own matriculation board and currently there is one National Senior Certificate. Recently, a new system of education was introduced known as Outcomes-based education, better known as OBE. The first grade 12 finishers for this system were in 2008. In 2009, the Department of Education was split into two: Basic Education and Higher Education.

Mrs Angie Motshekga is the current Minister of Basic Education. She was inaugurated in May 2009. She can also be remembered by her utterances in 2008 when she addressed a political rally in Witbank and stated that passing Grade 12 is not important. The grade 12 pass rate has been reducing marginally by 2% annually. In 2003, the percentage of learners who passed grade 12 was 73.3% and in 2009, the same percentage was 60.6%. This is a reduction of 12% over a six-year period (South Africa Web, 2010).

According to the United Nations Human Development Index (UNHDI), SA was ranked 129 out of 182 countries during 2007. The scale of the index is 1 being the best and 182 being the worst ranking. This index is a measure of average human development in any given country. It takes into account life expectancy at birth, adult literacy rate, combined gross enrolment ratio and Gross Domestic Product per capita. In the same report in terms of adult literacy SA attained a rating of 80th; this is a determinant of education (United Nations Development Programme, 2009). The Human Poverty index (HPI) was 25.4%. This indicates that 12.5 million of South Africans live on less than a United States Dollar a day. These people will look up to the government to provide services. Therefore, they will rely more on government health services, educational infra-structure, social welfare and security.

During the 2010 budget, the government allocated R900 billion for its expenditure. Education was allocated R165 billion. This represented 18.33% of the total budget (South African Revenue Services, 2010). The international norm is that 20% of the total budget should be allocated towards education; this allocation was not way outside the international accepted norm.

2.2.1 The education infrastructure

SA had 25 867 schools by the end of 2009 in all sectors; 24 693 of these schools are public and the rest are independent. Gauteng has 2 390 schools with 1.9 million learners and 66 351 teachers. Therefore, the teacher learner ratio in Gauteng was 1 to 28 and the school learner ratio is 1:795. As mentioned earlier, the study will focus on schools and companies situated around Gauteng. The report has also detailed that there are 1.72 million learners in 1 970 public schools (Department of Education, 2009b).

There are 1 982 schools with electricity on the municipality grid and one school uses a generator (Department of Education, 2009b). Some 59% of these schools have libraries, 40% have laboratories and 76% have computer centres (Department of Education, 2009b). These are the basic resources that will facilitate good performance of learners.

2.3 CORPORATE SOCIAL RESPONSIBILITY AND EDUCATION

CSR in community projects and especially in education should go beyond making a financial contribution if the corporate is serious about fulfilling its triple bottom-line responsibilities (Jackson, 2010:9). One of the five areas that the government has as its focus point for the next five years is education (South Africa Info, 2010). At the international level, education is one of the objectives of the Millennium Development Goals (Jackson, 2010:8). Therefore, synergies can be drawn between corporate companies, government departments and non-government organisations around these issues so that optimal outcomes are achieved. This will eliminate working in silos and will emphasise greater co-ordination. When this is more focused at local level the wheels will turn smoother and faster. According to Jackson (2010:8), Standard Bank sees CSR as a tool for building capacity for its markets. The bank is also involved with the Dinaledi Schools program which aims to boost the number of pupils competent in mathematics and science. The purpose of this study is to establish the effectiveness of CSR in improving education.

2.4 SUMMARY

It is clear that a company needs a pro-actively articulated vision on its CSR strategy that comes from within the organisation, but not as result of pressures from interest groups outside.

Different viewpoints for arguments in favour and against CSR are recognised. Apart FROM the viewpoint which must be supported, management must comply to all the social obligations that are prescribed by the government or local authority. Through the effective management of organisations in SA, it is possible for organisations to put certain social investment funds back into the community not only to promote the organisation’s image, but also improve the economical welfare of the country. Furthermore, the importance of education as the area of social responsibility should be emphasised.

Chapter three presents the empirical findings of the study.

CHAPTER 3
RESEARCH METHODOLODY

3.1 INTRODUCTION

A detailed literature review covering corporate social responsibility (CSR) in South Africa (SA) helped to form the theoretical basis of this study. The information gathered on the literature review assisted in the compilation of the questionnaire that has been used to measure the effectiveness the social involvement in education in Gauteng.

The responses of the questionnaires were interpreted and the results analysed statistically in order to evaluate the general details of each respondent and address research questions identified by the specific and secondary objectives that were not sufficiently answered by the literature review. The chapter is concluded by a brief summary.

3.2 GOALS AND OBJECTIVES

Given the challenges faced by both the private and public sector in SA in obtaining the skilled employees from the marketplace, as discussed in Chapter 1, the primary objective of this study is to investigate the relationship between social responsibility spending and improvement of education standards.

3.3 POPULATION AND SAMPLE DETAILS

The sample researched comprised mainly of large organisations that operate throughout the country and from diverse industries. The sample was drawn from the National Business Initiative (NBI) website of companies that were running corporate social programs in education. The sample plan was random and the sample size was determined in consultation with the Statistical Consultation Services of NWU. The telephone numbers of the companies were obtained from the internet. Each company was called to establish the contact person of their CSR program so that e-mail addresses of the contact persons could be ascertained. The questionnaire was converted into electronic format and distributed via e-mail to the relevant respondents.

The CSR policies of the companies, presented on websites, were scrutinised to ensure that a relevant sample was drawn. The companies that met the criteria were not forwarded the questionnaires. Those organisations that did not provide specific information on their website were called in order to close the missing information gap on their CSR programs as presented on their website and what the companies are actually involved in. For the purposes of this study a minimum sample of 20 companies was targeted.

3.4 DATA COLLECTION

Data collection was conducted primarily by means of a literature review and questionnaire.

3.4.1 Literature review

The main objective at this stage was to establish a theoretical base for the compilation of the survey questionnaire.

3.4.2 Questionnaire survey

Questionnaires present a series of questions as a vehicle for data collection (Churton, 2000:194). Wolf (1997:478) describes a questionnaire as a research instrument that constitutes a self-reporting instrument for the collection of a variety of information that is relevant to the researcher.

According to Neumann (1997:241), questionnaires are in two forms, namely open-ended questionnaires (unstructured) and closed-ended questionnaires (structured). Structured questions were utilised as the form of gathering data on this research with the exception of the last question of the questionnaire (Appendix A).

3.4.3 Advantages and disadvantages of structured questionnaires

The use of structured questionnaires as a research method has advantages and disadvantages (Churton, 2000:199-200).

- Advantages of structured questionnaire:
    - Respondents can complete the questionnaire quickly and easily.
    - The responses of the respondents can be compared easily.
    - Answers are simpler to codify and analyse statistically.
    - Respondents are more willing to answer more sensitive questions in this manner.
    - Irrelevant and confusing answers to questions are mostly excluded.

- Repetition is easier to prevent.
- A large group of people may be reached more easily.
- Respondents may remain anonymous.
- The researcher can hand questionnaires directly to respondents or mail questionnaires with instructions.
- Questionnaires are more reliable as a measuring instrument than colloquiums, as the personal judgment of the researcher is eliminated.
- Respondents may complete questionnaires when it suits them.
- It is relatively easier to plan, compile and administer.
- Instructions are normally standardised and respondents know exactly what is expected of them.
- Objective opinions can be obtained beforehand and personal contact is minimised.

- Disadvantages of structured questionnaires:
  - Wrong ideas that do not actually exist among respondents might be proposed in the questionnaire.
  - Respondents with no knowledge regarding a particular topic, answer questions instinctively.
  - The respondents may become frustrated when the answer they would like to give is not one of the choices.
  - A large variety of response choices may sometimes be confusing.
  - Respondents may be forced to make choices they will not normally make in practice.
  - The validity and reliability of questionnaire are difficult to determine.
  - Various respondents may interpret questionnaires differently.
  - The length of the questionnaire may result in inaccurate responses.
  - The researcher cannot visually observe the reaction of respondents to questions.
  - Various questions may be understood incorrectly.
  - The clarity of the questions is difficult to determine.

- The questions may be answered at random, or even by somebody else.
- A low percentage of feedback is a serious limitation of questionnaires and influences the validity of the research.

3.4.4 Structure of the questionnaire

The structure of the questionnaire should meet certain requirements (Jankowicz, 2000:287):

- A statement of the purpose of the questionnaire;
- Questionnaires should not be too long;
- Questionnaires must provide adequate information;
- Questionnaires should be interesting;
- Questionnaires should be structured in a meaningful way so that they are simple to complete;
- Items on the questionnaire and pages should be arranged numerically;
- The questionnaire should contain a brief and clear instruction; and
- An expression of gratitude in anticipation.

This questionnaire was compiled in English on the basis of information of Chapter two (Appendix A) and comprises the following sections:

- Section A: Biographical details Question 1 to 4
- Section B: Corporate Social Responsibility Question 5 to 7
- Section C: Education Question 8 to 19

3.5 EMPIRICAL DATA

The empirical data is organised according to the sections of the questionnaire and has been interpreted in that order.

3.5.1 Biographical section (Question 1 to 4)

The biographical details were requested to give the researcher insight into different responses at certain times regarding the capacity in the questionnaire.

3.5.1.1 Position of executive completing the form

The aim of this question was to determine the position of the executives completing the questionnaire.

Table 3.1: Position held

Position held	Frequency	%
CEO/MD/Owner	0	0.00
Financial Manager/Accountant	3	15.00
Production/Sales Manager	2	10.00
Human resource Manager	5	25.00
CSR Manager	10	50.00

According to table 3.1, 50% of the questionnaires were completed by the Corporate Social Managers while 25% of the respondents were Human Resource Managers.

3.5.1.2 Sector in which the company operates

The reason for the inclusion of this question in the questionnaire was to determine the nature of the industry in which the organisation operates.

Table 3.2: Sector in which the organisation operates

Sector	Frequency	%
Mining	3	15.00
Production	4	25.00
Financial Services	3	15.00
Consulting	0	0.00
Retail	3	15.00
Other	6	30.00

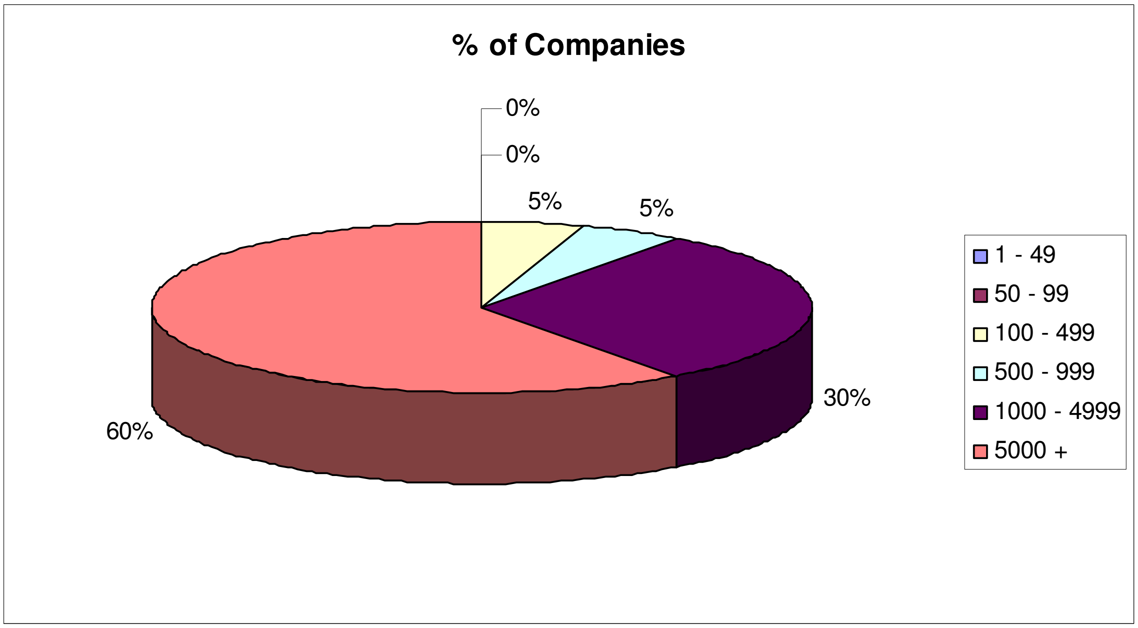
As seen in table 3.2, 30% of the companies operate as in other sectors, 25% operate in the production sector and mining (15%), financial services and retail sector are 15% respectively.

3.5.1.3 Number of employees in the organisation

The reason for adding this item to the questionnaire was to determine the number of people employed by the various companies that are involved in CSR. This has helped in drawing the conclusions about the size of companies involved in CSR.

As per figure 3.1 below, the survey revealed that companies employing more than 5 000 employees were more involved in the educational programs. They accounted for 60%, and 30% was companies employing between 1 000 to 4 999 employees.

Figure 3.1: Number of employees working at company



3.5.1.4 Percentage of skills

The skills categories are defined according to the census classification. Highly skilled occupations include professional, semi-professional and technical occupations; managerial executive and administrative occupations; certain transport occupations (for instance, pilot, navigator). Skilled occupations include clerical, service and sales occupations; artisan, apprentice and related occupations; production foreman, production advisor. All other occupations are defined as either semi- or unskilled (BER, 2001:10).

The question was asked in order to identify the level of sophistication in the companies involved with CSR. However, there was very little response to the question because only 9 companies out 20 answered this question and 8 companies had more than 60% skilled employees. It was difficult to draw an analysis from the data.

3.5.2 Corporate social responsibility (Question 5 to 7)

As discussed in chapter two, corporate social responsibility can be seen as organizations engaging in the welfare and protecting of different groups, including the society as a whole.

3.5.2.1 Presence of a CSR policy

This question was included in order to establish whether the company has any CSR program.

Table 3.5: CSR policy

Criteria	Frequency	%
Yes	19	95.00
No	0	0.00
Don't know	1	5.00

The survey showed that 95% of companies had a CSR policy in place (see Table 3.5) while none of the companies did not have a CSR policy in place. 5.26% of them indicated that they did not know how to begin with a CSR policy and needed help from professionals or larger companies.

3.5.2.2 Fulfilment of commitments towards corporate social responsibility

The question was asked in order to assess the respondents' opinion on how did they think their companies was performing on its CSR commitments. A significant number of respondents (60%) indicated that they agree and strongly agree (10%) that their company fulfilled its commitments towards CSR with the rest being neutral and disagreeing (see table 3.6).

Table 3.6: Company fulfils its commitment towards CSR

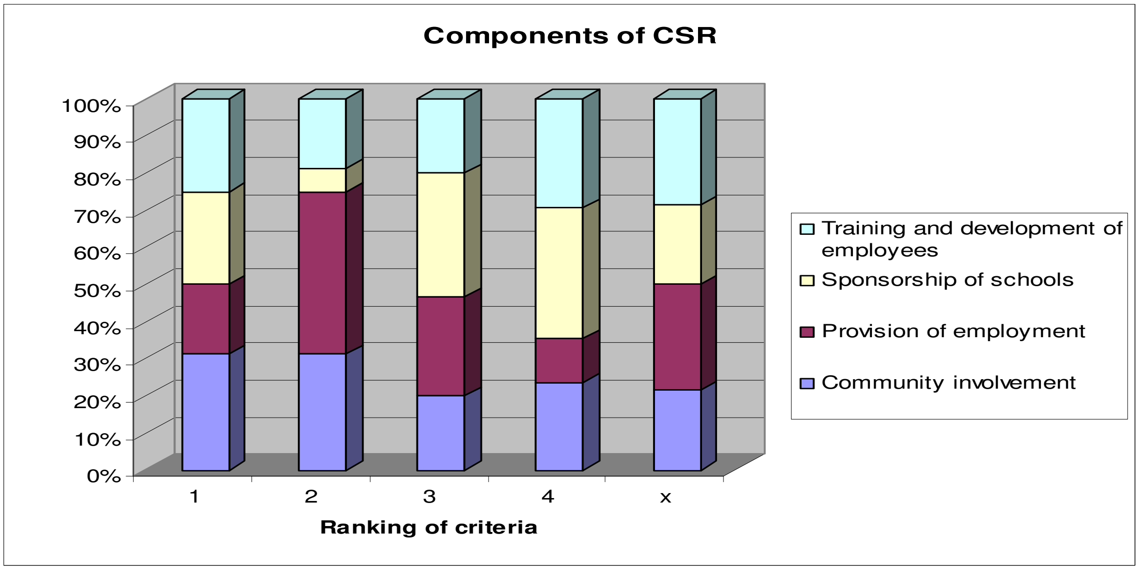
Criteria	Frequency	%
Strongly disagree	3	15.00
Disagree	1	5.00
Neutral	3	15.00
Agree	10	60.00
Strongly agree	2	10.00

3.5.2.3 Corporate social responsibility towards community

Respondents were asked to rank what the most important area was that they considered would have a long-lasting contribution towards the upliftment of the community. As seen in figure 3.1, there was no area that was chosen overwhelmingly as number 1. However, provision of employment had the highest rank at number 2. Sponsorships of schools had the highest ranking at number 3 and number 4. Some respondents did not indicate the ranking hence the ‘x’ ranking.

Figure 3.2 follows on next page

Figure 3.2: Corporate social responsibility towards community



Some respondents gave the same ranking to different criteria. This has caused responses not tallying with the number of respondents.

3.5.3 Education (Question 8 to 20)

3.5.3.1 Company involved in educational programs

South Africa is falling behind the rest of the continent in education and skills development. According to the article, SA is at the bottom of the African literacy list and this was eroding the country's competitive ability. Therefore, this question was more relevant if the private sector needed to take a leading role in the development of skills.

The survey showed that 95% of companies had an educational program in place (see table 3.7), while none of the companies did not have a educational program in place. Some of them (5%) indicated that they did not know how to begin with an educational program and needed help from professionals or larger companies.

Table 3.7: Company involvement in educational programs

Criteria	Frequency	%
Yes	19	95.00
No	0	0.00
Don't know	1	5.00

3.5.3.2 Employees involvement in social responsibility

The question was included in order to establish whether companies were inculcating a culture of CSR in the organisation as a whole rather than an event. A majority of respondents (50%) indicated that employees always participated in social responsibility projects of the company (see table 3.8). Only 20% of the respondents indicated that employees occasionally participated in these projects.

Table 3.8: Employee involvement in social responsibility

Criteria	Frequency	%
Never	0	0.00
Seldom	2	10.00
Mostly	2	10.00
Occasionally	5	25.00
Always	10	50.00

One respondent did not answer the question and the question options did not cater for the treatment of such cases.

3.5.3.3 Levels of schooling at which the organisation was involved

The question was asked to determine how structured the CSR of the companies was The survey revealed that the majority of the respondents (55%) was involved in all levels of education whilst 20% was involved at high school level only (table 3.9). The research was mainly concerned about companies that were prioritising high school education in their programs.

Table 3.9: Level of educational involvement of the company

Criteria	Frequency	%
All levels	11	55
Primary & Secondary	3	15
Secondary only	4	20
Secondary & Tertiary	2	10

3.5.3.4 Area of school

The aim of the question was to identify areas that were a focal point for the CSR program. Historically, areas in townships have performed poorly in Grade 12 and schools in suburbia (former Model C) have been standard setters for the rest. According to McCarthy and Bernstein (2010:4), SA relies on just more than 400 secondary schools for half its mathematics passes at the 50% level, and about 350 schools for half its science passes at the 50% level. The significant percentage of these high schools is former model C schools. Hence, one of the criteria of the research was concentrating on high schools situated in the previously disadvantaged areas.

Table 3.10 revealed that 47.37% of the respondents had educational programs that targeted schools in rural and township areas whilst 31.58% of the respondents targeted schools in all areas.

Table 3.10: Location of school

Criteria	Frequency	%
Rural schools	3	15
Township schools	1	5
Former Model C schools	0	0.00
All locations	6	30
Rural & Township	9	45

3.5.3.5 Corporate social responsibility spending on educational programs

The aim was to quantify the amount of CSR spending in educational programs. The SA government spends nearly 20% of its annual budget on education and the companies spend more than 30% of their CSR on education. The survey has revealed that 100% of the respondents spent more than R200 000 on educational programs per annum that are directly linked with schools. The amounts provided by companies through CSR programs had made additional resources available to schools.

Table 3.11: Corporate spending on educational programs

Criteria	Frequency	%
0 to R49 999	0	0
R50 000 to R99 999	0	0
R100 000 to R149 999	0	0
R150 000 to R199 999	0	0
R200 000 and above	20	100

3.5.3.6 Naming by the company of any township schools that are beneficiaries of corporate social responsibility

The aim was to link the company educational program to a high school and thereafter, obtaining the Grade 12 pass rate of the high school for the period ended 2005 to 2009 from the Department of Education.

Table 3.12: Companies with high school beneficiaries

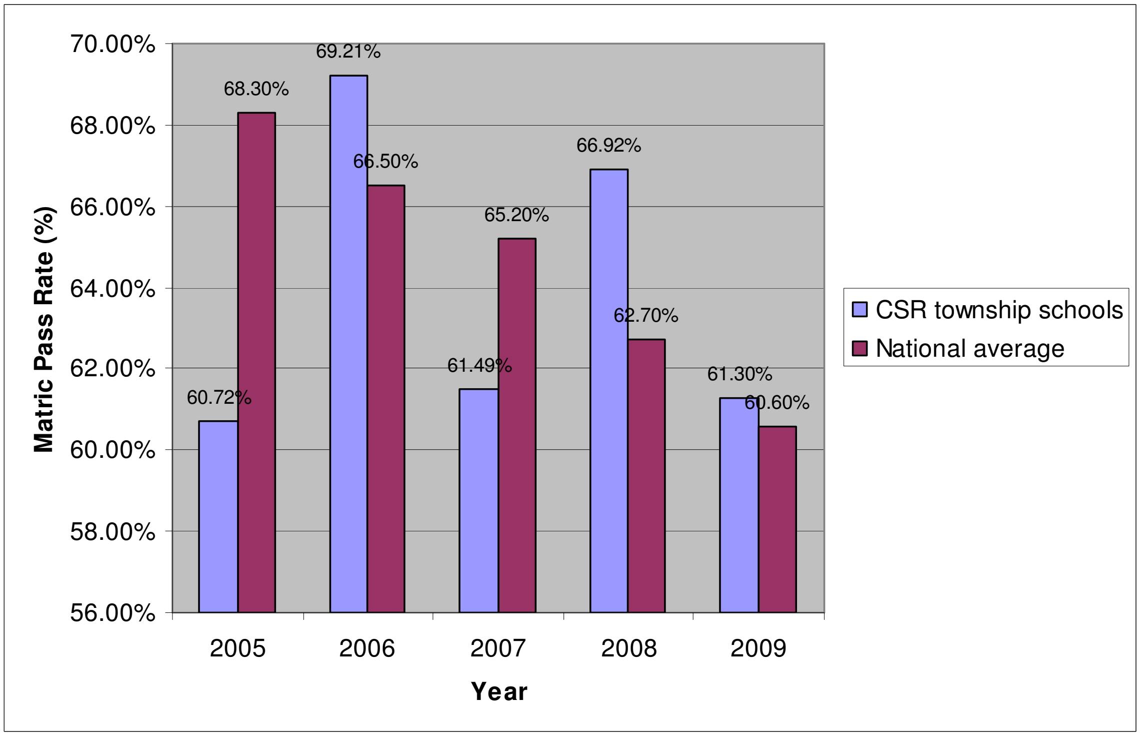
Criteria	**Frequency**	**%**
With school information	16	80.00
Without school information	4	20.00

In table 3.12, 80% of the respondents operated educational programs directly with high schools and indicated the name and location of the school that is a beneficiary to their sponsorship.

3.6.3.6.1 Grade 12 pass rate

CSR has been explained in detail in chapter two of this study. Companies in SA have embarked on extensive CSR programs in education. Education was one of the main areas most companies apply CSR. Organisations expected good results to come as a result of their involvement. The improvement in the Grade 12 pass rate was one significant measure of assessing the improvement in the standard of education.

Figure 3.3: Average pass rate of township schools being sponsored versus national Grade 12 pass rate



The Grade 12 pass rate for township schools under CSR is represented graphically above. A comparison was performed between CSR schools' Grade 12 pass rate to the national Grade 12 pass rate. The x-axis represented the year of the Grade 12 results while the y-axis represented the average percentage Grade 12 pass rate of the township schools being sponsored versus the national average Grade 12 pass rate.

The national average Grade 12 pass rate has been declining over the period from 68.3% in 2005 to 60.6% in 2009. The average Grade 12 pass rate of CSR township schools has increased between 2005 and 2006 from 60.72% to 69.21% respectively. In 2007, it declined sharply to 61.49%. In spite of the declines and the improvements in the Grade 12 pass rate of the CSR township schools over the period 2005 to 2009, there were no significant sustainable gains attained, because over the five-year period under review, there was a marginal increase of just 0.68% in these schools' Grade 12 pass rate.

3.5.3.7 Years that corporate social responsibility is in place

Table 3.13: Educational programs – years in place

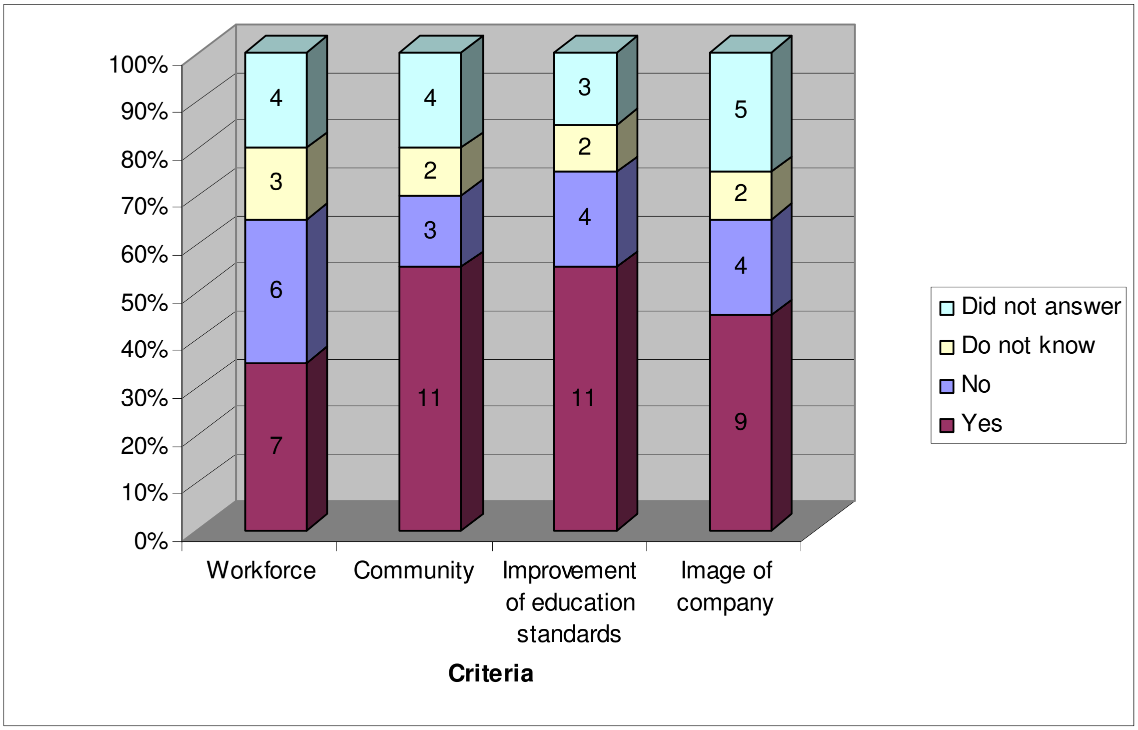
Criteria	Frequency	%
Not yet in place	0	0
Less than 1 year	0	0
1 to 3 years	5	25
More	15	75

In table 3.13, a significant number of the respondents (75%) indicated that their educational programs had been in place more than 3 years; while 25% of the respondents' programs had been in place between 1 year and 3 years.

3.5.3.8 The assessment of the impact of involvement in the programs

The question was included in order to gain insight into the research the organisation carried out prior to their involvement and whether the outcomes of the real situation were in line with the initial assessment.

Figure 3.4: Impact of involvement



According to figure 3.4, Community and Improvement of education standards were the most researched area by companies for CSR due to the fact that 11 out of 20 companies indicated 'yes'. The least researched area was the impact on the workforce. Some of the respondents did not answer this question. This was depicted by 'did not answer' on the above sketch.

3.5.3.9 Indication of satisfaction level

This question was included in order to address some of the secondary objectives to assess whether companies are satisfied with the results obtained as a result of their CSR program interventions.

Table 3.14: Company satisfaction level with results

Criteria	Frequency	%
Strongly disagree	1	5.26
Disagree	0	0.00
Neutral	2	10.53
Agree	8	42.11
Strongly agree	8	42.11

According to the results obtained from the survey (table 3.14), 42.11% strongly agree and the same percentage agree. This put the proportion of companies agreeing at 84.22%.

3.5.3.10 The communication of the corporate social responsibility program to employees

The aim of the question was to assess whether employees were first to know about these programs.

Table 3.15: Educational programs communicated to employees

Criteria	Frequency	%
Yes	20	100
No	0	0
Not sure	0	0

Respondents were asked to indicate if the company's involvement in the educational programs has been communicated to its employees. All the respondents indicated that they had communicated to their employees (table 3.15).

3.5.3.11 Current employees who were beneficiaries to the educational programs

This question was asked in order to assess the impact of the educational program that the company is involved in because not only should the company be empowering communities on these programs, but they should also receive the skilled labour generated as a result of these programs, thereby enhancing its own competitiveness.

Table 3.16: Current company employees who were beneficiaries on the programs

Criteria	Frequency	%
Yes	11	55
No	4	20
Not sure	5	25

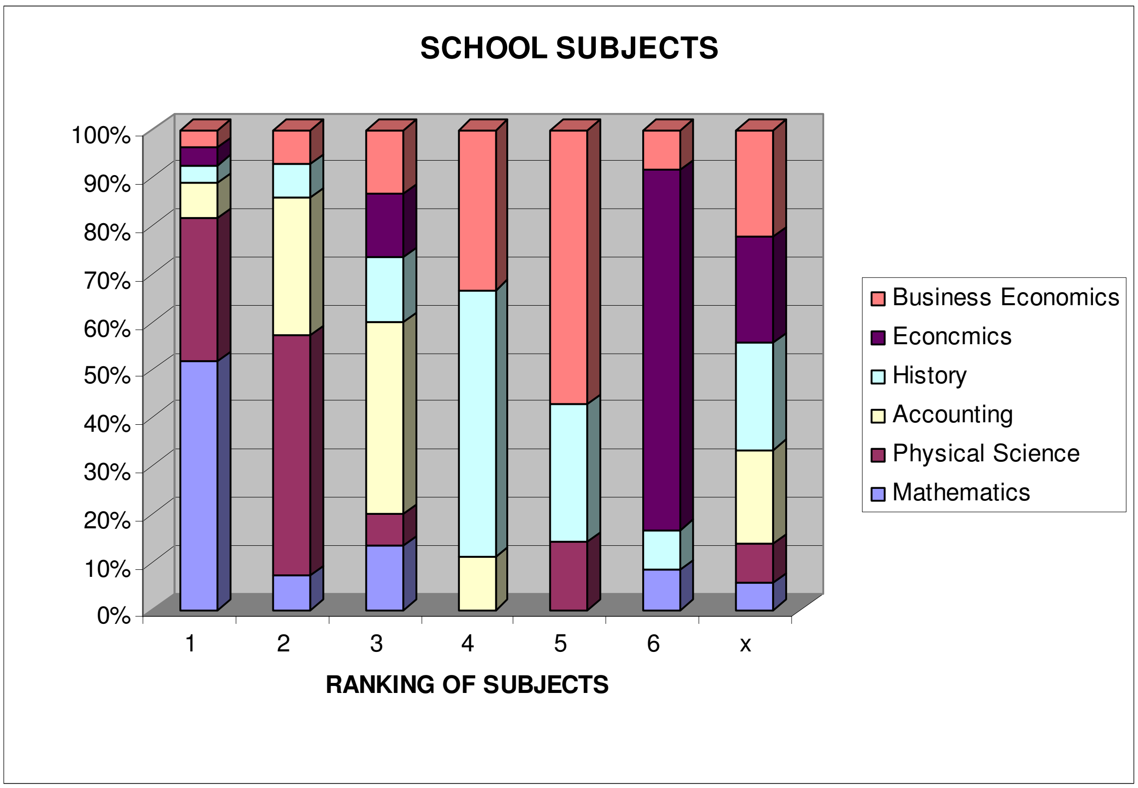
In table 3.16, 55% of the respondents answered positively therefore enforcing that companies use these educational programs as a means to train and develop skills for their future use. Some 20% of the respondents answered negatively and the rest were not sure. A quarter, 25%, of the respondents did not know whether their employees were beneficiaries of the CSR initiative of their respective organisations. If 55% of companies had employees in their organisations who were once beneficiaries of the CSR programs, it made business sense for companies to put more impetus in their CSR.

3.5.3.12 Ranking of school subjects

This question was included in order to find out which school subjects were viewed as the most essential of the CSR initiatives of the different organisations. The competitive advantage of every nation depends on the interest and successful completion of Physical Science and Mathematics at grade 12 level (McCarthy & Bernstein, 2010:4).

Figure 3.5 revealed that Mathematics was the leading school subject whilst Physical Science was the second favourite subject for CSR in organisations.

Figure 3.5: School subjects ranking

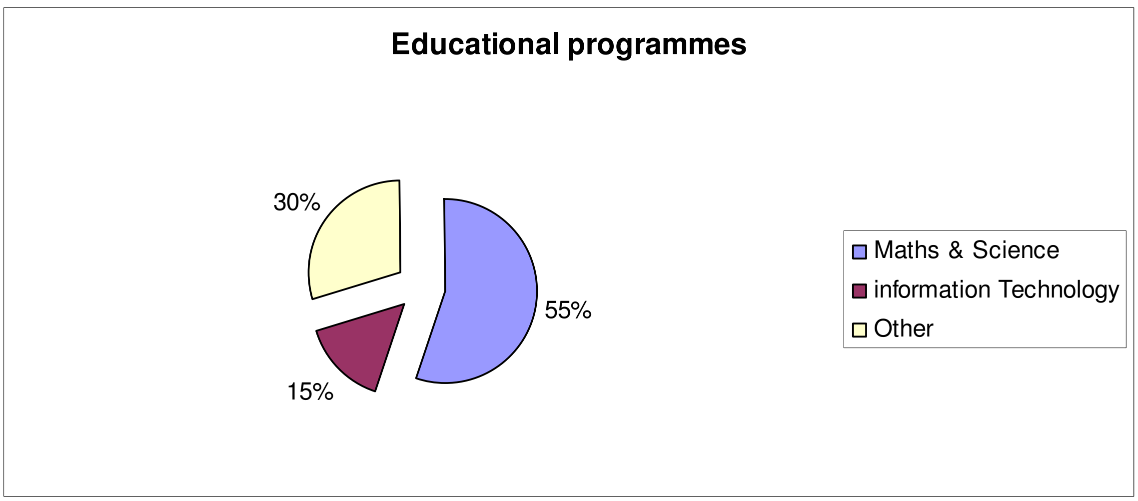


Accounting was the third favoured subject: a total of six respondents placed it on ranking number 3. History is a less favoured subject as it was placed on ranking number 6 by a total of nine respondents. Some respondents did not perform the ranking exercise.

3.5.3.13 Companies' programs

The underlying reasons for the companies to be involved in CSR had been investigated by this question and what programs companies were involved with. The results of the survey are presented graphically below. More than half, 55%, of the respondents had educational programs in Mathematics and Science, whilst 30% had programs that encompass building of schools, laboratories, libraries and training of teachers. Another 15% of the respondents had programs focusing on information technology.

Figure 3.6: Company programs



3.6 SUMMARY

The research was firstly discussed in this chapter and involved the questionnaires as the research measuring instrument, the advantages and disadvantages of close-ended questions, the structure of the questionnaire, population and statistical methods.

Secondly, the responses were interpreted and discussed. The aim of this chapter was to reflect the results of the empirical study in order to determine the effectiveness of corporate social responsibility in education in Gauteng.

In chapter four, conclusions are drawn from the study and recommendations regarding social responsibility of companies in education in the Gauteng province are made.

CHAPTER 4
CONCLUSIONS AND RECOMMENDATIONS

4.1 INTRODUCTION

In this chapter, the research is concluded and each chapter has been dealt separately in terms of a summary, conclusions and recommendations.

4.2 GENERAL INTRODUCTION (CHAPTER 1)

4.2.1 Summary

In chapter one, the research done in this study, was orientated. The problem of the study was stated, namely: How can increased involvement of South African companies through social investment programs improve the standard of education in Gauteng? Given the context of the problem statement, six secondary objectives were formulated. The research methods that were employed in the study were discussed in terms of the literature review and empirical study. The process how the empirical study was carried out was described, namely by means of a structured questionnaire. The structure of the research was explained.

4.2.2 Conclusions

- Most managers did not make information available about their companies' social involvement to the public.

- All the research objectives were met. The manner in which the aims were achieved has been discussed in the summary and conclusions of the relevant chapter.
- The literature review showed that there were many publications on the phenomenon, both nationally and internationally, and from different disciplines.

4.2.3 Recommendations

The private sector acknowledges that one of the problems consumers in SA is most vulnerable to is the huge skills shortage. Therefore, it holds greater responsibility for the development of guidelines in terms of social responsibility towards education for obtaining greater synergies.

4.3 CORPORATE SOCIAL RESPONSIBILITY (CHAPTER 2)

4.3.1 Summary

Social responsibility involves managerial obligation to protect and improve the welfare of interest groups, the society as a whole and interests of the business. Businesses in South Africa (SA) cannot ignore the growing importance of social responsibility. The global village is growing at an alarming rate with Brazil, India and Russia the fastest growing countries and in order for SA to be amongst these countries it needs to allocate resources and use them effectively in the area of education.

4.3.2 Conclusion

- Companies must clearly formulate and unequivocally acknowledge the social responsibility commitment of the company towards its stakeholders.

- Social responsibility must be put in practice by way of a written policy.

4.3.3 Recommendations

- To be socially responsible, companies should choose to operate on an ethical level higher than the law requires.
- Companies are by nature of their operations efficient; if they are not, they will be not be competitive and will not make profits. Therefore, government could encourage corporate social responsibility through tax incentives.

4.4 RESEARCH METHODOLOGY (CHAPTER 3)

In chapter three, the empirical research was reflected in order to determine the effectiveness of corporate social responsibility to improve education in Gauteng. The research design was discussed, and the questionnaires as the measuring instrument were motivated. Advantages and disadvantages of close-ended questionnaire were elaborated upon. The structure of the questionnaire, population and statistical methods was explained. The responses were interpreted and discussed.

4.4.1 The challenges encountered

- Companies classified information about their CSR as confidential; therefore, not all of them could respond to the questionnaire.
- In some companies, individuals who were entrusted with the function of CSR did not have any enthusiasm in completing the questionnaire despite numerous attempts of following up on them.

4.4.2 Conclusion

South African companies, from all sectors, had CSR policies in place and the majority of them were involved in educational programs with Mathematics and Science as leading subjects. The degree of their involvement differed; however, a significant number of respondents prioritised high school education and their focus area was the townships. The majority of respondents indicated that their employees were aware of their CSR programs and were taking part in the CSR initiatives of the company. The extent of employee participation in social responsibility program projects differs from company to company, and depends on the view of management and availability of funds. The study has also revealed that CSR programs were at different stages of involvement at each organisation. Some organisations had fully fledged CSR departments and had employed a CSR manager to overlook the operations of the departments while in some companies CSR was overseen by a manager of another functional area, such as human resources, finance and marketing. Most respondents have been involved in CSR for more than four years.

The overwhelming majority of the companies had allocated more than R200 000 towards their CSR programs. Despite all the investments made by companies through CSR educational programs, the Grade 12 pass rate for the township schools sponsored by companies has not shown any improvement over the period from 2005 to 2009. The national Grade 12 pass rate has been declining over the same period from 68.3% in 2005 to 60.6% in 2009 (South Africa 2009c). When the CSR township school pass rate was compared to the national Grade 12 pass rate, the CSR schools had performed poorly despite the large sums of investment the companies provided through CSR programs to these schools. The companies were satisfied with the outcomes of their involvement and more than half of the companies that were questioned had employees who were once beneficiaries of the CSR programs. Respondents were also satisfied that their companies fulfilled its commitment toward CSR programs. .

Companies should entrust individuals involved with CSR with the function of completing questionnaires. These questionnaires were research-related and were the only method of establishing a gap that could add value to the companies' programs. Companies should form a forum where they will network and co-ordinate their CSR activities for greater synergy. Companies are by nature efficient institutions and their need for skilled labour is on-going. This is mainly driven by their quest to satisfy the needs of the economy; if these needs are not satisfied the company will be irrelevant and will lose its competitive edge.

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APPENDIX A: QUESTIONNAIRE

QUESTIONNAIRE: The effectiveness of social investment programs to improve education in Gauteng

The goal of this questionnaire is to gather information about the involvement of the company in education. The purpose of this action is to establish and evaluate the effectiveness of social investment programs to improve education.

NB

- Please complete all questions.
- Please fill in the missing information or tick the appropriate box.
- All information will be treated strictly confidential and will remain anonymous.

Section A: Biographical section

1. Position of executive completing the question

CEO/MD/Owner		1
Financial Manager/Accountant		2
Production/Sales Manager		3
Human Resources Manager		4
CSR Manager		5

2. Identify sector in which your company primarily operates

Mining		1
Production		2
Financial Services		3
Consulting		4
Retailing		5
Other		6

3. How many employees does your company have?

5 – 49		1
50 – 99		2
100 – 499		3
500 – 999		4
1000 – 4999		5
5000 +		6

4. Give an indication of percentage of employees who are:

1. Skilled	%
2. Semi-skilled	%
3. Unskilled	%

Section B : Corporate Social Responsibility (CSR)

5. Does your company have a CSR policy?

Yes		1
No		2
Don't know		3

6. Do you believe your company fulfils its commitments towards CSR?

Strongly disagree		1
Disagree		2
Neutral		3
Agree		4
Strongly agree		5

7. Which do you see as the most important area that will have a long lasting contribution towards the upliftment of the community? Rank from number 1 to 4 in numerical order of importance) [1 = important and 4 = least important]

1	Community involvement	
2	Provision of employment opportunities	
3	Sponsorships of schools	
4	Training and development of employees	

Section C: Education

8. Is your company involved in educational programs?

Yes		1
No		2
Don't know		3

9. Do the employees take part in the social responsibility that the company is engaged in?

Never		1
Seldom		2
Mostly		3
Occasionally		4
Always		5

10. Indicate all levels of schooling at which your organisation is involved?

1	Primary	
2	Secondary	
3	Tertiary	

11. Below is the area and locations at which schools in South Africa are classified. From the locations below indicate all locations at which your organisation is involved.

1	Rural schools	
2	Township schools	
3	Former Model C Schools	

12. Will you indicate from amounts below, how much has been spent per annum on schools in option 2 in the question.

0 to R49,999		1
R50,000 to R99,999		2
R100,000 to R149,999		3
R150,000 to R199,999		4
R200,000 and above		5

13. If any of the township schools has been beneficiary, please indicate school name and location.

Name of school	Township school location

14. How long have the programs been in place?

Not yet in place		1
Less than 1 year		2
1 to 3 years		3
More		4

15. Has your company conducted research to assess the impact of its involvement in these programs on the following areas?

		Yes	No	Don't know
1	Workforce			
2	Community			
3	Improvement of education standards			
4	Image of company			

16. Is your company satisfied with the outcomes from results of its involvement in these educational programs?

Strongly disagree		1
Disagree		2
Neutral		3
Agree		4
Strongly agree		5

17. Has the educational program been communicated to employees?

Yes	No	Not sure
1	2	3

18. Are there any of your current employees who were once beneficiaries to these educational programs?

Yes	No	Not sure
1	2	3

19. Rank the subjects listed below as your company's focal point? (number 1 to 6 in numerical order of importance) [1 = important and 6 = least important]

1	Physical Science	
2	Accounting	
3	Mathematics	
4	Business Economics	
5	History	
6	Economics	

20. Give a brief description of the educational programs that your organisation is involved in and the brief reason for choosing such programs.

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THANK YOU FOR TAKING TIME TO COMPLETE THIS QUESTIONNAIRE

Please email to fvusani@yahoo.com

APPENDIX B: LETTER FROM LANGUAGE EDITOR