AN INVESTIGATION INTO THE PERCEIVED IMPACT OF RICHARDS BAY MINERALS CORPORATE SOCIAL RESPONSIBILITY TO THE COMMUNITIES IN THE NORTHERN REGION OF KWAZULU-NATAL

By

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SUBMISSION APPROVED FOR EXAMINATION

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ABSTRACT
Corporate Social Responsibility (CSR) has been recognised as a weapon to survive in global competitive environment. This research paper evaluated the impact of Richards Bay Mineral’s (RBM) corporate social responsibility on communities in the northern region of KwaZulu-Natal. The factors that influence and those that hinder the implementation of CSR initiatives were identified. Strategies that can be applied by CSR managers at RBM in improving stakeholder engagement and communication have been suggested.
A quantitative research method was applied in the study. The research sample was selected randomly, using a cluster sampling method and consisted of 250 participants required to complete a Likert scale questionnaire. The questionnaire we distributed to the participants and were collected after two weeks by the researcher. The data was analysed using the statistics package SPSS version 21.0, with the results presented by figures developed in Microsoft Excel and cross tabulation tables.
The results of the findings identified factors that influenced CSR initiatives as lack of feedback, communication and stakeholder engagement. Commitment from senior management must be demonstrated at a local level to facilitate community engagement, feedback and monitoring, because the logic of CSR is towards seeing its impact in community socially, environmentally and economically.
DECLARATION

I, Ntombizonke Primrose Njapha, declare that, to the best of my knowledge and belief, this is my own work, and all the sources used in this thesis have been properly acknowledged and accurately reported.

I furthermore state that this dissertation has never been submitted to any other University.

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Ntombizonke P. Njapha
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<td>Business Development Centre</td>
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<td>CD</td>
<td>Community development</td>
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<td>CSI</td>
<td>Corporate Social Investment</td>
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<td>FSSD</td>
<td>Framework for Strategic Development</td>
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<td>GRI</td>
<td>Global Reporting Initiative</td>
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<td>ICMM</td>
<td>International Council on Mining and Metals</td>
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<td>ILO</td>
<td>International Labour Organisation</td>
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<td>JPOI</td>
<td>Johannesburg Plan of Implementation</td>
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<td>JSE</td>
<td>Johannesburg Stock Exchange</td>
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<tr>
<td>MPRD</td>
<td>Minerals and Petroleum Resources Development</td>
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<td>MNCs</td>
<td>Multinationals</td>
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<tr>
<td>OECD</td>
<td>Organisation for Economic Co-operation and Development</td>
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<td>R&amp;D</td>
<td>Research and development</td>
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<td>SA</td>
<td>South Africa</td>
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<td>SAAR</td>
<td>Social accountability, auditing and reporting</td>
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<td>SMEs</td>
<td>Small and medium enterprises</td>
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<td>SMMEs</td>
<td>Small, medium and micro enterprises</td>
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<td>SRI</td>
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<td>UN</td>
<td>United Nations</td>
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<tr>
<td>USA</td>
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<tr>
<td>WBCSD</td>
<td>World Business Council for Sustainable Development</td>
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CHAPTER 1
OVERVIEW OF THE STUDY

1.1 INTRODUCTION
Corporate Social Responsibility (CSR) has become established in our vocabulary over the past few years, with business enterprises having come under increasing pressure to accept responsibility for the environment in which they function. The northern region of KwaZulu-Natal (KZN) has become a developing area within the mining industry. This study will focus on the manner in which Richards Bay Minerals’ (RBM’s) CSR impacts on the lives of local communities in the northern region of KZN.

The purpose was to evaluate the extent of the impact CSR has on the improvement of the lives of these communities, with the objectives to examine the impact; determine to what extent RBM’s CSR affects the lives of communities in the northern region of KZN; and to recommend implementation strategies with which to monitor RBM’s CSR impact on the identified communities.

A quantitative research approach was used to collect data for this study. The target population comprised of 250 community members from Churches, Clinics, Schools and Society at large within the northern region of KZN, where RBM is located. A structured questionnaire was employed as measuring instrument in the data collection method used to collect the primary data.

The study act as a reminder and assist the management at RBM to recognise the need to continually implement CSR programmes for the communities within which the company operates.

1.2 CONTEXT OF THE RESEARCH
Protest actions by communities around the country against government departments and local municipalities for non-delivery of basic services, such as water, electricity, housing and job opportunities are frequent and continuous. The sad truth about this whole matter is that the government alone cannot meet all the demands of our communities and society. Therefore,
commercial businesses need to play their role and come on board to assist in improving the lives of the people from communities in which they operate.

The impact of their presence and operations on communities and on the environment is significant, as they have much financial power and influence on all sectors of society. Companies also have the power to transform society for the better by acting responsibly in the pursuit of profit (Du Toit, Erasmus and Strydom 2010:141).

Businesses should be able to use their power, influence and markets to contribute to the common good; which is to provide equitable and safe job opportunities to the poor, invest in small and medium enterprises (SMEs) and sponsor community programmes for women and local schools through partnering with government, businesses, communities or by themselves.

1.3 RESEARCH PROBLEM AND AIMS
1.3.1 Problem Statement
During the past 20 years, RBM has negotiated agreements with land-connected host communities to gain access for exploration and to develop mining operations at Richards Bay in the northern region of KZN. RBM has, from the outset, experienced problems with community members from the areas of Mzingazi, Sokhulu, KwaMbonambi, kwaDube and Mkhwanazi, whereby community members have been blockading the roads leading to the mine entrance and causing disruptions to mining operations (BDlive, 09 May 2016) (http://www.bdlive.co.za/business/mining/2016/05/09/blockade-closed-richards-bay-m...).

RBM is a subsidiary of Rio Tinto, an international mining house which owns 74% of it, it extracts titanium iron ore, rutile and zircon from the dunes surrounding these communities (http://en.wikipedia.org/wiki/Richards_Bay_Minerals ).

According to a report by Vusi Khumalo (25 April 2016) on SABC News, it is alleged that local community members (from the above mentioned areas) have been accusing the mine (RBM) of not employing locals and deviating from the existing agreement that sought to prioritise development in the area. These accusations include the alleged failure by RBM to implement its obligation of social responsibility duties reached in 2013, failure to prioritise programmes covering educational and health initiatives, as well as providing local
employment, and small business and contractor opportunities (http://www.sabc.co.za/news/a/99bdc4804c888bab8c128f2e33d6c236/Richards-Bay-re...).

RBM’s approach to people is to use a number of tools and resources to guide their interaction with communities, such as “The way we work”, a global code of business conduct; communities policy and standard, which provides the framework for measuring performance and guidance notes which describe preferred worksite practices. They work from a common Communities and Social Performance framework policy (www.riotinto.com/sd2011 which was developed in 2007 by Rio Tinto based on building knowledge, engaging with communities and developing mutually beneficial programmes. The subsequent programmes should thus reflect baseline assessments and consultation, undertake support and development of initiatives within health and education, while developing and encouraging local employment, in the process of building long-term local skills and knowledge, to encourage self-help and avoid dependency (Rio Tinto Sustainable development 2015).

This study investigated the impact of RBM’s CSR on local communities in the areas of the northern region of KZN identified, in dealing with the situation and challenges facing the local communities.

1.3.2 Research Aim
The main aim of the study was to investigate the perceived impact of RBM’s CSR on the improvement of the lives of identified communities.

1.3.3 Objectives of the Study
• To examine the impact RBM’s CSR initiatives have on the communities in the northern region of KZN;
• To determine to what extent RBM’s CSR affects the lives of communities in the northern region of KZN;
• To identify the factors that are hindering RBM from participating in CSR; and
• To recommend implementation strategies to be used to monitor the impact that RBM’s CSR has on communities.

1.3.4 Research Questions
The study addressed the following questions:
• What CSR initiatives were put in place to improve the lives of communities in the northern region of KZN?
• What were the factors that hindered RBM in participating in CSR activities?
• How can CSR initiatives be addressed to communities in order to improve their lives?
• What recommendations were employed to implement the strategies to be used to monitor RBM’s CSR?

1.4 LITERATURE REVIEW

The development and implementation of CSR frameworks, policies and practices in companies are part of an on-going process. It calls for vision and commitment from the leadership and management of the company; in other words, the board of directors and the senior management team (Du Toit et al. 2010:141). CSR implies that a manager, in the process of serving his/her own business interests, is obliged to take actions that also protect and enhance society’s interests. The overall effect is to improve the quality of life in the broadest possible way, regardless of how quality of life is defined by society (Smit and de Cronje’ 2002:452).

Socially responsible activities by organisations can be classified in terms of the stakeholders affected by the actions of the organisation. The stakeholders can be classified in terms of primary and secondary. Primary stakeholders include business owners who are interested in the pursuit of profits; achievement of goods and effectiveness and efficiency of the organisation; along with productivity; promotion of the organisation’s image; and public relations (PR), as well as environmental management and control (Smit and de Cronje’ 2002:454).

Secondary stakeholders include local communities and the country as a whole. Local communities demand social responsibility from organisations in areas such as environmental protection and ecological control; community development; low-cost housing; and health and medical support services; as well as training and development of the local population; donations to Non-Governmental Organisations (NGO’s); sponsorships for schools and sporting bodies; and the creation and promotion of an economic infrastructure. There has been growing attention focused on the subject of social responsibility and an increasing amount of literature on the subject and on a new work ethic.
The country, as a whole, benefits from the support of country-wide projects and campaigns. Organisations play a major and increasingly important role in the lives of all of us, especially with the growth of large scale business and the divorce of ownership from management (Mullins 2002:142). Nature conservation, support of educational programmes, up-liftment of the poor and illiterate, and financial support of education and training, in addition to promotion of art and science, welfare and international relations, are the areas of social responsibility identified by Smit and de Cronje’ (2002:455).

Many contemporary social up-liftment and social programmes are financed and managed by corporate South Africa (SA) (Smit and de Cronje’ 2002:455). As Cronje, Newland, Hugo and Van Reenen (1994:404) explain, an organisation that acts according to an ethical code which directs its activities to the advantage of its own employees and the public at large, through promoting the interest of the community in which it operates.

According to (Perrini, Pogutz and Tencanti (2002: 2), the worldwide managing director of McKinsey & Company, Ian Davis, affirmed the strategic importance of developing systematic responses to the expectations of society, as key to the competitive advantage for firms. Moreover, Davis objected to companies’ adoption of merely defensive or greenwashing policies as an inadequate response to activists’ demands. In order for CSR to be effective and in line with economic objectives, Perrini et al.(2006:2) state that companies should shift to a different strategy, based on new social contracts with stakeholders.

CSR means that a corporation should be held accountable for any of its actions that affect people. It implies that negative business practices impact people and society, and should be acknowledged and corrected, should it beat all possible. However, being socially responsible does not mean that a company must abandon its primary economic mission (Post, Frederick, Lawrence and Weber 1996:37). In the United States of America (USA), the idea of CSR appeared around the turn of the 20th century when corporations at that time came under attack for being too big, too powerful and guilty of anti-social and anti-competitive practices.

Carroll (1999 in Moura-Leite and Padgett 2011) states that an important contribution to the literature in the 1980s was Thomas M. Jones’s (1980) article at which Jones drew an analogy with the political process, assessing that the appropriate process of CSR should be fair, where all interests of the stakeholders are heard.
According to Preston and Post (1981 in Moura-Leite and Padgett 2011), companies should consider the consequences of their actions, but are not required to resolve all the problems of society. Carroll and Shabana (2010 in Moura-Leite and Padgett 2011) argues that the essence of CSR in the 2000s is “doing good to do well”, although this assumption is true only under certain conditions where there are coherent institutional supports and a sufficiently large market, since not all socially responsible behaviours have equal potential profitability or market demand.

1.4.1 CSR in the Mining industry

RBM’s approach to cultural heritage has been to recognise and respect the cultural heritage of all communities in which they operate, particularly that of ‘indigenous traditional owners’ who have close connections to land. Hilson (2001 in Ventura and Saez 2015) asserts that mining companies have, generally, taken a proactive stance towards environmental issues and, to a lesser extent, socio-economic and community matters.

Wise and Sokol (2007 in Ventura and Saez, 2015) maintain that mining companies impact local economies through:

- Procurement of goods and services;
- Product distribution;
- Employment; and
- Social and community investment.

Extractive companies can also invest in growing the cohorts of entrepreneurs and skilled workers who might become their future employees, suppliers, distributors, regulators and customers. Investments in the building blocks of civil society and the enabling environment are also productive (Wise and Sokol 2007 in Ventura and Saez, 2015).

According to Bruni Celli and Gonzales (2010 in Ventura and Saez, 2015), social value implies getting rid of barriers for social inclusion, as well as giving a helping hand to the social prosperity of vulnerable communities. On the other hand, economic value addresses concrete tangible or intangible benefits companies can draw upon to improve their chances in the marketplace. CSR practices have proven to be a worthwhile effort to a company’s
executive (Story, Castanheira and Hartig 2016). Studies have long found that CSR has a positive impact on company reputation, corporate image and even performance (Burke and Logsdon 1996; Hur, Kim, Woo 2014; Johnson 2003; Porter and Kramer 2002; Stanwick and Stanwick 1998, cited in Story et al, 2016).

Companies thus try to meet shareholders and general public demands that they be more socially, ethically and environmentally responsible (Noe, Hollenbeck, Gerhart and Wright 2015:30).

1.4.2 CSR in South Africa

According to an article from ‘In On Africa’ (IOA) by Flores-Araoz (2011), corporations have come to realise that they cannot operate in isolation to the community, that good governance and social involvement go beyond the work performed in their offices. The article emphasised that one had to recognise that the adoption of a CSR posture not only resulted from a generalised and progressive “change in corporate conscience", but also from the pressure of interest groups and non-profit organisations that defended different social causes (mining companies were mostly targeted for their alleged lack of consideration to the communities they worked in and to the environment). Added to this, is the need to follow accepted business trends and standards, the potential enhancements of the company’s image, which can eventually translate into higher sales and lower employee turnover, as well as the need to comply with relevant regulations and satisfy public scrutiny, among other factors.

According to research, not all CSR efforts in SA result from voluntary or indirect business decisions, some are the product of corporate compliance with Black Economic Empowerment (BEE) legislation. The BEE Act forces companies based in SA to consider all stakeholders when performing their internal and external operations, in an effort to eradicate social and economic inequalities inherited from ‘apartheid days’ and to help previously discriminated against groups to actively participate in the country’s economy.

In 1994, the King Committee on Corporate Governance issued its first report, King Report I, aimed at promoting corporate governance and adequate standards for boards of directors of listed companies, financial institutions and some public enterprises (IOA, 2011 www.polity.org.za ). While encouraging good governance practices, the report also
emphasised the need for corporations to be socially responsible in the areas and communities in which they operate (IOA, 2011).

1.4.3 Social Responsibility Management
For appropriate and strategic social responsibility management, companies need to have systems for objectively measuring their commitment to CSR practices, commonly known as corporate social performance (CSP). Carroll (1979) introduced one of the first conceptual models of CSP and opted for ‘performance’ as the operative term because ‘responsibility’ is not measurable. Since the 1990s, CSP has often been interpreted from a Stakeholder Theory perspective, which according to (Freeman 1984; Donaldson and Preston 1995 in Agudo-Valiente et al., 2015), firms must respond to different groups who have or can have legitimate demands and could affect their results.

Clarkson (1995 cited in Agudo-Valiente, Garce’s-Ayerbe and Salvador-Figuera 2015) states that a firm’s social performance can be more effectively analysed and assessed by using a framework based on the management of their stakeholder relationship.

Stakeholder consideration enables us to answer questions such as:
- Socially responsible to who?
- Socially responsible about what?

According to Mathis (2007 in Agudo-Valiente et al., 2015), the literature that associates stakeholder management with good social schemes and practices regularly considers that communication is of vital importance for making substantial progress in social performance.

1.5 RESEARCH METHODOLOGY
1.5.1 Research Design
A quantitative research approach was used to collect data for this study.

Quantitative methods begin with a series of predetermined categories, usually embodied in standardised quantitative measures and this data is used to make broad and generalisable comparisons (Terre Blanche, Durrheim and Painter, 2006:47). In sociology, a quantitative
research refers to the systematic empirical investigation of social phenomena via statistical, mathematical or numerical data or computational techniques.

1.5.2 Target Population
The target population comprised of 250 community members from Churches, Clinics, Schools and Society at large within the northern region of KZN where RBM is located.

1.5.3 Sample
Both males and females were included in the study. Since this was a CENSUS research study, the total population of 250 community members was sampled, which included community leaders, pastors/reverends, school principals and clinic heads and community at large within the northern region of KZN. Cluster sampling was used to categorise the population in this study.

The sampling frame was drawn from municipal wards where churches, schools, clinics and general households are situated, with 20 respondents from each of these community clusters of different municipal wards selected for a survey within the northern region of KZN.

1.5.4 Data Collection
A structured questionnaire was employed as data collection method to collect the primary data. The questionnaire contained closed-ended questions and a Likert scale format was used. With the assistance of a fully trained research assistant that was employed, the questionnaire was handed out to the respondents who were given two weeks to complete and return them.

Completed questionnaires were given to community leaders, pastors/reverends, school principals and clinic heads within the community to keep until the collection date by the employed research assistant.

1.5.5 Data Analysis
Terre Blanche et al. (2006:52) state that data analysis issues should be carefully considered when designing a study, since the aim of data analysis is to transform information (data) into an answer to the original research question. A careful consideration of data analysis strategies ensured that the design was coherent as the researcher matched the analysis to a particular type of data, to the purposes of the research and to the research paradigm. In this study, the
elements were the communities in the northern region of KZN. The research questions were used to analyse the results of the study. The research questions were used to analyse the results of the study.

The data was analysed using SPSS version 21.0. The descriptive statistics, frequencies and percentages provided an overview of the results and are illustrated by bar and pie charts

1.5.6 Validity and Reliability
Population validity was used in this study; this refers to the degree to which the findings obtained for a sample may be generalised to the total population to which the research hypothesis applies (Welman, Kruger and Mitchell 2005:125). A random selection of participant is required for population validity. In this study, 250 males and females was selected randomly from different clusters of municipal wards within the northern region of KZN.

1.5.7 Ethical Consideration
Ethical consideration was taken into account and participants were informed that participation in the study was voluntary. The respondents’ right to privacy was exercised by obtaining direct consent from them and they were informed of their right to withdraw from the study at any time. Anonymity and confidentiality of information was ensured at all times. All data and information collected by the researcher from the respondents was kept in a safe place and it was destroyed immediately after the study was completed.

1.6 STRUCTURE OF DISSERTATION / THESIS CHAPTERS
Chapter One
The background and overview of the study, aims and objectives, and the problem statement are set out in this chapter.

Chapter Two
An in-depth review of literature is presented on the impact of CSR initiatives. In addition, this chapter also offers a review of the work that has been done in the study area.

Chapter Three
The study’s research methodology and design, as well as a detailed description of the proposed methodology are discussed in this chapter, along with the design and data collection instruments used in the study.

**Chapter Four**

This chapter comprised of the analysis of data and discussion of the findings.

**Chapter Five**

Chapter five offered the conclusion and recommendations arising from the analysis of results.

1.7 **POTENTIAL OUTPUTS**

- The study will assist the management at RBM in acknowledging the need to continually implement CSR programmes for the communities, through the analysis of the study findings being made known.

- The findings provide an opportunity to RBM and other companies to relook at their CSR programmes within the communities they operate/function in, so as to ensure transparent and inclusive decision-making with regard to CSR and its impact on the community.

1.8 **CONCLUSION**

This chapter provided a summary of the background to the research, the problem statement, research objectives, limitations, methodology and ethical considerations. A basic outline of the chapters was also presented. The literature review on CSR is discussed in the next chapter.
CHAPTER 2
LITERATURE REVIEW

2.1 INTRODUCTION

Over the last few decades there has been a growing global awareness of the role of corporations in the society. According to Porter and Kramer (2006 in Dobele, Westberg, Steel and Flowers 2013), companies are increasingly being held accountable for social and environmental consequences of their activities, with the topic gaining prominence in both academic and business contexts (Kotler and Lee 2005; McWilliams et al. 2006 in Dobele et al., 2013 ). Kapelus (2002: 275) also states that mining companies in particular, have historically had a ‘questionable reputation’ for social responsibility and have been escalating their efforts and resources dedicated to CSR.

Companies are increasingly put under pressure to behave socially responsible from different sides (Lober 2012). More over, Porter and Kramer (2002 in Lober 2012) concurs that CSR offers a source of competitive advantage, because it enhances the overall reputation of the company (Menon and Kahn, 2003) and provides a valuable basis for differentiation (Du, Bhattachaya and Sen, 2007). According to Mujien (2004 in Jorge and Pena, 2014), to a greater extent, the future success of CSR and business ethics will depend on the attitude of future generations as these generations will influence relations between business and society, whether as citizens, customers or managers.

Besides that, companies are feeling pressure by a rise in public standards for social performance (United Nations Global Compact)(Pirsch, Gupta and Grau, 2007:125). This study will investigate the perceived impact RBM’CSR has on local communities. The focus will then be given to the critical issues in CSR implementation; the importance of CSR; the factors and challenges the industry has; the strategies and the management of the CSR initiatives, in addition to an examination of CSR in a SA context.

The study will be guided by the following research questions:

- What CSR initiatives are put in place to improve the lives of communities?
- What are the factors that are hindering RBM to implement its CSR initiatives?
- How can CSR initiatives be addressed to communities in order to improve their lives?
In order to find answers, an empirical investigation of the study deals with CSR outcomes by looking at whether CSR has effects at all. Blowfield and Frynas (2005 in Siyobi, 2015), has argued that CSR can contribute to the alleviation of poverty and address other socio-economic development challenges such as those related to health and education, particularly in developing countries.

According to Hamman and Kapelus (2004), companies are motivated towards CSR by the so-called business case for CSR. That is, company efforts at responding to stakeholders, minimising negative impacts, and maximising positive impacts are said to have a positive effect on profits, at least in the medium- to long-term (World Business Council for Sustainable Development(WBCSD) 2000; Holliday et al. 2002 cited by Hamman and Kapelus 2004). They further state that, hence, the International Council on Mining and Metals (ICMM) commits its members to seeking ‘continual improvement in our performance and contribution to sustainable development so as to enhance shareholder value. The objective of CSR is to align corporate policies and practices to sustainable development, in order to ensure companies’ reputation and their access to capital, land and markets.

Hamman (2004 in Siyobi 2015) argues that companies have approached CSR programmes as ‘ad-hoc charitable donations to good causes’. Besharati (2014 cited in Siyobi 2015), states that mining companies’ CSR policies generally focus on education and health initiatives in the communities they operate in. Key challenges are encountered mainly in the implementation process and this is indicative of poor policy formation. These challenges include a lack of co-ordination and co-operation with relevant government departments at national, provincial and local levels. The lack of monitoring and evaluation has also hindered the CSR initiatives (Siyobi 2015).

According to Wood (1991 in Miluwi 2013), CSR may be based within the human resources, business development or PR departments of an organisation. CSR is what an organisation does to influence the society positively in which it exists. Miluwi (2013) states that corporations have emerged as one of the foundations of modern global society.
2.2 CORPORATE SOCIAL RESPONSIBILITY

2.2.1 Definition
Kotler and Lee (2004: 3 in Dobele 2013), defined CSR as a commitment to improve community well-being through discretionary business practices and contributions of corporate resources.

Different definitions have been offered in prior research. The most comprehensive definition for CSR is given by Rizk et al. (2008:306 cited in Hussainey at al. 2011) as:

“The process of communicating the social and environmental effects of organisations’ economic actions to particular interest groups within the society at large. As such, it involves extending the accountability of organisation (particularly) companies; beyond the traditional role of providing a financial account to the owners of capital, in particular shareholders. Such an extension is predicated upon the assumption that companies do have wider responsibilities than simply to make money for their shareholders”.

Porter and Kramer (2006 cited in Ventura and Saenz 2015), state that CSR today is referred to as either a cost, a conflict or a charitable advantage. ISO (2010 in Ventura and Saenz, 2015) defines social responsibility as the responsibility of an organisation for the impacts of its decisions and activities on society and on the environment, though such transparent and ethical behaviour that may contribute to sustainable development. ISO further defines CSR as the group of actions undertaken by an organisation in order to accept the responsibilities resulting from the impact of its activities on society and the environment.

Makower (1994 in Hussainey 2011) defines corporate responsibility as the right thing to do and the key to company’s competitiveness and survival. He examines the world of CSR by investigating the philosophies, policies, programmes and practices that bring social responsibility into the workplace in some of the world’s most successful companies and look at what is working, what is not and how all of this can affect the bottom line.

According to Miluwi (2013), the most ideal definition of CSR has been given by the World Business Council for Sustained Development that states:
“Corporate Social Responsibility is 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 of the local community and society at large”.

The European Commission (2005 in Hamman and Kapelus 2004) defines CSR as essentially a concept whereby companies decide voluntarily to contribute to a better society and a cleaner environment. This new business approach has particular significance in mining activities. As noted by Warhurst (2001 in Dobele et al. 2013), the main environmental disasters and human rights incidents that have increased public concern about CSR over the last 40 years have mainly taken place in the mining and petroleum industries. For the mining industry, “CSR is about balancing the diverse demands of communities and the imperative to protect the environment with the ever present need to make a profit” (Jenkins and Yakovleva, 2004).

There is today a growing perception among enterprises that sustainable business success and shareholder value cannot be achieved solely through maximising short-term profits, but instead through market-oriented yet responsible behaviour.

2.3 CORPORATE GOVERNANCE

Ehlers and Lazenby (2007) describe corporate governance as the informal and formal relationships between the corporate sector and its stakeholders; and the impact of the corporate sector on society in general. They further state that the topic of corporate governance has become increasingly dominant, due to the following factors:

- Corporate scandals and disasters, such as those involving Enron, Global Crossing and Worldcom in the United States, have brought capitalism under attack.
- In SA, fraudulent and unethical practices and behaviour of the directors of companies have and are being exposed.
- The King Report on Corporate Governance for SA 2002 (King II Report) was published in March 2002. This set of corporate governance guidelines is increasingly seen as the backbone of the corporate governance drive in SA.
• The global Conference on Sustainable Development, held in August 2002 in SA, emphasised the need for sustainable development that is economically, socially and environmentally sound.

• The Johannesburg Stock Exchange (JSE) Limited incorporated key aspects of the King II Report into its listing requirements in September 2003.

It is clear that those who form SA’s business strategies have to know what good corporate governance entails and how it impacts on strategic management.

2.4 CORPORATE SOCIAL PERFORMANCE
Corporate social performance (CSP) means that in addition to wealth creation and economic and legal responsibilities, businesses are responsible for the social problems that they create (Ranangen, 2015). It has been concurred by Agudo-Valiente et al. (2015) that Carroll (1979), who was the first to introduce the concept of CSP, made a synthesis of the basic principle of social responsibility, the concrete issues for which social responsibility exists and the specific philosophy of response to social issues. Carroll (1991 in Ranangen 2015)) further suggests that the obligations business has to society must embody economic, legal, ethical and philanthropic categories. These aspects are included in a “pyramid of corporate social responsibility” by Carroll.

One of the pioneers in this respect, Clarkson (1995 cited in Agudo-Valiente et al.2015), states that a firm’s social performance can be more effectively analysed and assessed by using a framework based on the management of their stakeholder relationship.

Carroll’s CSR pyramid (1991 in Ranagen 2015) consists of economic, legal, ethical and philanthropic responsibilities. Economic responsibility is about the importance of maximising earnings, being as profitable as possible and maintaining a strong competitive position. Legal responsibility involves complying with the country’s laws and regulations. Ethical responsibility means that social needs and ethical norms are respected and that ethical behaviour goes beyond mere compliance with laws and regulations.

The final category is philanthropic responsibility, where the support of art, voluntary and charitable activities as well as educational institutions and the enhancement of a community’s
“quality of life”, are in focus. Carroll (2004 in Ranangen 2015) has since applied his “pyramid” to a global context, where economic responsibility means doing what global capitalism requires, legal responsibility denotes doing what global stakeholders require, ethical responsibility signifies doing what stakeholders expect and philanthropic responsibility implies doing what global stakeholders desire.

Wood (1991:693) defines CSP as:

'[Corporate Social Performance is] a business organization's configuration of principles of social responsibility, processes of social responsiveness, and policies, programs, and observable outcomes as they relate to the firm's societal relationships.]

2.4.1 Wood's model of CSP as a pluralist theory of business ethics

According to ten Pierick, Beekan, van der Weele, Meeusen and de Graaff (2004), Wood's (1991) model of CSP might be understood as a pluralist theory of business ethics. Similarly, Wood's theory of business ethics presents a model in which the three or four main ethical perspectives from the history of philosophy seem to be easily recognisable. The first part of CSR refers to the interpretation of CSP as being accountable for one's business activities.

The second part of corporate social responsiveness refers to the interpretation of CSP as acting in accordance with societal demands. This part focuses on actual behaviour in doing business and might be expected to resonate the emphasis on practices in both virtue and pragmatist ethics.

The third part of corporate social behaviour refers to the interpretation of CSP as acting without adverse consequences for the natural and social environment. This stage focuses on the consequences of doing business and might be expected to mirror the emphasis on non-maliciousness and beneficence in consequentialist ethics.

After these preliminary remarks about the apparent relations between Wood's model of corporate social performance and the main ethical perspectives from the history of philosophy, the remainder of this section will be present short introductions to these four ethical perspectives (ten Pierick et.al, 2004).
2.5 COMMUNITY DEFINED
Community is defined on the website www.ibm.com (2016) as groups of people with a common interest. Van den Ende (2004) describes community as “society” being a group of people having certain common interest, manner of life, activities, purpose, values, traditions or goals and objectives. A community provides the means for users to stay in touch, share information, and exchange ideas.

The Mining Minerals and Sustainable Development Project (MMSD) report, ‘Breaking New Ground’ (2002 in Jenkins and Obada 2006; Sharma and Bhatnagar 2014), describes three different types of communities: occupational communities, are households or families who derive all or most of their income from mining; residential communities, are those who live within the geographical area affected by mining and can have been in existence before the mine or have developed as a result of the mining operations; and indigenous communities, described as “households or families with an ancient and cultural attachment to the land where mining occurs or has an impact”.

According to Jenkins (2004 in Jenkins and Obada 2006) corporate communications on CSR persistently refer to how companies perceive themselves to be part of the community. However, identifying a community is a complex task; any definition of a community is a construct, an imposing of order that does not necessary fit the lived experience of the people in question (Kapelus 2002).

2.6 THE ROLE OF CSR IN COMMUNITY DEVELOPMENT
According to Ismail (2009) Community Development (CD) refers to initiatives undertaken by the community, in partnership with external organisations or corporations, to empower individuals and groups of people by providing these groups with the skills they need to effect change in their own communities. These skills are often concentrated around making use of local resources and building political power through the formation of large social groups working for a common agenda. Community developers must understand both how to work with individuals and how to affect communities' positions within the context of larger social institutions.

CD is the process of developing active and sustainable communities based on social justice and mutual respect (Ismail, 2009). Community workers facilitate the participation of people
in this process, enabling linkages to be made between communities, and with the development of wider policies and programmes. CD express values of fairness, equality, accountability, and opportunity, along with choice, participation, mutuality, and reciprocity, as well as continuous learning (Ismail, 2009).

A community is made sustainable through the combined CD processes, programmes, strategies, and activities, in comparison to economic development, which is the marketing of its potential for growth, followed by local efforts to act on opportunities.

Ismail (2009) further states that the key purpose is to work with communities experiencing disadvantage, to enable them to collectively identify needs and rights, clarify objectives and take action to meet these within a democratic framework that respects the needs and rights of others. Community work recognises the need to celebrate diversity and appreciate differences among ethnic and social groups in the community.

2.7 AN OVERVIEW OF CSR

CSR is playing an increasingly significant role in companies’ narratives and practices also in southern Africa, particularly in the case of mining (Hamman and Kapelus 2004). Warhurst and Noronha (2000 in Hamman and Kapelus 2004) state that CSR also plays a special role in mining because of the inherent finiteness of the resource body and the environmental and social impacts related to mine closure (Warhurst and Noronha 2000). CSR involves various voluntary efforts in which companies engage themselves in order to give something back to society. Miluwi (2013) further states that CSR involves providing innovative solutions to societal and environmental challenges.

Moreover, organisations generally believe that acting in a socially responsible manner will create value for them. The fact that an organisation is committed to social causes gives employees an added sense that the company would also be committed to the welfare of its employees. Others argue CSR is merely window-dressing, or an attempt to pre-empt the role of governments as a watchdog over powerful multinational corporations (Miluwi 2013).

As an organisational phenomenon, CSR has become increasingly prevalent and visible within corporations, not only as a mechanism to energise and motivate stakeholders, but also to manage societal perceptions and expectations on the role and utility of businesses and
communities beyond the core function of producing and selling goods to a defined consumer market (Wang, Tong, Takeuchi and George 2016). An Ernst and Young (2012 in Wang et al. 2016) report on sustainability highlights two specific trends in CSR worth noting.

First, CSR has become a dedicated organisational function with clear reporting lines into senior executive teams. Here, managers in charge of co-ordinating social activities are also often key decision-makers within the organisational structure. Second, there is a significant increase in the involvement of employee engagement in CSR activities. While customers have traditionally been considered the key driver of companies’ social initiatives, employees have become at least as important as, if not more important, than customers in driving a company’s sustainability initiatives (Wang et al, 2016).

According to Arisi and Mugambi (2015), who argued that since the concept of CSR was initiated in 1924 by Sheldon, it has become a worldwide subject of intense controversy and interest for business, society, government, and academia alike. The proverb “business is business” has been criticised and definitions of a more humane and ethical, more responsible and transparent, and more sustainable way of conducting business have emerged (Lindfelt and Törnroos 2006; Marrewijk 2003 cited in Arisi and Mugambi, 2015). This field has grown significantly, incorporating a great proliferation of theories, approaches and terminologies, such as social issues management, sustainable development, sustainable entrepreneurship, business ethics, eco-justice, stakeholder management, and CSR, and so on (Garriga and Melé (2004 in Ismail 2009).

In management literature, the definitions of such issues are too diverse to form a universally accepted definition of CSR. Although CSR is a concept that was defined in the West in the 1920s, its principles have long been parts of enlightened business practice world-wide (Arisi and Mugambi 2015). The roots of CSR certainly extend before World War II, but we will not go back that far (Carroll and Shabana 2010). Spector (2008 in Carroll and Shabana 2010) argued that the roots of the current social responsibility movement can be traced to the period 1945 – 1960, the early years of the Cold War.
The broad development of ideas behind CSR is discussed in many scientific and business articles and has been studied for decades. The most important approaches are summarised by Moir (2001 in Postma 2011):

- **Historical development of business:** during the post-WW II re-examination of the relationship between business, society and government, business fulfils the primary role to produce goods and service the needs of society. However, there is inter-dependence between business and society (Cannon199: 33 in Postma 2011).

- **Neo-classical:** the only social responsibilities firms should take depends on the economic perspective of the firm itself: maximising shareholder value (Friedman 1962:133 in Postma 2011).

- **Behavioural theoretical:** CSR-related activities and programmes are influenced by political aspects and non-economical drivers. In addition, personal perceptions and motivations of management actors have an influence on the executed activities (Moir 2001:3 in Poatma 2011).

- **Business self-interest:** businesses benefit from using CSR, because CSR tends to result in an increase in employee loyalty and retention. This approach is often identified in current business practices. A majority of companies share the common goal of ‘long-term business sustainability’.

The question that arises when taking a look at the different approaches, according to Moir (2001:4), is to what extent companies have the tendency to use self-interest and profit, mixed with moral or ethical imperatives, as drivers for CSR. This question is evident in current attempts (Moir 2001) to address the nature of CSR in general.

In the West, there have been debates around the ethical and social responsibilities of business since the Industrial Revolution (1800s). Carroll 2008; Cacioppe et al. (2008 cited in Wang 2011) asserts that the particular concerns have been industrial betterment and the welfare movement, especially with regards to how employees can become more productive. According to Cacioppe et al. (2008 in Wang 2011), the history of CSR up to the 1950s was comprised of the “philanthropic” era, during which donation was the major approach.
The beginning of the 1900s is described as the phase of “profit maximizing management”, when people believed that the individual’s drive for maximum profits and the regulation of the competitive marketplace would create the greatest public wealth and good (Panwar et al. 2006 cited in Wang 2011).

The philosophical approach to CSR was developed in the second half of the 20th century based on the notion of philanthropy. According to Murphy (1978 in Wang 2011), the period 1953-67 was defined as the “awareness” stage, in which companies paid more attention to their overall responsibility and involvement in community affairs.

Since the 1990s, the CSR movement has become a global phenomenon and experienced remarkable growth, expanding from Europe and North America to the rest of the world with the process of globalisation (Wang 2011).

With globalisation and the complexity of today’s business environment, the issue of CSR is more complicated and important than ever.

Over the past two decades, the issue for companies seems to no longer be about whether or not to engage in CSR, but rather on how to conduct CSR in a strategically and effectively planned manner, with a clear and demonstrable narrative of its impact on company and community. Evolution of the CSR concept has a long history associated with how it impacts an organisation’s behaviour. This transformation is aptly illustrated by Lee (2008) who states the meaning and business implication of CSR in 1999 as a much more palatable to shareholders than the one advocated in 1919. In 1919, the concept of CSR was vaguely framed in moral and macro-social terms, such that shareholders could not see how it served their interest or how it was related to the performance and management of the corporation (Lee 2008).

CSR is considered as an important instrument that pushes competitive advantages, creativity and innovation, improves the business reputation to society with the employees, furniture, state institutions and NGOs (Doda 2015). All the above-mentioned are actions which contribute to an increase in value. (Accelerating CSR 2008 in Doda 2015) However, there are no final conclusions in this area and CSR’s effects on organisational values are still being discovered. There is no doubt that CSR will become embedded in a company’s culture and
organisational profile to such an extent that it will not be noticed, explicitly, anymore (Engikanya, Ozansoy and Ozarslan 2009).

2.7.1 Ethical obligation, Macro-Social Analysis and Strategic Implication of CSR - 1950 to 2000s onwards

Ethics is defined as a guide to moral behaviour based on culturally embedded definitions of right and wrong (Erasmus, Strydom and Rudansky-Kloppers, 2013: 125). Bowen (1953:6 cited in Moura-Leite and Padgett 2011) argues that social responsibility is not a panacea for all businesses’ social problems, but that it contains an important truth that must guide business in the future and tries to answer whether business have social responsibility or not. The social responsibility of the business, according to Bowen, refers to “the obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society”.

In 1954, Peter Drucker in his book, The Practice of Management, Drucker (1954 in Moura-Leite and Padgett 2011), included public responsibility as one of the eight key areas in which business objectives should be set. The same ethical obligation argument used by Bowen was followed by Drucker, to recognise the growing requirement for the manager to assume responsibility for the public good. Furthermore, in line with Bowen, Drucker states that objectives in public responsibility must be set according to prevailing political and social conditions as perceived by management.

In 1960, William C Frederick’s article “The growing concern over business responsibility” (1960 cited in Moura-Leite and Padgett 2011) highlighted that the interest in the problem of business responsibility can be explained in terms of the collapse of laissez faire as a philosophy and as an economic order. Frederick further asserted that CSR “implies a public posture towards society’s economic and human resources and a willingness to see that those resources are used for broad social ends and not simply for the narrowly circumscribed interests of private persons and firms”.

Although Friedman’s viewpoint on CSR prevailed in the 1970s, scholars increasingly started to shed light on the multiplicity of responsible business practices. First, Johnson (1971 in Carroll 1999) identifies specific interest groups with a variety of different needs, stating that
“social responsibility in business is the pursuit of socioeconomic goals through the elaboration of social norms in prescribed business roles”.

During the 1970s, the development of CSR concepts was mainly driven by the negative outcomes of business behaviour. While the social pressure and the existing social contract were acknowledged, scholars nonetheless started to put more emphasis on response processes as well. For example, Frederick (1978 in Wang 2011) introduces social responsiveness as the capacity of a corporation to respond to social pressures (Wartick and Cochran 1985 in Wang 2011). The concept of social responsiveness shifted the debate away from social obligations towards managerial processes. Social responsiveness was seen as a valid concept, leading managers to a clearer emphasis on implementation and policy development.

Carroll argued, however, that social responsiveness was inadequate to replace the concept of CSR as a whole (Carroll 1979), noting that corporate social responsiveness is more concerned with the manner of response than with the kinds of issues that ought to be addressed. According to Carroll, corporations can be very responsive to social issues, while they may fundamentally act irresponsibly or unethically in the process (Carroll 1979). Consequently, the theory of CSP was introduced, referring mainly to the outcomes of business behaviour.

In the 1980s, business and social interests came closer and firms became more responsive to their stakeholders. Researchers in this area focused on developing new definitions of CSR and there was a splintering of writings on alternative or complementary concepts and themes, such as corporate social responsiveness, corporate social performance, corporate citizenship, public policy, business ethics and stakeholder theory/management, to mention but a few. Waddock (2004 in Moura-Leite and Padgett 2011) developed and analysed a list of CSR related concepts.

In practice, according to Preston and Post (1981 cited by Moura-Leite and Padgett 2011), “the policy content public is not necessarily obvious or easy to discover, is not invariable over time, it is not easy to define what is public and private, so that social action will always be justifiable to provide a benefit to the public”.

In addition, Epstein (1987 in Rahman 2011) defines corporate social responsiveness and business ethics and integrates them into a concept called “corporate social policy process”.

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According to Freeman (1984 in Wang 2011) brings “stakeholder theory” into CSR, which emphasises that organisations should not only be accountable to their shareholders but also balance the interests of their other stakeholders, who can influence or be influenced by organisational activities.

From approximately the 1990s to date, the concept of CSR has become almost universally sanctioned and promoted by all constituents in society, from governments and corporations to consumers and NGOs. Even international organisations, such as the UN, the World Bank, the Organisation for Economic Co-operation and Development (OECD), as well as the International Labour Organisation (ILO), have fully supported and aggressively established guidelines to continue the movement, as detailed in Waddock’s (2008 cited in Moura-Leite and Padgett 2011) description of institutional infrastructure around corporate responsibility.

Wang (2011) attested that, since the 2000s, the emphasis on theoretical contributions to the CSR concept has shifted to empirical research and practical implementation. Scholars started instead, to shed light on balancing the impacts of corporate behaviour. Clearly, the core question shifted from “what” to “how”. Notions such as NGO activism and strategic leadership have been extensively discussed.

Roozen et al. (2001 cited in Wang 2011) state that, in general, previous studies of CSR can be categorised into three different levels and two different approaches. The three levels are individual, organisational and societal. Individual factors have been widely examined in relation to ethical decision-making, ethical attitudes and behaviours. He further states that, at the organisation level, studies concerned issues of corporate governance, organisational behaviour and decision-making, leadership and strategy, CSP, and stakeholder management, etc. At the social level, there are studies responding to issues related to community growth and development, public interest and welfare, human rights, culture and humanity, policy and regulation, as well as sustainability development, and so on (Singhapakdi et al. 1999; Scholtens and Lammertjan 2007; Lu et al. 1999 cited in Wang 2011).

According to Galbreath (2010 in AnyangoOoko, 2014) there are two approaches to business ethics and CSR studies, normative or prescriptive approaches and the more analytically oriented descriptive methods. The first delineates philosophically based moral obligations and
normative rules, and is concerned with the good which has moral values (AnyangoOoko, 2014).

On the other hand, descriptive (or empirical) approaches are concerned with explaining and predicting behaviours (O’Fallon and Butterfield 2005 in Wang 2011), studying how various factors influence ethical decision-making and the decision-making process (Roozen et al. 2001 in Wang 2011).

2.8 CSR IN THE SOUTH AFRICAN MINING INDUSTRY

According to Fabig and Boele (1995 in Siyobi 2015) who state that, prior to 1994, mining in SA embodied some of the most socially destructive practices of that era. In the post 1994 democratic dispensation, CSR has been treated as a vehicle for restorative justice to address the legacy of apartheid. For this reason, the mining industry has become a leader in implementing CSR initiatives and has made the greatest financial contribution as a sector.

First, SA’s capital markets became closely linked to international markets, predominantly through the listing of mining companies on international stock exchanges, particularly on the London Stock Exchange (Siyobi 2015). This resulted in these mining companies being pressured to meet international CSR expectations in accordance with corporate governance guidelines.

Secondly, the post 1994 dispensation saw the newly elected government assume custodianship of the country’s mineral resources on behalf of all SA citizens (Siyobi 2015). Political change and the efforts to balance out the unequal distribution of wealth have, however, driven CSR forward in SA.

The SA government formalised the B-BBEE scorecard for companies to measure and enforce compliance with BEE transformation initiatives. In 1994, SA’s King Committee issued an influential and widely circulated report on corporate governance. The King II Report was published in 2002, and urged companies to move towards “triple bottom line” reporting, including social, economic and environmental criteria.

Rampersad and Skinner (2014) states that, in 2003 the JSE expressed a need to hold large corporations accountable for their investment actions by launching a socially responsible
investment (SRI) index. The King II report also contains a special section dealing with HIV/AIDS, outlining principles that should be followed. According to Ehlers and Lazenby (2007: 49), the King II Report adopted the aim of the 1994 King Report, to ‘promote the highest standards of corporate governance in SA’.

The King II Report identifies seven characteristics of good corporate governance:

- Discipline
- Transparency
- Independence
- Accountability
- Responsibility
- Fairness
- Social responsibility

According to the IOA (2011), the third revised issue of South Africa’s Code of and Report on Governance Principles or King III Report was made effective in March 2010, with respect to the previous versions, the new report focuses on sustainability and risk issues, while continuing to highlight the importance for companies to respond to all stakeholders.

The Mineral and Petroleum Resources Development (MPRD) Act, enacted in June 2002, represents a legislative commitment to achieving equitable access to, and the sustainable development of SA’s mineral and petroleum resources (Busacca, 2013). The Black Economic Empowerment (BEE) policy has been enhanced by certain elements of the MPRD Act, as the MPRD Act obliges mining companies to convert their old rights under the Minerals Act 50 of 1991, to new rights under the MPRD on the condition that they enact suitable BEE deals.

Skinner and Mershan (2008 cited in Siyobi 2015) also state that, Corporate Social Investment (CSI) programmes are action plan-led interventions to implement a CSR policy framework, and the term CSI ‘is a peculiarly South African development’. The MPRD Act (Diale 2014) has the following objectives, as contained in Chapter 2, section 2:

c. “…to promote equitable access to the nation’s minerals and petroleum resources to all the people of South Africa,
d. substantially and meaningfully expand opportunities for historically disadvantaged persons, including women, to enter the mineral and petroleum industries and to benefit from the exploitation of the nation’s minerals and petroleum resources,
e. promote economic growth and minerals and petroleum resources developed in the Republic,
f. promote employment and advance the social and economic welfare of all South Africans,
i. …ensure that holders of mining and production rights contribute towards the socio-economic development of the areas in which they operate”.

It is evident from this legislative framework that the new SA democratic system envisages a socially responsible mining industry, while recognising the rationale for business to pursue profit and economic growth and development pathways, it also pronounces on both moral and legal accountability for ensuring sustainability for all stakeholders (Diale 2014).

In Trialogue’s (2013: 36) annual survey, it is reported that CSI expenditure in SA has risen to R7.8 billion ($780 million) in 2013. Half of the total CSI expenditure comes from just 31 companies, mainly from the mining, financial services and retail sectors. According to Rampersad and Skinner (2014), mining companies continue to spend substantial sums on infrastructure projects in areas around their operations, clearly benefiting both the communities who live there, their workforce and their own economic activities. According to Trialogue 2013 (in Rampersad and Skinner 2014) in 2013, companies in the mining sector spent an average of R62 million ($6.2 million) on CSI initiatives. The transformation process of the SA mining industry is an on-going process due to the magnitude of injustices caused and perpetuated by both colonial and apartheid experiences.

The 2002 World Summit on Sustainable Development (WSSD), also known as Earth Summit II, held in Johannesburg, SA, reaffirmed an international commitment to sustainable development (Busacca 2013: 23). At the WSSD, countries worked together to draft the Johannesburg Plan of Implementation (JPOI). According to Mabuza, Msezane and Kwata (2010 cited in Busacca 2013), the JPOI encourages industries to improve social and environmental performance through voluntary initiatives and endorses public-private partnerships.
In a nutshell, the change of attitude by the mining companies was not necessarily only propelled by the new post-apartheid state as some would like to advocate but, as Kapelus (2002) indicates, International declarations and standards played their part, through globalisation in areas such as trade liberalisation, privatisation and private-public partnerships. In this case, the mining industry had to contend, adjust and shift in attitude, with respect to managing development programmes – a shift from a heavy-handed, controlling approach to engaging with multiple stakeholders with multiple interests (Diale, 2014).

These institutional changes could be traced back to the 1970’s, specifically 1973, through the joint establishment of the ‘Chairman’s Fund’ by two of the prolific mining houses, namely Anglo American and De Beers. This was meant to tackle some of the social issues in non-white communities, followed by the ‘Urban Foundation’, established in the wake of the 1976 Soweto uprisings, the aim of which was primarily to ameliorate unbearable living conditions in the country’s townships, inhabited by predominantly the black section of SA’s population (Fig 2005: 611 – 612; Babarinde 2009: 360 cited in Diale 2014). To date, a majority of mining companies has incorporated within their business operations in one form or the other, CSR /CSI value statements and programmes. The other category of changes is that driven by the state.


According to Mabuza, Msezane and Kwata (2010) in their AISA POLICYbrief number 15, they mentioned that other legislation aimed at transforming different sectors (mining included) are the Preferencial Procurement Framework Act (Act No. 5 of 2000) which calls on industry to procure materials and services from companies owned and managed by previously disadvantaged individuals (PDI); the Employment Equity Act (Act No. 35 of 1998) which calls on the sectors to employ previously disadvantaged individuals (PDI) across the company spectrum, in particular in job categories where they were not previously employed in large numbers (e.g. technical and managerial jobs); the Skills Development Act (Act 97 of 1998) which is geared towards advancing skills and training among PDIs.
The CSR programmes of mining companies tend to focus on community initiatives as their impact in economic, social and environmental terms is felt greatest at the local level. Frynas (2005 cited in Jenkins and Obada 2006; Sharma and Bhatnagar 2014) states that the effectiveness of CSR initiatives in the oil, gas and mining sectors has, however, been increasingly questioned. While multinational mining companies have ‘remodelled’ themselves as good corporate citizens, there is little evidence as to how this recognition of the need to address sustainability issues has affected communities; and whether community development initiatives have been effective in contributing to more sustainable communities (Jenkins and Obada 2006; Sharma and Bhatnagar 2014).

In addition to the complex factors that affect mining companies at a global level, companies with SA operations face further complexities. Mining has historically been a very important sector to the SA economy. As with many other African countries, SA has vast mineral wealth with immense value generation potential. With more than 52 commodities under its surface, SA has the world's largest reserves of platinum, manganese, chrome, vanadium, and gold, as well as major reserves of coal, iron ore, zirconium, and titanium minerals (Monitor Deloitte Analysis 2013). The combined value of these resources is estimated at US$2.5 trillion. The industry's substantial wealth has supported the country's growth with strong resource exports and job creation. Nonetheless, the mining industry's relative contribution to the economy has declined due to growth in the financial and real estate sectors.

To an even greater extent than their global counterparts, SA mining companies' margins are under pressure. The combination of stagnant or falling global commodity prices and rising input costs is forcing mining companies to make difficult decisions in an attempt to sustain short-term operations, while still aligning these decisions with long-term objectives. In particular, increases in labour and energy costs have exceeded inflation. The annual 'strike season' is characterised by ever-increasing demands by unions and mineworkers who may not have a full appreciation of the challenging operating environment that mining companies face (Monitor Deloitte 2013).

In addition to the requirements by workers, there are rising demands by government as to the role mines should play in society. The government increasingly expects mining companies to fulfil social needs typically addressed by government in developed countries, such as the
provision of basic services, education, and health care. These expectations are often not clearly defined, and are compounded by local communities' demands for employment opportunities, skills development opportunities, education, and modern healthcare facilities.

'Gone are the days when mining contribution is measured only its contribution to the gross domestic product, or royalties that it pays to the fiscus. Communities expect mining companies to become engines of socio-economic development of their areas'
- Susan Shabangu, Minister of Minerals (cited in Lane et al., 2015).

According to Deloitte (2013) the perception of a lack of (or inadequate) progress in these key areas is often met with vocal opposition, strikes, and unrest. This can have a significant impact on project development through costly operational delays and reputational damage to mining companies. Mining companies are thus placed in a tenuous position, with CSR today extending well beyond the minimum legal requirements. SA mining companies require a deep understanding of shifting community and government expectations and a commitment to a high level of transparency and operational sustainability, in order to address the demands of relevant stakeholder groups.

Government’s requirements are further obscured by a local environment loaded with rhetoric. Some government officials have criticised the country's inability to translate its mineral wealth into sustainable economic development at grassroots levels. According to a media statement in the Sowetan (2011 cited in Deloitte 2013), the government has been criticised for being seemingly slow to address what the previous Mineral Resources Minister, Susan Shabangu, called SA's 'evil triplets' of poverty, inequality, and unemployment.

In this highly political context, proponents of radical state intervention in the SA mining industry have asserted that the mineral wealth of the country ends up in the pockets of 'monopoly capital', rather than benefiting the broader population (Monitor Deloitte Analysis 2013). While the government has ultimately declared that it has no short-term agenda to pursue resource nationalisation, the widely reported rhetoric has cost the country a sharp decrease in its attractiveness as a mining destination, resulting in billions of dollars in deferred or abandoned investments (The National 2013).
The overarching challenge in Africa (and particularly in SA) is to strike an equitable balance of interests, ensuring that mining is productive and profitable, as well as being fair to foreign investors, host states, and affected local communities alike.

2.8.1 Accountability and fairness as prerequisites

The Global Reporting Initiative (GRI) (Hamann and Kapelus 2004) is trying to provide the best practice framework for companies’ public reports on corporate governance and economic, social, and environmental impacts. It is also developing a sector-specific set of guidelines for the mining industry, and an increasing number of mining companies are referring to the GRI guidelines, also in southern Africa. However, it is apparent that companies’ reports are still primarily about PR. For instance, an overview of SA companies’ public reports indicates that there is a common lack of location-specific, non-selective, and comparable data in most public reports (Hamann 2003).

Furthermore, there is a crucial gap in companies’ declarations that they are addressing CSR related issues, even when they aim to show that their net social impact is positive. This gap pertains to the general absence of justice in the CSR narratives. It is thus suggested (Hamann and Kapelus 2004) that an important criterion that needs to be applied in any assessment of CSR narratives and practices, at any level of analysis, is that of social justice. As far as we know, this link still needs to be made in a comprehensive manner, but for the discussion that follows, a fairly simplistic interpretation of the fairness principle will be applied (Rawls 1999 in Hamann and Kapelus 2004): companies can only claim to be socially responsible should their direct, indirect, and cumulative impact on society benefit the most vulnerable and worst off.

RBM launched a Business Development Centre (BDC), detailed in a RBM media statement (30 September 2014) (http://www.riotinto.com/media/media-release-237_13013.aspx), that was officially opened by the Deputy Minister of the Department of Mineral Resources, Godfrey Oliphant. According to RBM’s Managing Director, Mpho Mothoa, the BDC will be focusing on creating and developing sustainable small, medium and micro enterprises (SMMEs) from the four host communities, Mbonambi, Mkhwanazi, Sokhulu and Dube.

Mothoa further emphasises that the company’s “goal of social and economic development will ensure the sustainability of host communities beyond the life of mining”. The
development of local suppliers and host community enterprises is one of the most effective ways to ensuring that the benefits of RBM’s mining activities are directed to its host communities”.

2.9 THE IMPORTANCE OF IMPLEMENTING CSR INITIATIVES FOR THE MINING INDUSTRY

For a long time, mining just consisted of exploiting a region until its natural resources were exhausted and then moving on to exploit another region. There was an uncompromising approach to mining in these areas, meaning that local communities viewed mining activities as an economic engine but also as a threat to the natural surroundings, with environmental effects on the air, water and soil. Currently, there is a greater awareness of sustainable development issues, and even the concern with the commitment to the environment has evolved into a commitment to the community where each company carries out its activities (Blinker 2009 cited in Vintro and Comajuncosa 2010).

In this respect, growing regulatory pressure on issues concerning waste, pollution and occupational health and safety in particularly dangerous activities has played an important role. This, together with social and legal demands, has meant that more awareness has been raised with regard to these matters.

The debate surrounding mining activities and sustainable development is now centered on sustainability at the global and national scales (Hilson and Murck 2000 in Vintro, Fortuny, Sanmiquel, Freijo and Edo 2012). According to Cowell et al. 2009 in Vintro et al. 2012). A major argument against the mining sector contributing to sustainable development is that mineral resources are finite and non-renewable, and therefore the opportunities for future generations to access these resources are reduced (WCED1987 in Vintro et al. 2012).

According to Guerra 2002 (in Jenkins and Obara 2006), in their efforts to embrace CSR, companies must identify the interests, concerns and objectives of various stakeholders, (including national, regional government, local authorities, indigenous people, local communities, employees and competitors) and address their often-varying needs.

Frynas 2005 (in Jenkins and Obara 2006) outline a number of business reasons why mining companies invest in communities through their CSR programmes:
• Obtaining a competitive advantage – community programmes are used to aid the awarding of concessions as companies appearing to be socially responsible are often favoured in this process.

• Receiving and maintaining a stable working environment – CSR initiatives are occasionally initiated as a means of “buying” the local communities agreement to allow a company to operate.

• Managing external perceptions and maintaining a good reputation – CSR initiatives are used for PR purposes.

• Keeping employees happy – CSR initiatives can often make staff feel more positive about the company and can increase motivation and efficiency. They can also help to retain and recruit the best staff.

A key stakeholder for all mining companies, and therefore a strong focus for their CSR initiatives is ‘the community’. Mining has a huge impact on local communities; positive effects include the creation of new communities and wealth, income from export revenues and royalties, technology transfer, skilled employment and training for local populations and improvements in infrastructure such as roads, schools and health clinics (CAFOD 2006; MMSD 2002 in Jenkins and Obada 2006).

According to Hohnen (2007), there is no one method for pursuing a CSR approach. Each firm has unique characteristics and circumstances that will affect how it views its operational context and its defining social responsibilities. Each will vary in its awareness of CSR and how much work it has already done towards implementing a CSR approach. Many firms are already engaged in customer, employee, community and environmental activities that can be an excellent starting point for firm-wide CSR approaches.

CSR can be phased in by focusing carefully on priorities in accordance with resources or time constraints. The bottom line is that CSR needs to be integrated into the firm’s core decision making, strategy, management processes and activities, be it incrementally or comprehensively. There is a broad framework for implanting a CSR approach that builds an existing experience as well as knowledge of other fields, such as quality and environmental management. The framework follows the familiar “plan, do, check and improve” model that
underlies such well-known initiatives as those of International Organisation for Standardisation (ISO) in the areas of quality and environmental management systems.

Initially, contributing towards society in ethical terms basically resided in philanthropic actions associated with charity. However, according to Blinker (2009 cited in Vintro and Comajuncosa 2010), the changes brought about by economic globalisation (inequalities in incomes, the markets being opened up and greater awareness in sustainable development issues, among others) have created a new setting, and concern for the environmental effects that have arisen has increased during the last few decades. Furthermore, Villarzu (2002 cited in Vintro and Comajuncosa 2010) states that a concern centred on a commitment to the environment has evolved into a commitment to the community of the region and country where each company carries out its activities.

In the same study, Bruntland (1987 cited in Vintro and Comajuncosa 2010) states that now the mining industry must deal with the new challenges of the future, including the fundamental role of sustainable development, and the introduction of ethical management based on a management through values. Companies must assume responsibilities in local and national development, and must orient their activities towards satisfying society in general (Wheeler, Fabig and Boele 2002).

With this approach, the ICMM (2005 in Vintro and Comajuncosa 2010) has promoted sustainable development as a source of competitive advantage. Since 2003, it has formulated 10 basic principles of good practice, including ethical management, sustainable development, and contribution to the social and economic development of local communities.

According to Guerra (2002 in Vintro and Comajuncosa 2010) the application of CSR in mining activities must be considered as a means of conciliation between interested parties in the mining industry, the government, and society.

2.10 FACTORS THAT INFLUENCE CSR INITIATIVES

According to Wood (1991 cited in Adeyemo, Oyebami and Alimi 2013), demands for CSR come from external stakeholder, such as communities and societies with general expectations or governments with explicit requirements of social legitimacy. Simmons (2009 cited in Mason and Simmons 2011) is of the view that CSR drives and constraints form part of a
rapidly changing organisational environment in which a range of stakeholder constituencies seek to have their agendas acted on by the focal organisation.

Preble (2005 cited in Mason and Simmons 2011) also states that stakeholder groups range from those that have central and continuous significance, to organisations such as investors and customers, and those that may become salient for a specific period, such as pressure groups and media, as well as more nebulous yet potentially significant influences, such as public opinion on the importance of CSR or country, specific approaches to CSR issues. Podnar and Jancic (2006 cited in Mason and Simmons 2011) further emphasise longer-term CSR considerations, such as the implications of company operations for ‘non-human stakeholders’, for instance, ecosystems, future generations and non-human species may also influence societal sentiment and feature in management decision-making.

The shift towards CSR and tackling the challenges posed by sustainable development in the mining industry, are characterised by numerous developments, both within the industry and more widely in the role of business (Jenkins and Yakovleva 2004).

Kalyar, Rafi and Kalyar (2004) describe the following factors as drivers of CSR:

- Strategic planning and CSR – Scholars advocating strategic planning as a formal activity argue it is a comprehensive and systematic approach used to develop a firm’s overall direction. Snow and Hrebiniaik (1980) and Ramanujan and Venkatraman (1987b cited in Kalyer, Rafi and Kalyar 2013) are of the view that a formal strategic planning approach integrates participation from a variety of functional areas (such as marketing, finance, R&D, and so forth) in order to obtain the necessary knowledge required to address stakeholder’s demands for CSR and to integrate different functional requirements into a general management issues.

- Humanistic culture and CSR – Firm culture, more specifically the orientation of the culture, affects the overall performance. Culture, subject to its types, is expected to have its impact not only on firm’s financial performance but also the activities related to CSR. In a humanistic type of culture, the focus on people, collaboration, teamwork, sensitivity and cooperation with other is dominant. Cooke and Lafferty (1994 cited in Kalyer et al. 2013) define humanistic culture as a culture of caring, where members are expected to
support an open influence in dealings with each other and members in firms, characterised by humanistic cultures, are prone to struggle in responding to stakeholder demands for CSR.

2.10.1 Factors that drive social and environmental disclosure in the mining industry
According to Jenkins and Yakovleva (2004), mining operations often exist side-by-side with indigenous communities. Engagement with aboriginal groups has become a reputational and political imperative for mining companies. A plethora of CSR principles, codes of conduct and reporting guidelines have been developed and more companies are signing up to such codes as a commitment to meet certain standards and principles for their behaviour in the market place (Jenkins and Yakovleva 2004).

Examples of such codes that exist in the mining industry, from global multi stakeholders’ codes to country level or single issue codes, are:

- **International Council on Mining & Metals (ICMM) Sustainable Development principle**, which aims for members of the ICMM to have developed a sustainable development framework and a set of principles that seek “continual improvement” in our performance and contribution to sustainable development.

- **The Extractive Industries Transparency Initiative** – this is the campaign aiming to help citizens of resource-rich developing countries to hold their governments accountable for the management of revenues from the oil, gas and mining industries. Companies that have signed up to this principle include Anglo-American, Newmont and Rio Tinto.

- **Australian Mineral Industry Code for Environmental Management** – developed in 1996, this voluntary code signalled the commitment of the Australian mining industry to address its environmental performance and public accountability.

2.10.2 The benefits to both company and community from CSR initiatives
There are several ways to understand why mining companies are engaging in CSR programmes. From the community’s perspective, the CSR programmes of mining companies provide a mechanism of compensation for the social and environmental costs associated with
mining. These costs are usually associated with environmental impact, higher food and housing costs, and social impacts from an increase in the number workers living in the area (Garriaga and Mele 2004).

In addition, a CSR programme provides the community with a means through which it can be involved with and provide input into the mining project. Since local communities may not see many of the direct benefits from the mining industry, CSR programmes are a means through which a mining company can be seen to actively give back to the community.

Mining companies also benefit from CSR programmes in several ways. Firstly, they help build better relations with the local communities in which they operate (Humphreys 2000). He further argues that the economic risks of not having good community relations include project delays and even mine closure.

Secondly, it provides a way of responding to increasing consumer concern about how the products they buy are produced, combined with the fact that the internet allows consumers to scrutinise mining companies’ operations (Humphreys 2000).

Finally, companies that are regarded as socially responsible may be more likely to be asked to do business with governments that are accountable to their citizens (Humphreys 2000). These companies can also be more efficient in their recruitment processes because “access to the brightest and best in the labour market will depend upon the reputational status of the industry and the companies within it”(Humphreys 2000: 129).

Osemene (2012 cited in Adeyemo et al. 2013) identifies benefits that may accrue to any organisation that incorporates CSR, mentioning these may be an increased brand value; greater access to finance; a healthier and safer workplace; stronger risk management and corporate governance; as well as motivated people and community; customer loyalty; enhanced confidence and trust of stakeholders; along with an enhanced public image and economic success. Elkington (1999 in Villagra 2016) attest that companies that effectively implement CSR do not measure their success based on a purely financial bottom-line, instead they hold themselves accountable to the triple bottom-line of finances, social impact and environmental impact.
Ventura and Saenz (2015) outline a number of main effects and consequences of CSR initiatives, as follows:

- **Share of profits** – companies have become community’s partners, they thus share a percentage of it and also leverage participation among members of a community.

- **Land rented** – instead of buying land from community land, it has become common practice that companies rent the land for a period wherein the mining operation is expected to be up and running.

- **Works for taxes on development infrastructure** – companies invest in development infrastructure such as, roads, bridges and public services, as a means to comply with taxation duties.

- **Works for taxes on social infrastructure** – companies may also invest in basic social infrastructure, including water supply and sanitation, and educational facilities, among others.

- **Local employment** – most companies offer employment opportunities for local residents. Prior to this, companies tend to offer practical training programmes as a means to develop the local labour market.

- **Local supplier development** – most companies have greater impact when they develop inclusive business models that integrate local, small, family-owned business into their value chains, thus creating indirect employment and fostering entrepreneurial forces among locals.

- **Water storage reserves** – companies support building water storage reservoirs for the needs of both their operations and the community.

- **Environmental participatory committee** – participatory monitoring is a collaborative process of collecting and analysing data, and communicating the results in an attempt to identifying and solving problems along with the communities.

- **Protection of biodiversity and restoration of natural habitats** – an organisation can become more responsible by acting to protect the environment, restore natural habitats and assure that services provide by ecosystems endure (ISO 2010 in Ventura and Saenz 2015).

- **Social and productive projects for cattle farming and agriculture** – projects’ goals are to improve the family income, as well as granting families access to employment sources.

- **Targeted basic needs and social projects** – projects under this category address basic needs on health-care and nutrition to children under the age of five years and to pregnant women.
Local management and capabilities strengthening projects – with interventions aimed at strengthening local management capabilities at local government level, as well as capabilities at community level.

In the case of RBM, according to a media release by the Managing Director, Mpho Mothoa (January 2016), it was stated in response to the water crisis, “To limit the amount of freshwater we use, we capture and recycle about seven million cubic metres of process water, rainwater and run-off [from] our smelting and processing facilities each year” (www.riotinto.com/documents/201601-RBM-The-water-crisis-and-RBMs-response.pdf) In 2013, RBM was awarded first place by the Department of Water Affairs at the Water Conservation and Water Demand Management Sector Awards 2013, for their commitment to reducing freshwater abstraction and improving both water recycling and efficiency of usage in its daily operations(riotinto.com)www.riotinto.com/media-releases-237_9318.aspx

2.10.3 CSR implementation framework and corporate governance

According to Hohnen (2007), a well-designed CSR implantation framework integrates economic, social and environmental decision making throughout a firm from the board of directors to front-line officials and supply-chain partners and is therefore intimately connected with effective corporate governance. Hohnen (2007) further state that a properly governed firm can reap optimal benefits for itself and its shareholders, and in turn, for those who are affected by firms’ activities. At all levels of a firm, inadequate direction and control of its activities and assets can jeopardise its very ability to operate.

Table1: The Implementation Framework

<table>
<thead>
<tr>
<th>When? (Conceptual phase)</th>
<th>What? (Task delineation)</th>
<th>How? (Checkpoints on the journey)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plan</td>
<td>1. Conduct a CSR assessment</td>
<td>• Assemble a CSR leadership team; • Develop a working definition of CSR; • Identify legal requirements; • Review corporate documents, processes and activities, and internal capacity; and • Identify and engage key stakeholders.</td>
</tr>
<tr>
<td></td>
<td>2. Develop a CSR strategy</td>
<td>• Build support with CEO, senior management and employees; • Research what others are doing, and assess the value of recognised CSR instruments; • Prepare a matrix of proposed CSR actions; • Develop ideas for proceeding and the business case for them; and • Decide on direction, approach, boundaries and focus areas.</td>
</tr>
</tbody>
</table>
Do

3. Develop CSR commitments
   • Do a scan of CSR commitments;
   • Hold discussions with major stakeholders; • Create a working
group to develop the commitments;
   • Prepare a preliminary draft; and
   • Consult with affected stakeholders.

Check

5. Assure and report on progress
   • Measure and assure performance;
   • Engage stakeholders; and
   • Report on performance, internally and externally

Improve

6. Evaluate and improve
   • Evaluate performance;
   • Identify opportunities for improvement; and
   • Engage stakeholders.

Cross-check: One cycle completed

Return to plan and start the next cycle

Source: An Implementation Guide for Business (Hohnen, 2007)

The framework is intended to help boards of directors, CEO’s, managers, employees and others assess a firm’s effects on society and the challenges and opportunities associated with taking these impacts into account in decision making and business activities.

2.11 THE IMPACT OF CSR ON COMMUNITIES

Swift and Zadek (2002 in Jenkins and Obada 2006) note that, while there is a strong potential of CSR to make a positive contribution to addressing the needs of disadvantaged communities, there are ways in which CSR could, one way or the other, damage such communities.

The possible negative social impacts of mining on communities are as follows (adapted from MMSD 2002):

- Any benefits to the community may be unequally shared;
- Corporate community initiatives may be seen as poor recompense for damage to livelihoods, the environment and community;
- Social tensions in communities due to the changes brought about by mining can give rise to violent conflict;
- Technical improvements in the mining industry can lead to decrease in employment and an increase in the level of skills needed;
• The mining sector’s isolation from other sections can negate the multiplier effect often associated with the location of a major industry in an area;
• Land title disputes may occur between groups, mining companies and the government;
• Traditional cultures may have difficulty coping with vast industrial operations and the influx of outsiders;
• Poor local and national governance can lead to a company having too much power in the local context.

Frynas (2005 in Jenkins and Obara 2006), outlines a number of reasons why company CSR programmes may fail to address the needs of communities and therefore, detrimentally affect their sustainable development, these are:

• Country/context specific issues (competition, conflict, bureaucracy) – for example in Ghana conflict exist between large-scale mining companies and illegal small-scale miners who mine on their concessions. This impacts on how companies perceive the community and how they develop their community involvement initiatives.
• Failure to involve the beneficiaries of CSR – communities need to be given the opportunity to help themselves through ongoing participation in community development projects rather than being recipients of top-down “gifts” from the company.
• Lack of human resources and appropriate skills – mining company employees tend to have technical, engineering or managerial backgrounds and are not the most appropriate people to deal with complex social issues. Also long-term CSR initiatives may be hampered by the turnover of staff.
• The often micro-level perspective of companies – the impacts of mining have far-reaching effects beyond the immediate location of the mine. A micro-level perspective is needed to integrate CSR initiatives such as community involvement into a larger sustainable development plan.
• Consultation with communities – where consultation with communities does not take place it is often superficial and inadequate. Consultation is rarely all-inclusive, leading to some members of the community being more ‘voice’ than others, usually those who hold power in the community such as men and tribal leaders.
2.11.1 Tough choices facing mining companies – hindrances

According to Monitor Deloitte (2013), Management teams at mining companies with SA operations face a series of tough choices and trade-offs. These are difficult decisions, with a broad impact, ultimately though, they are critical for long-term survival.

Monitor Deloitte (2013 in Lane, Guzek and van Antwerpen 2015) has identified five generic questions of particular significance to SA mining companies, in light of the global operating context:

- How to achieve a step change in profitability and safety performance?
- How to attract and retain critical skills?
- How to raise the capital needed for SA operations?
- What is the best and most sustainable use of capital?
- How to balance the conflicting needs of stakeholders?

These questions are explored below.

_How can mining companies achieve a step change in profitability and safety performance?_

SA mining companies must simultaneously defend and grow profits, while also ensuring that safety records improve. While SA’s mining safety records are steadily improving, mine injury and fatality levels are still above those achieved elsewhere in the world (Business Day (2013a in Hohnen 2007). With mines becoming progressively deeper and ore grades declining, the unit cost of mine production in SA is under significant pressure. The situation is exacerbated by rapidly rising input costs, particularly those of energy and labour.

All of the major SA mining companies have been through successive waves of cost reduction and safety improvement initiatives. While these have often been successful, the rate of incremental improvement has not kept pace with the pressures that are inexorably driving up unit costs. Most mines operating in SA are in need of a step change in performance.

_**How can mining companies attract and retain critical skills?**_

Mines continue to face severe frontline and professional skills shortages that affect critical day-to-day operations. Although training programmes have improved, there is still a lack of experienced skills in frontline positions, such as artisans and supervisors, as experienced
personnel retire or leave the company. Although current learnerships do produce high volumes of graduates, these graduates often lack necessary hands-on experience. This directly affects output, quality, and safety, while increasing overhead costs.

Professional skills are also difficult to attract and retain in mining. The mining industry competes with many other industries for professional talent, and mines are at a disadvantage, due to the harsh conditions and remote locations in which they operate. At a global level, SA is losing professional skills to other countries as experienced professionals emigrate.

Executives are challenged to develop an understanding of the human resource capabilities required, and look to implement structures that attract, develop, and retain these skills. However, the dynamic nature of the industry (and the industries that drive resource demand) means it will become increasingly challenging to balance the skills required today, with the skills needed by mines in the future.

**How can mining companies raise the capital they need for their SA operations?**

Investors are starting to attach a risk premium to SA mining investments, resulting in increased cost of capital to SA mining companies. To assist in raising capital for international investments, several companies have moved to separate their local from their global assets, struggling to fund expansion projects as their SA assets are left cash-constrained.

Furthermore, many BEE transactions are vendor-financed in a manner which that leaves the new company limited cash flow, without project expansion funds. In an environment of rising costs and lacklustre commodity prices, SA executives have to find ways and means of employing operating cash flows to fund expansion.

**How can mining companies determine the best and most sustainable use of capital?**

Capital decisions are complicated by global and local factors influencing the current and future operating environment. The increasing regulatory uncertainty and volatile labour conditions in SA have substantially increased the country's inherent operating risk. These factors, coupled with increasing pressures from rising costs, have resulted in mining companies sometimes discovering it is not always more profitable to produce more. Mining companies have, subsequently, increased their thresholds for project profitability, abandoning projects that do not promise high enough returns.
In addition to local projects, mining companies have a myriad of options to consider elsewhere. The trend towards African exploration promises growth for mining companies willing to absorb the higher operational risks. Beyond the choice of geographic focus, mining companies must also assess which commodities are the most profitable and viable under the current conditions, and which commodities are of strategic importance for future growth. Finally, mining companies have the choice of investing in mature mines or developing early-stage operations.

**How can mining companies balance the conflicting needs of stakeholders?**

Mining companies have the unenviable task of balancing the needs of multiple stakeholders. Each stakeholder group has its own unique objectives, often conflicting with those of other stakeholders. Government looks to maximise revenue to the state, while ensuring that mining companies contribute to socio-economic and infrastructure development. Where the government has, historically, struggled to provide adequate services, mining companies are frequently used as a vehicle to accelerate change. The role of mining companies is further obscured by the fact that multiple arms of government are often not aligned, with inconsistent policy and populist rhetoric.

Calls for distribution of the country's mineral wealth through resource nationalisation have become increasingly popular, with politicians looking to garner favour with the country's impoverished majority. While current government policy is against short-term resource nationalisation, this policy stance may change in future, depending on the success of other African countries that have implemented resource-based interventions to drive socio-economic progress.

Mining executives should also bear in mind that policy may shift without being considered a 'radical intervention' (for example, by increasing royalties or taxes on mining companies). These interventions can, nevertheless, have a significant impact on profitability and operational sustainability.

Similarly, labour, organised labour, and communities also expect mines to play an active role in socio-economic development. Mines frequently operate in areas with historically poor levels of service provision, and are time and again on the receiving end of decades of
frustration, due to a lack of tangible economic development, resulting in social unrest. The perception that international mining companies hoard wealth and do not share it with the communities in which they operate (despite the CSR investments that mining companies make) further threatens the fragile relationship between mining companies and communities.

While many shareholders appreciate the value of CSR initiatives, the increasing requirements for mining companies to invest in broad service provision activities makes it difficult for them to balance their responsibility to the shareholders and to the community. Mining companies, as is to be expected, look to maximise profit while retaining a social licence to operate. The fluid and increasing government and community expectations mean that mining companies are not always willing or able to deliver social projects to the levels expected. Even when companies are willing to drive social change in their areas of operation, they often do not understand the communities' needs, and find that fulfilling needs identified by local municipalities sometimes also fall short of meeting community requirements.

2.12 STRATEGIES TO IMPLEMENT CSR INITIATIVES

Hohnen (2007) describe a CSR strategy as a road to map for moving ahead on CSR issues. In determining this strategy, the firm’s direction and scope over the long term are set, with regard to CSR, allowing the firm to be successful by using its resources within its unique environment to meet market needs and fulfil stakeholder expectations.

A good CSR strategy should identify the following:

- Overall direction of where the firm wants to take its CSR work;
- The stakeholders and their perspectives and interests;
- A basic approach for moving ahead;
- Specify priority areas;
- A time-line for action, responsible staff, and immediate next step; and
- A process for reviewing and assuring outcomes.

Companies can also implement their CSR initiatives through consulting – Business consulting is a multifaceted service offered to for profit entities and aims to refine the effectiveness of organisational management techniques and operational processes. Skouloudis and Evangelinos (2014) further state that the marked emergence of interest in the
areas of stakeholder engagement and social accountability has induced companies around the world to seek assistance from consultancy firms specialising in CSR-related services; to effectively incorporate and monitor aspects of socially and environmentally responsible conduct within their operations.

2.12.1 How to develop a CSR strategy
The following five steps comprise a suggested way to develop a CSR strategy (Hohnen, 2007):

1. Build support with the CEO, senior management and employees
   Without the backing of a firm’s leadership, CSR strategies have little chance of success. The personal engagement of the CEO is usually vital. It is important for the leadership team to continue to work to build support among employees, given the key role they will ultimately play in CSR implementation.

2. Research what others are doing and existing CSR instruments
   Although it is possible for the CSR leadership team, working with other members of the firm, to develop a CSR approach entirely on its own, there is considerable value in drawing on the experience and expertise of others. Should the leadership team find that companies (in their own country, or elsewhere in the same or related sector) are emphasising different CSR activities, it could examine the similarities and differences between the company and these firms.

3. Prepare a matrix of proposed CSR actions
   The leadership team can plot current and possible CSR initiatives, processes, products and impacts on the matrix, cross-referencing them against the firm’s current activities and structure to see how well they fit.

4. Develop options for proceeding and the business case for them
   Two broad options for processing at this point, are to take an incremental approach to CSR or to decide on a more comprehensive change or direction.

5. Decide on direction, approach and focus areas
   The CSR leadership team should now have the information it needs to ask senior management for an informed decision on how the firm should proceed, in other words:
   - Direction – this is the overall course the firm could pursue or the main area it is aiming to address. For example, a mining company could choose to improve relations with surrounding communities as its chief concern;
• Approach – this refers to how a firm plans to move in the direction identified. For instance, a firm might decide to first revise its mission, vision, and values and ethics statements, next put a new code of conduct in place, then communicate with and train employees and, finally, address issues with contractors in the supply chain.

• Focus areas – these should align most clearly with the business objectives of the firm and, hence, are immediate priorities.

These decisions will usually involve setting priorities. The size of the problem and its seriousness, the estimated effectiveness of possible solutions and the ease of implementation are key factors to take into account when prioritising. Also important are the financial and human resources needed to implement the changes, legal and customer requirements, and the speed with which decisions can be implemented.

Corporate strategies should be drawn to meet stakeholder requirements. Formulating and implementing strategies should be a more proactive, rather than reactive process, an emblem of corporate conscience and management (Ganescu 2012). Each organisation must follow the wording of those long-term winning strategies, "giving equal importance to human resources, societal balance society, and the environment" (Lepineux et al. 2010 in Ganescu 2012) and realising the importance of building sustainable business.

Schermerhorn (2004 in Doda 2015), designed the valuation standards of CSR based on four strategies and on the CSR pyramid. Depending on the type of the strategy a company can choose to implement, the standards of Schermerhorn are comprised of profitability, legitimacy, ethics and philanthropy.

The first two dimensions are those which Schermerhorn refers to as the area of correspondence. The last two dimensions are part of the persuasion area, because of the bigger commitment on CSR and on the progress of voluntary actions.

A diagram of the Pyramid of CSR (Figure 1) illustrates the meaning of each responsibility to the organisation (Buchholtz and Carroll 2012: 34-38).
Economic responsibility – be profitable: maximise sales, minimise costs, make sound strategic decisions, provide investors with adequate and attractive returns on their investments.

Legal responsibility - obey the law: adhere to all regulations, fulfil all contractual obligations, honour warranties and guarantees.

Ethical responsibility – avoid questionable practices: respond to spirit as well as to letter of law, do what is right, fair and just, assert ethical leadership.

Philanthropic responsibility – be a good corporate citizen: give back, make corporate contributions, provide programmes supporting community education, health or human activities, culture and art and civic, provide for community betterment.

2.12.2 Theories of CSR
According to Ismail (2009), there is a great heterogeneity of theories and approaches of CSR; discussion in this article is based on a comprehensive analysis by Secchi (2007 in Ismail 2009) and it is compared with an analysis by Garriga and Mele (2004 cited in Ismail 2009).
Secchi has come up with a group of theories based on a criterion of what role the theories confer to the corporation and society. The theories are as follows:

**Utilitarian Theories**

In utilitarian theories the corporation serves as part of the economic system in which the function is mechanical, or traditionally known as profit maximisation. CSR ideas emerged after a realisation of a need for an economics of responsibility, embedded in the business ethics of a corporation.

Friedman (1970 in Ismail 2009) strongly stated earlier that the investment will, in the long run, provide resources and amenities for the livelihoods of the people in the community. Utilitarian theory, therefore, suggests that the corporation needs to accept social duties and rights to participate in social co-operation.

**Managerial Theory**

Secchi’s (2007 in Ismail 2009) analysis further stresses the logic of managerial theory that emphasises corporate management in which CSR are approached by the corporation internally. This makes the difference between utilitarian and managerial perspective of CSR. This suggests that everything external to the corporation is taken into account for organisational decision making. Managerial theories have been divided into three sub-groups:

1) Corporate social performance (CSP);
2) Social accountability, auditing and reporting (SAAR), and
3) Social responsibility for MNCs.

According to Ismail (2009), CSP aims to measure the contribution the social variable makes to economic performance. Thus, the problem is that of managing the firm considering social and economic factors together. It is based on the assumption that business depends on society for its growth and sustainability. CSP of a corporation is further sub-divided into five dimensions in order to keep detailed information about its existence in the corporate chains:

1) Centrality measures the way CSR is compatible with mission of the core goals;
2) specificity gauges the advantages CSR brings to the corporation;
3) pro-activity that measures the degree of reaction to external demands;
4) voluntarism that accounts for the discretion the firm in implementing CSR; and
5) visibility refers to the way the responsible behaviour is perceived by community of stakeholders.
As conclusion, the managerial theory generates interests in the sense that CSR considers socio-economic variables to measure firms’ socio-economic performance, as well as to link social responsibility ideology to business strategy. Secchi (2005 cited in Doda 2015; Ismail 2009) further elaborates that SAAR are strictly related to social performance contributions through accounting, auditing and reporting procedures. SAAR means a firm is accountable for its action. By doing so, firms are controlled and regulated in their actions towards performing their core business while responsible to the relevant community.

CSR for MNCs grows as a result of global competitions and challenges faced. This aspect of managerial theory comes into being as a result of the responsibility the managers have to shoulder, by defining useful tools about CSR for the MNCs to survive in foreign countries (Ismail, 2009).

According to Ismail (2009) who stated that Donaldson (1989 cited in Secchi 2007: 359) referred to the MNCs as ‘moral agents’, analysed on the basis of the moral values when managers make decisions in the firm, going beyond profit maximisation. The logic of CSR for MNCs is also derived from the fact that it serves as a vital tool when cultural clashes become relevant, due to events such as protests, demonstrations, boycotts, strikes and other negative actions against the employers.

The answer to these actions is the formulation of a ‘code of conduct’ that should be adopted by MNCs. The success of this initiative, however, depends on client expectation and corporate reputation; the level of trust, acceptance, and cooperation shown by the stakeholders and community of workers.

Detomasi (2008 cited in Ismail 2009) further argues that strategies, which firms choose to adopt CSR initiatives, are conditioned in part upon the domestic, political, institutional structures present in the home market. Public responsibility stresses law and public policy process taken as a reference for social performance, while corporate social performance searches for social legitimacy relevant to social issues.

*Relational Theory*
Relational theory has a root from the complex firm-environment relationships. As the term implies, interrelations between the two are the focus of the analysis of CSR. Relational theory is further divided into four sub-groups of theories: 1) business and society; 2) stakeholder approach; 3) corporate citizenship; and 4) social contract (Ismail, 2009). One of the measures of CSR is the development of economic values in a society. Another is a person’s obligation to consider the effects of his decision and action on the entire social system. Stated in the form of a general relationship, social responsibilities of businessmen need to reflect the amount of social power they have.

Based on Garriga and Mele’s (2004 cited in Ismail, 2009) analysis, stakeholder approach is both within the integrative and ethical theories, where the former emphasises the integration of social demands and the latter focuses on the right thing to achieve a good society. These are supported by the work of Mitchel, Agle and Wood (1997 in Ismail, 2009).

Finally, the social contract theory of the relational group refers to the fundamental issue of justifying the morality of economic activities in order to have a theoretical basis for analysing social relations between corporation and society (Ismail, 2009). Conclusions about the three groups of CSR theories are as follows:

Utilitarian theory is simplified in its views by the individuals and mechanical from the corporation perspective, managerial is very organisational oriented and measurable; and relational is values-based, as well as interdependent between the corporation and society.

Instrumental theory focuses on achieving economic objectives through social activities; political focusing on a responsible use of business power in the political arena; integrative concentrating on drawing together management issues, public responsibility, stakeholder management and corporate social performance; and ethical theory emphasises strategies to achieve a good society.

The Ethical approaches, utilitarian; human rights and justice have also been emphasised by Smit, Cronje, Brevis and Vrba (2011: 470-472).

2.13 COMMUNICATING CSR INITIATIVES
A key aspect of managing CSR is communicating it to stakeholders (Villgra 2016). It has been also been attested by Du et.al, 2010; Jahdi and Acikdilli (2009 cited in Villgra 2016)
that stakeholder are demanding greater transparency and wish to receive information not only about products and services but also about the values and social commitments of the company behind them.

2.13.1 Definition of communication

Communication may be defined as a two-way process of reaching mutual understanding, in which participants not only exchange (encode-decode) information, news, ideas and feelings, but also create and share meaning.

There are three main types of communication (reference.com2016) are:

- **Verbal communication** – is the use of words in speech to convey a message. One person speaks and the other listens and understands the meaning of the spoken words.
- **Written communication** – is the use of written words to convey a message. Properly written, the words are read and easily understood. Written communication can be in a form of stories, memos, letters, manuals and even reports.
- **Non-verbal communication** – involves studying and observing a person and inferring a meaning from the observation.

2.13.2 Communication Management Process

The communication process is explained by method123.com (2016) that it will aid with Communication Management for a team. It will also help to identify the messages that need to be sent, determine the target audience, communicate your message through communications events and gather feedback and improve your communication processes. By using this process, project stakeholders can be clearly identified, as can stakeholders’ communication needs, while ensuring the right people receive the right information at the right time.

Keeping stakeholders regularly informed is a critical activity for any team. Whether it’s through status reports or regular meetings, it can be ensured that the right messages are distributed about the progress of a project. This will help the project team and external stakeholders to remain focused on delivery and to provide support needed to deliver a project successfully. According to Luthans (1998: 474), the importance of feedback cannot be
overemphasised because effective interpersonal communication is highly dependent on it. Feedback makes communication a two way process.

Morsing and Schultz (2006) present three CSR communication strategies: a one-way communication strategy, a two-way asymmetric communication strategy and a two-way symmetric communication strategy, each of which relate to the processes of sense-giving and sense-making.

<table>
<thead>
<tr>
<th>Communication ideal:</th>
<th>The stakeholder information strategy</th>
<th>The stakeholder response strategy</th>
<th>The stakeholder involvement strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Grunig &amp; Hunt (1984 in Morsing and Schultz 2006))</td>
<td>Public information, one-way communication</td>
<td>Two-way asymmetric communication</td>
<td>Two-way symmetric communication</td>
</tr>
<tr>
<td>Communication ideal: sense-making and sensegiving:</td>
<td>Sensegiving</td>
<td>Sensemaking ↓ Sensegiving</td>
<td>Sensemaking ↓ Sensegiving – in iterative progressive processes</td>
</tr>
<tr>
<td>Stakeholders:</td>
<td>Request more information on corporate CSR efforts</td>
<td>Must be reassured that the company is ethical and socially responsible</td>
<td>Co-construct corporate CSR efforts</td>
</tr>
<tr>
<td>Stakeholder role:</td>
<td>Stakeholder influence: support or oppose</td>
<td>Stakeholders respond to corporate actions</td>
<td>Stakeholders are involved, participate and suggest corporate actions</td>
</tr>
<tr>
<td>Identification of CSR focus:</td>
<td>Decided by top management</td>
<td>Decided by top management. Investigated in feedback via opinion polls, dialogue, networks and partnerships</td>
<td>Negotiated concurrently in interaction with stakeholders</td>
</tr>
<tr>
<td>Strategic communication task:</td>
<td>Inform stakeholders about favourable corporate CSR</td>
<td>Demonstrate to stakeholders how the company integrates and pro-active</td>
<td>Invite and establish frequent, systematic and proactive</td>
</tr>
</tbody>
</table>
The stakeholder information strategy
decisions and actions
Corporate communication department's task: Design appealing concept message
Third-party endorsement of CSR initiatives: Unnecessary

The stakeholder response strategy
their concerns
Identify relevant stakeholders
Integrated element of surveys, rankings and opinion polls

The stakeholder involvement strategy
dialogue with stakeholders, i.e. opinion makers, corporate critics, the media, etc.
Build relationships
Stakeholders are themselves involved in corporate CSR messages

Source: Morsing and Schultz (2006)

### 2.13.3 The importance of engaging with CSR stakeholders

According to Van Huijstee and Glasbergen (2008 cited in Golob and Podner 2014), with the increased focus on CSR emerging in the corporate world, a key aspect of CSR is how companies interact with stakeholders. Emphasis is also placed by Kaptein and Van Tulder (2003 cited in Golob and Podnar, 2014), who state that such engagement can help all parties to understand each other better, and their relationship can be based on cooperation rather than confrontation.

More scholars, such as Crane and Livesey (2003); Johnson-Cramer et al. (2003); and Morsing and Schultz (2006 cited in Golob and Podner 2014), are of the view that one such form of interactive communication is ‘stakeholder dialogue’, a co-creation of shared understanding by the company and stakeholders. Companies and their communications staff need to explain and justify their choice of CSR programmes and policies to a wide and diverse group of internal and external stakeholders – a daunting task, considering that stakeholder groups approach the economy with different, unique perspective and expectations (Fieseler 2011).

Wixley and Everingham (2015: 208) state that the basic principle set out by King is that transparent and effective communication is essential for building and maintaining stakeholders’ trust and confidence (principle 8.4). This implies information that is complete,
timely, relevant, accurate, honest and accessible. In addition the JPOI, specifically paragraph 44, identifies the potential positive contribution of mining to sustainable development, and calls for the participation of all stakeholders (WSSD 2002 cited in Busacca 2013).

Paragraph 44 outlines the following:

44. Mining, minerals and metals are important to the economic and social development of many countries. Minerals are essential for modern living. Enhancing the contribution of mining, minerals and metals to sustainable development includes actions at all levels to:

(a) Support efforts to address the environmental, economic, health and social impacts and benefits of mining, minerals and metals throughout their life cycle, including workers’ health and safety, and use a range of partnerships, furthering existing activities at the national and international levels, among interested Governments, intergovernmental organisations, mining companies and workers, and other stakeholders, to promote transparency and accountability for sustainable mining and minerals developments;

(b) Enhance the participation of stakeholders, including local and indigenous communities and women, to play an active role in minerals, metals and mining developments throughout the life cycles of mining operations, including after closure for rehabilitation purposes, in accordance with national regulations and taking into account significant transboundary impacts;

(c) Foster sustainable mining practices through the provision of financial, technical and capacity-building support to developing countries and countries with economies in transition for the mining and processing of minerals, including small-scale mining, and, where possible and appropriate, improve value-added processing, upgrade scientific and technological information, and reclaim and rehabilitate degraded site.

Morsing and Schultz (2006) suggest that communicating messages that claim to represent a true image of corporate initiatives, such as CSR, will benefit from a pro-active third-party endorsement, in other words, that external stakeholders express their support of corporate CSR initiatives.
Freemantle and Rockey (2004 cited in Ehlers and Lazenby 2007) provide several guidelines for engaging with stakeholders, explored below:

- Understand the purpose of stakeholder engagement
  Stakeholder engagement should be a proactive process with the aim of including stakeholders in strategic decision making, not a reactive process to protect a corporate reputation in times of crisis.

- Map all stakeholders
  All stakeholders and their relationship to the organisation, as well as the interrelationships between the various stakeholders should be analysed and mapped. Potential stakeholders should also be included in this process.

- Link sustainability issues to core stakeholder engagement
  Stakeholder engagement on sustainability issues should not be separated from stakeholder engagement on issues such as strategic decision making.

- Go deeper than research
  Stakeholder engagement should not be a linear process where the organisation simply researches its stakeholders, but a participative process where the stakeholders should be encouraged to interact and consult with the representatives of the organisation.

- Select the most appropriate methods
  Accessing stakeholders will differ from stakeholder group to stakeholder group, and the method the organisation chooses to engage with its stakeholders should take into consideration the characteristics of the group in question.

- Deal with conflicting stakeholder demands
  The demands and expectations of the different stakeholders will often be conflicting and each stakeholder group will have different priorities. It is therefore important that the organisation strive to reach consensus between the various claims and expectations without compromising the viability of the business or the position of the stakeholders.

- Stakeholder engagement informs reporting
  The stakeholder engagement process should be linked to the organisation’s sustainability reporting. The King II Report emphasises the importance of stakeholder engagement for good corporate governance practices, and provides several recommendations on stakeholder engagement. It recommends that a balance between the individual interest of the stakeholders and the collective good of the organisation be established. It also
recommends that organisations engage with their stakeholders to increase the depth of strategic planning and risk management; identify stakeholders and prioritise key stakeholders that have legitimate and relevant interest in the operations of the organisation; and report on stakeholder issues in such a way that the target audience can understand the issue at hand.

Hamann (2003) further outlines the following as important success factors in engaging stakeholder in the CSR initiatives processes:

- The assistance of external, trusted facilitators;
- Dedication early in the process to negotiating and determining jointly agreed upon processes and decision-making principles;
- Demonstrated commitment from top-level stakeholder representatives; and
- Persistent dedication to involving local stakeholders and supporting stakeholder representatives in their role as intermediaries for constituencies.

### 2.14 THE IMPORTANCE OF MANAGING CSR INITIATIVES

#### 2.14.1 Management and sustainable development

Sustainable development, as defined by the Brundtland Commission, is an ethical standard (World Commission on Environment and Development 1987 in Baumgartner 2014). To concretise sustainable development in a more tangible definition is, however, necessary. According to Robert et al. (2002 cited in Baumgartner 2014), The Framework for Strategic Development (FSSD), which was developed by ten pioneering sustainability scientists, offers such a definition in using four general principles for sustainability:

In a sustainable society,
1. Nature is not subject to systematically increasing concentrations of substances extracted from the Earth’s crust;
2. Nature is not subject to concentrations of substances produced by society;
3. Nature is not subject to degradation by physical means; and
4. People are not subject to conditions that systematically undermine the efforts to meet their needs, in that society.
Carpenter and White (2004 cited in Baumgartner 2014) also state that the role of business regarding sustainable development has usually been discussed as a ‘responsibility’ to society, whereby responsibility is defined as the need to eliminate negative effects of business on the community.

In addition, the question of how business can actively contribute to the goals of sustainable development, to link responsibility with opportunity, is of great relevance. In this case, according to McWilliams and Siegel (2011 cited in Baumgartner 2014), sustainable development will be a source of value creation – for the company and for society.

2.15 CONCLUSION
All the information collected concerning local community’s perception of CSR programmes that were interpreted in this chapter, will serve as the basis for making recommendations for RBM to implement strategies to improve on their CSR initiatives. The factors listed below are regarded as very important:

- Benefits
- Feedback
- Community engagement
- Respect
- Negative impacts

According to the literature reviewed, these are the most significant factors influencing CSR initiatives in companies when they are employed correctly. The next chapter discusses the research methodology that will be utilised for this study.
CHAPTER 3  
RESEARCH METHODOLOGY

3.1 INTRODUCTION
With the literature reviewed in the previous chapter, this chapter aims at providing an overview of the research methods applied to collect data, the sampling method, target population, validity of the measuring instrument and ethical consideration of the study. A quantitative approach has been used, with the aim to investigate the perceived impact of RBM’s CSR to the local communities in the northern region of KZN.

3.2 RESEARCH DESIGN
A quantitative research approach was used to collect data for this study.

Quantitative methods begin with a series of predetermined categories, usually embodied in standardised quantitative measures and this data is used to make broad and generalisable comparisons (Terre Blanche et al. 2006:47). In sociology, a quantitative research refers to the systematic empirical investigation of social phenomena via statistical, mathematical or numerical data or computational techniques.

Quantitative methods emphasise objective instruments and the statistical, mathematical, or numerical analysis of data collected through poll, questionnaire and surveys or by manipulating pre-existing statistical data using computation techniques. In quantitative research the focus is on gathering numerical data and generating cross groups of people or to explain a particular phenomenon (Babbie 2010).

In this study, a questionnaire was distributed to participants in different local communities of KwaMbonambi, Sokhulu, Mkhwanazi, Dube and Mzingazi in the northern region of KZN, where respondents were expected to indicate their answers.

3.3 RESEARCH OBJECTIVES
• To examine the impact RBM’s CSR initiatives has on the identified communities in the northern region of KZN;
• To determine to what extent RBM’s CSR affects the lives of communities in the selected northern region of KZN;
• To identify the factors that are hindering RBM from participating in CSR; and
• To recommend implementation strategies with which to monitor the impact RBM’s CSR has on communities.

3.4 TARGET POPULATION
The target population comprised of 250 community members from Churches, Clinics, Schools and Society at large, within the northern region of KZN where RBM is located.

3.5 SAMPLING
Sampling is the process used to select cases for inclusion in a research study (Terre Blanche et al. 2006: 275).

Both males and females were included in the study. Since this was a CENSUS research study, the total population of 250 community members was sampled, which included community leaders, pastors/reverends, school principals and clinic heads, as well as members from the community at large within the northern region of KZN. Cluster sampling was used to categorise the population in this study. The sampling frame was drawn from municipal wards where churches, schools, clinics and general households are situated. A total of 250 respondents were selected from these community clusters of different municipal wards, to participate in a survey within the northern region of KZN.

3.6 DATA COLLECTION
A structured questionnaire was developed as the measuring instrument in the data collection method employed to collect the primary data. The questionnaire contained 24 closed-ended questions and a Likert scale format was used. With the assistance of a fully trained researcher that was employed for this purpose, the questionnaire was handed out to the respondents, who were given a period of two weeks to respond. Completed questionnaires were given to community leaders, pastors/reverends, school principals and clinic heads within the community, until the collection date by the researcher.

Questionnaire was used in this study as a measuring instrument in data collection since they offer advantages and disadvantages such as these listed below:
3.6.1 Advantages of using a questionnaire

- It is invariably cheaper than interviews, especially when there is a large number of respondents and should respondents be geographically dispersed.
- Usually quicker than interviews.
- There is a good deal of evidence to suggest that peoples’ responses to questions can be affected by their perceptions of the social desirability of certain kinds of answers.
- Perceived as more anonymous.
- Allows respondents time to think about the questions.

3.6.2 Disadvantages of a questionnaire

- Respondents can read the whole questionnaire before starting to answer the first question, so that answers to early questions may be influenced by their knowledge of the later ones.
- The researcher can never be certain who has answered a questionnaire.
- Low response rate.
- No interview intervention available (for probing and explanation).

3.7 DATA ANALYSIS

Terre Blanche et al. (2006: 52) state that data analysis issues should be carefully considered when designing a study, since the aim of data analysis is to transform information (data) into an answer to the original research question. A careful consideration of data analysis strategies will ensure that the design is coherent as the researcher matches the analysis to a particular type of data, to the purposes of the research and to the research paradigm. In this study, the elements were the communities in the northern region of KZN. The research questions were used to analyse the results of the study. The data was analysed using SPSS version 21.0.

The descriptive statistics, frequencies and percentages provided an overview of the results and are illustrated by bar and pie charts, tables and histograms developed in Microsoft Excel.

3.8 VALIDITY AND RELIABILITY

Population validity, used in this study, refers to the degree to which the findings obtained for a sample may be generalised to the total population to which the research hypothesis applies.
A random selection of participants is required for population validity. In this study, 250 Males and females from different clusters of municipal wards within the northern region of KZN were randomly selected, for a total of 250 respondents. Various validities were measured as follows;

**Face validity:** the questionnaire was reviewed by the faculty experts

**Content validity:** the questionnaire was pilot tested

Reliability was measured using the Cronbach alpha coefficient.

### 3.9 ETHICAL CONSIDERATION

According to Welman and Kruger (1999: 181) ethical considerations come into play at three stages of a research project namely:

- When participants are recruited;
- During the intervention and/or the measurement procedure to which they are subjected; and
- In the release of the results obtained.

Ethical consideration was taken into account and participants were informed that participation in the study is voluntary. The respondents’ right to privacy was exercised by obtaining their direct consent and they were informed of their right to withdraw from the study at any time. Anonymity and confidentiality of information was ensured at all times. All data and information collected from the respondents by the researcher were kept in a safe place and will be destroyed immediately once the study is completed.

### 3.10 DESCRIPTION AND DEVELOPMENT OF QUESTIONNAIRES

The questionnaires were structured according to the particular research objectives of the study. A semi-structured questionnaire with a total of 24 closed-ended questions was used (Appendix C).

The questionnaire was structured in the following manner:

**Section A – Demographic Information**

- Race
- Gender
- Age
- Years living in the community
- Educational background

Section B - Questionnaire Draft

The semi-structured statements/questions are detailed below:

Question 1. The benefits brought by RBM to local people can include jobs, capacity building, technology, contracting and business opportunities and social investment.

Question 2. There is a negative effect on the livelihood, health, safety, lifestyle, security and economic development of communities developed by RBM.

Question 3. RBM has contributed to the well-being of the society of the northern region of KZN.

Question 4. RBM’s corporate social responsibility programmes are skewed to benefit the few while starving many.

Question 5. Sustainability of the communities surrounding RBM is based on the Corporate Social Responsibility of the company.

Question 6. The Corporate Social Responsibility management of RBM always gives feedback to community issues pertaining to social responsibility.

Question 7. There are negative impacts brought by RBM’s Corporate Social Responsibility on northern region’s culture.

Question 8. Schools do benefit from Corporate Social Responsibility programmes established by RBM?

Question 9. The local communities are always reminded of how much they contribute to the success of the company’s social responsibility issues.

Question 10. RBM always asks for inputs in decision making pertaining to social responsibility issues.

Question 11. RBM’s corporate social responsibility offers the communities the opportunity for advancement.

Question 12. The attitudes of Corporate Social Responsibility management at RBM influences motivation positively resulting in communities to advance their lives.

Question 13. Compared to other companies, I feel RBM is better than the most when it comes to social responsibility issues.

Question 14. I always talk positively about RBM’s social responsibility.

Question 15. I respect the history and vision of RBM.
Question 16. I am satisfied about the way things are done at RBM when it comes to social responsibility issues.

Question 17. We are always encouraged by RBM to take the opportunities they avail regarding the social advancement issues.

Question 18. I always find it easy to voice my concerns to RBM regarding social responsibility issues.

Question 19. I am familiar with the concept of Corporate Social Responsibility.

Question 20. I participate actively in social and political activities in my local community.

Question 21. RBM often organises social outings or programmes for local communities.

Question 22. Corporate social responsibility is a marketing strategy for the company that may have a positive impact on local and regional communities.

Question 23. RBM’s corporate social responsibility activities involve stakeholder engagement, community activities and stimulate sustainable local economy.

Question 24. RBM communicates its corporate social responsibility efforts locally.

The traditional 5-point Likert Scale was used and the respondents were asked to convey their opinions by choosing the answer from the given options:

- Strongly Agree
- Agree
- Unsure
- Disagree
- Strongly Disagree

These options were also rated from 1 – 5 as follows:

1 = Very High
2 = High
3 = Medium
4 = Low
5 = Very Low

3.11 CONCLUSION
The purpose of this chapter was to provide an understanding of the research methodology and strategies employed during data collection and analysis. The research design was clearly
defined, as was the target population and the sample size used for this study. Validity and reliability were also discussed in this chapter. The study used a quantitative research paradigm, with its advantages and disadvantages detailed.

The research approach used in this study as the primary method of collecting data involved a questionnaire. The following chapter will focus on the analysis of data and interpretation of the results.
CHAPTER 4
ANALYSIS OF DATA AND PRESENTATION OF RESULTS
SECTION A

4.1 INTRODUCTION
This chapter provides a detailed analysis of the findings and interpretation of the results. As discussed in chapter 1, the study examines the perceived impact of RBM’s CSR on the local communities in the northern region of KZN. All the findings related to the question and the various statistical analyses are presented under each heading. The research questions were used to analyse the results of the study. The descriptive statistics, frequencies and percentages provided an overview of the results and are illustrated by bar and pie charts.

A total of 250 questionnaires were distributed to the respondents in person, with 133 responses collected after four weeks, including four that were returned unanswered. Hence, 129 questionnaires were finally used for calculation of the results.

4.2 QUESTIONNAIRE ANALYSIS
Distribution of the questionnaire was to 250 respondents in the different local communities of KwaMbonambi, Sokhulu, Mkhwanazi, Dube and Mzingazi, in the northern region of KZN.

The questionnaire contained 24 closed-ended questions and a Likert scale format was used, which aided with the statistical analysis of the questions/statements presented hereafter. The Questionnaire was set out in two sections; Section A deals with respondent demographics, with the first part of Section B illustrating the findings of the analysis of the questions, while the second part discusses the results regarding the variables on benefits brought by RBM, negative impacts, feedback on community issues, and community involvement, as well as respect towards RBM.

**Section A**
The demographics (race, gender, age, years in community and educational level) of the respondents are analysed in the manner outlined in the following tables and figures below (see Appendix D).
Table 4.1: Race of respondents

<table>
<thead>
<tr>
<th>Race</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>Black</td>
<td>129</td>
<td>100,0</td>
<td>100,0</td>
</tr>
</tbody>
</table>

Figure 4.1: Race of respondents

Table 4.1 and Figure 4.1 shows that 129 (100 percent) of respondents are black.

Table 4.2: Gender of respondents

<table>
<thead>
<tr>
<th>Gender</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>Male</td>
<td>66</td>
<td>51,2</td>
<td>51,2</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>63</td>
<td>48,8</td>
<td>100,0</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>129</td>
<td>100,0</td>
<td>100,0</td>
</tr>
</tbody>
</table>
Table 4.2 and Figure 4.2 shows that 66 (51 percent) of the respondents are male and 63 (49 percent) are females.

**Table 4.3: Age of respondents**

<table>
<thead>
<tr>
<th>Age</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>20 – 25</td>
<td>25</td>
<td>19,4</td>
<td>19,4</td>
<td>19,4</td>
</tr>
<tr>
<td>26 – 30</td>
<td>22</td>
<td>17,1</td>
<td>17,1</td>
<td>36,4</td>
</tr>
<tr>
<td>31 – 35</td>
<td>22</td>
<td>17,1</td>
<td>17,1</td>
<td>53,5</td>
</tr>
<tr>
<td>36 – 40</td>
<td>28</td>
<td>21,7</td>
<td>21,7</td>
<td>75,2</td>
</tr>
<tr>
<td>41 – 50</td>
<td>19</td>
<td>14,7</td>
<td>14,7</td>
<td>89,9</td>
</tr>
<tr>
<td>51 – 55</td>
<td>4</td>
<td>3,1</td>
<td>3,1</td>
<td>93,0</td>
</tr>
<tr>
<td>56 – 60</td>
<td>7</td>
<td>5,4</td>
<td>5,4</td>
<td>98,4</td>
</tr>
<tr>
<td>&gt; 60</td>
<td>2</td>
<td>1,6</td>
<td>1,6</td>
<td>100,0</td>
</tr>
<tr>
<td>Total</td>
<td>129</td>
<td>100,0</td>
<td>100,0</td>
<td>100,0</td>
</tr>
</tbody>
</table>
Table 4.3 and Figure 4.3 shows that 25 (19 percent) and 22 (17 percent) of the respondents are between the ages of 20-25 and 26-30 respectively. The table and figure also reveals that 22 (17 percent) and 28 (22 percent) the respondents are between the ages 31-35 and 36-40 respectively, while 19 (15 percent) are between the ages 41-50. The smallest number of respondents which is 4 (3 percent), 7 (5 percent) and 2 (2 percent) are between the ages 51-55, 56-60 and above 60 respectively.

Table 4.4: Years respondents living in the community

<table>
<thead>
<tr>
<th>Years living in the community</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt; 2</td>
<td>4</td>
<td>3.1</td>
<td>3.1</td>
<td>3.1</td>
</tr>
<tr>
<td>2 – 5</td>
<td>11</td>
<td>8.5</td>
<td>8.5</td>
<td>11.6</td>
</tr>
<tr>
<td>6 – 10</td>
<td>34</td>
<td>26.4</td>
<td>26.4</td>
<td>38.0</td>
</tr>
<tr>
<td>&gt; 10</td>
<td>80</td>
<td>62.0</td>
<td>62.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>129</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>
The findings indicated in Table 4.4 and Figure 4.4 show that 4 (3 percent) of the respondents have 2 or less years living in the community, whereas 11 (9 percent) of the respondents have lived between 2-5 years in the community. Respondents who have lived for 6-10 years in the community make up 34 (26 percent), whilst a very high number of 80 (62 percent) are the respondents who have lived in the community for a period of 10 and more years.

The study revealed that a little less than 90% of the respondents have lived in the community for more than 5 years, this indicates that more responses are from long term residents.

Table 4.5: Educational background of respondents

<table>
<thead>
<tr>
<th>Educational background</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below Matric</td>
<td>19</td>
<td>14.7</td>
<td>14.7</td>
<td>14.7</td>
</tr>
<tr>
<td>Matric</td>
<td>56</td>
<td>43.4</td>
<td>43.4</td>
<td>58.1</td>
</tr>
<tr>
<td>Tertiary</td>
<td>54</td>
<td>41.9</td>
<td>41.9</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>129</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>
The findings indicated in Table 4.5 and Figure 4.5 shows that 19 (15 percent) of the respondents have a below matric education, whilst 56 (43 percent) have matric and 54 (42 percent) have a tertiary education. The study revealed that at 85 percent of the respondents have at least a matric education with 42 percent having a tertiary qualification. This indicates that the responses gathered were from an informed source.

4.3 Section B – Part One
All the findings related to the question /statement and the various statistical analyses are presented under each heading. The research questions were used to analyse the results of the study.

**Question 4.3.1:** The benefits brought by RBM to local people can include jobs, capacity building, technology, contracting and business opportunities, and social investment.

**Table 4.6: Responses on benefits brought by RBM to local people**

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>57</td>
<td>44.2</td>
<td>44.2</td>
<td>44.2</td>
</tr>
<tr>
<td>Agree</td>
<td>47</td>
<td>36.4</td>
<td>36.4</td>
<td>80.6</td>
</tr>
<tr>
<td>Unsure</td>
<td>11</td>
<td>8.5</td>
<td>8.5</td>
<td>89.1</td>
</tr>
<tr>
<td>Disagree</td>
<td>13</td>
<td>10.1</td>
<td>10.1</td>
<td>99.2</td>
</tr>
</tbody>
</table>
Table 4.6 and figure 4.6 shows that 57 (44 percent) of the respondents strongly agreed; 47 (36 percent) agreed; 11 (9 percent) indicated unsure; 13 (10 percent) disagreed and 1 (1 percent) strongly disagreed. The results of the survey revealed that many of the respondents strongly agree that the benefits brought by RBM to local people include jobs, capacity building, technology, contracting and business opportunities and social investment. The graph and table above further show the results of the survey.

The main finding illustrated (Table 4.1 and Figure 4.1) indicates the majority of the respondents fully agree that the benefits brought by RBM to local people can include jobs, capacity building, technology, contracting and business opportunities and social investment.

**Question 4.3.2:** There is a negative effect on the livelihood, health, safety, lifestyle, security and economic development of communities developed by RBM.
Table 4.7: Responses to negative effect on communities

<table>
<thead>
<tr>
<th>Response</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>2</td>
<td>1.6</td>
<td>1.6</td>
<td>1.6</td>
</tr>
<tr>
<td>Agree</td>
<td>37</td>
<td>28.7</td>
<td>28.7</td>
<td>30.2</td>
</tr>
<tr>
<td>Unsure</td>
<td>47</td>
<td>36.4</td>
<td>36.4</td>
<td>66.7</td>
</tr>
<tr>
<td>Disagree</td>
<td>32</td>
<td>24.8</td>
<td>24.8</td>
<td>91.5</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>11</td>
<td>8.5</td>
<td>8.5</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>129</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Figure 4.7: Responses to negative effect on communities

Table 4.7 and figure 4.7 show that 2 (2 percent) of the respondents strongly agreed; 37(28 percent) agreed; 47(36 percent) responded unsure; 32(25 percent) disagreed and 11(9 percent) strongly disagreed. The results of the survey thus show that many of the respondents are unsure that there is a negative effect on the livelihood, health, safety, lifestyle, security and economic development of communities developed by RBM. The graph and table above further show the results of the survey.

The main findings on the survey above indicates that respondents are unsure that there is a negative effect on the livelihood, health, safety, lifestyle, security and economic development of communities developed by RBM.
**Question 4.3.3:** RBM has contributed to the well-being of the society of the northern region of KZN.

**Table 4.8: Responses on the contribution to the well-being of society**

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>14</td>
<td>10.9</td>
<td>10.9</td>
<td>10.9</td>
</tr>
<tr>
<td>Agree</td>
<td>49</td>
<td>38.0</td>
<td>38.0</td>
<td>48.8</td>
</tr>
<tr>
<td>Unsure</td>
<td>38</td>
<td>29.5</td>
<td>29.5</td>
<td>78.3</td>
</tr>
<tr>
<td>Disagree</td>
<td>28</td>
<td>21.7</td>
<td>21.7</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>129</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

**Figure 4.8: Responses on the contribution to the wellbeing of society**

Table 4.8 and figure 4.8 show that 14(11 percent) of the respondents strongly agreed; 49(38 percent) agreed; 38(29 percent) stated unsure and 28(22 percent) disagreed. The results of the survey revealed that many respondents agree that RBM has contributed to the wellbeing of the society of the northern region of KZN. The graph and the table above further show the results of the survey.

The main finding of the graph and table above indicates that RBM has contributed to the wellbeing of the society of the northern region of KZN.
**Question 4.3.4:** RBM’s corporate social responsibility programmes are skewed to benefit the few while starving many.

**Table 4.9: Responses to RBM’s CSR programmes benefits**

<table>
<thead>
<tr>
<th>Opinion</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>4</td>
<td>3.1</td>
<td>3.1</td>
<td>3.1</td>
</tr>
<tr>
<td>Agree</td>
<td>58</td>
<td>45.0</td>
<td>45.0</td>
<td>48.1</td>
</tr>
<tr>
<td>Unsure</td>
<td>50</td>
<td>38.8</td>
<td>38.8</td>
<td>86.8</td>
</tr>
<tr>
<td>Disagree</td>
<td>17</td>
<td>13.2</td>
<td>13.2</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>129</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

**Figure 4.9: Responses to RBM’s CSR programme benefits**

Table 4.9 and figure 4.9 show that 4(3 percent) of the respondents strongly agreed; 58(45 percent) agreed; 50(39 percent) responded unsure and 17(13 percent) disagreed. The result of the survey revealed that many respondents agree that RBM’s CSR programmes are skewed to benefit the few while starving many. The graph and table above further show the results of the survey.

The main finding of the graph and table above indicate that RBM’s CSR programmes are skewed to benefit the few while starving many.

**Question 4.3.5:** Sustainability of the communities surrounding RBM is based on the corporate social responsibility of the company.
Table 4.10: Responses on sustainability of the communities

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>10</td>
<td>7.8</td>
<td>7.8</td>
<td>7.8</td>
</tr>
<tr>
<td>Agree</td>
<td>32</td>
<td>24.8</td>
<td>24.8</td>
<td>32.6</td>
</tr>
<tr>
<td>Unsure</td>
<td>63</td>
<td>48.8</td>
<td>48.8</td>
<td>81.4</td>
</tr>
<tr>
<td>Disagree</td>
<td>23</td>
<td>17.8</td>
<td>17.8</td>
<td>99.2</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>1</td>
<td>0.8</td>
<td>0.8</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>129</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

![Bar chart showing responses on sustainability of communities]

Figure 4.10: Responses on sustainability of communities

Table 4.10 and figure 4.10 show that 10(8 percent) of the respondents strongly agreed; 32(25 percent) agreed; 63(49 percent) indicated unsure; 23(17 percent) disagreed and 1(1 percent) strongly disagreed. The results of the survey revealed that many of the respondents are unsure that the sustainability of the communities surrounding RBM is based on the CSR of the company. The graph and the table above further show the results of the survey.

The main finding of the graph and the table above indicates that the majority of the respondents are unsure whether the sustainability of the communities surrounding RBM is based on the CSR of the company.

**Question 4.3.6:** The corporate social responsibility management of RBM always gives feedback to community on issues pertaining to social responsibility.
Table 4.11: Responses on feedback to communities by the CSR management of RBM

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>9</td>
<td>7.0</td>
<td>7.0</td>
<td>7.0</td>
</tr>
<tr>
<td>Agree</td>
<td>22</td>
<td>17.1</td>
<td>17.1</td>
<td>24.0</td>
</tr>
<tr>
<td>Unsure</td>
<td>51</td>
<td>39.5</td>
<td>39.5</td>
<td>63.6</td>
</tr>
<tr>
<td>Disagree</td>
<td>45</td>
<td>34.9</td>
<td>34.9</td>
<td>98.4</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>2</td>
<td>1.6</td>
<td>1.6</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>129</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Figure 4.11: Responses on feedback to communities by the CSR management of RBM

Table 4.11 and figure 4.11 show that 9 (7 percent) of the respondents strongly agreed; 22(17 percent) agreed; 51(40 percent) replied unsure; 45(34 percent) disagreed and 2(2 percent) strongly disagreed. The results of the survey revealed that many of the respondents are unsure that the CSR management of RBM always gives feedback to community on issues pertaining to social responsibility. The graph and table above further show the results of the survey.

The main finding of the survey revealed that the majority of the respondents are not sure that the CSR management of RBM always gives feedback to community on issues pertaining to social responsibility.

Question 4.3.7: There are negative impacts brought by RBM’s corporate social responsibility on northern region’s culture.
Table 4.12: Responses to impacts on culture

<table>
<thead>
<tr>
<th>Valid</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>6</td>
<td>4.7</td>
<td>4.7</td>
<td>4.7</td>
</tr>
<tr>
<td>Agree</td>
<td>56</td>
<td>43.4</td>
<td>43.4</td>
<td>48.1</td>
</tr>
<tr>
<td>Unsure</td>
<td>43</td>
<td>33.3</td>
<td>33.3</td>
<td>81.4</td>
</tr>
<tr>
<td>Disagree</td>
<td>20</td>
<td>15.5</td>
<td>15.5</td>
<td>96.9</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>4</td>
<td>3.1</td>
<td>3.1</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>129</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Table 4.12 and figure 4.12 show that six (5 percent) of the respondents strongly agreed; 56 (43 percent) agreed; 43 (33 percent) answered unsure; 20 (16 percent) disagreed and 4 (3 percent) strongly disagreed. The results of the survey therefore revealed that the majority of the respondents agree that there are negative impacts brought by RBM’s CSR on northern region’s culture. The graph and table above further show the results of the survey.

The main finding of the graph and table above indicates that the majority of the respondents agree that there are negative impacts brought by RBM’s CSR on northern region’s culture.

**Question 4.3.8:** Schools do benefit from corporate social responsibility programmes established by RBM.
Table 4.13: Responses on benefits to schools

<table>
<thead>
<tr>
<th>Valid</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>34</td>
<td>26.4</td>
<td>26.4</td>
<td>26.4</td>
</tr>
<tr>
<td>Agree</td>
<td>48</td>
<td>37.2</td>
<td>37.2</td>
<td>63.6</td>
</tr>
<tr>
<td>Unsure</td>
<td>35</td>
<td>27.1</td>
<td>27.1</td>
<td>90.7</td>
</tr>
<tr>
<td>Disagree</td>
<td>11</td>
<td>8.5</td>
<td>8.5</td>
<td>99.2</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>1</td>
<td>0.8</td>
<td>0.8</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>129</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Figure 4.13: Responses on benefits to schools

Table 4.13 and Figure 4.13 show that 34 (26 percent) of the respondents strongly agreed; 48 (37 percent) agreed; 35 (27 percent) indicated unsure; 11 (9 percent) disagreed and 1 (1 percent) strongly disagreed. The results revealed that most of the respondents agree that schools do benefit from CSR programmes established by RBM. The graph and the table above further show the results of the study.

The main finding of the graph and table above indicates that the majority of the respondents agree that schools do benefit from CSR programmes established by RBM.

**Question 4.3.9:** The local communities are always reminded of how much they contribute to the success of the company’s social responsibility issues.
Table 4.14: Responses on community acknowledgement

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>11</td>
<td>8.5</td>
<td>8.5</td>
<td>8.5</td>
</tr>
<tr>
<td>Agree</td>
<td>21</td>
<td>16.3</td>
<td>16.3</td>
<td>24.8</td>
</tr>
<tr>
<td>Unsure</td>
<td>51</td>
<td>39.5</td>
<td>39.5</td>
<td>64.3</td>
</tr>
<tr>
<td>Disagree</td>
<td>40</td>
<td>31.0</td>
<td>31.0</td>
<td>95.3</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>6</td>
<td>4.7</td>
<td>4.7</td>
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</tr>
<tr>
<td>Total</td>
<td>129</td>
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<td></td>
</tr>
</tbody>
</table>

Figure 4.14: Responses on community acknowledgement

Table 4.14 and figure 4.14 show that 11(9 percent) of the respondents strongly agreed; 21(16 percent) agreed; 51(39 percent) replied unsure, 40(31 percent) disagreed and 6(5 percent) strongly disagreed. The result of the survey revealed that the majority of the respondents are unsure that the local communities are always reminded of how much they contribute to the success of the company’s social responsibility issues. The graph and the table above further show the results of the survey.

The main finding of the graph and the table above indicates that the majority of the respondents are not sure that the local communities are reminded of how much they contribute to the success of the company’s social responsibility issues.
Question 4.3.10: RBM always ask for inputs in decision making pertaining to social responsibility issues.

Table 4.15: Responses on inputs to decision making

<table>
<thead>
<tr>
<th>Valid</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>7</td>
<td>5.4</td>
<td>5.4</td>
<td>5.4</td>
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<tr>
<td>Agree</td>
<td>20</td>
<td>15.5</td>
<td>15.5</td>
<td>20.9</td>
</tr>
<tr>
<td>Unsure</td>
<td>49</td>
<td>38.0</td>
<td>38.0</td>
<td>58.9</td>
</tr>
<tr>
<td>Disagree</td>
<td>48</td>
<td>37.2</td>
<td>37.2</td>
<td>96.1</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>5</td>
<td>3.9</td>
<td>3.9</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>129</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Figure 4.15: Responses on inputs on decision-making

Table 4.15 and figure 4.15 show that seven (5 percent) of the respondents strongly agreed; 20(16 percent) agreed; 49(38 percent) answered unsure; 48(37 percent) disagreed and 5(4 percent) strongly disagreed. The results of the survey further reveals that almost the equal number of respondents are unsure and disagree that RBM always ask for inputs in decision making pertaining to social responsibility issues. The graph and the table above further show the results of the survey.

The main finding of the graph and table above indicates that almost an equal number of respondents are unsure and disagree that RBM always ask for their inputs in decision making pertaining to social responsibility issues.
Question 4.3.11: RBM’s corporate social responsibility offers the communities the opportunity for advancement.

Table 4.16: Responses on opportunities for advancement

<table>
<thead>
<tr>
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<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
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<td>10.9</td>
<td>10.9</td>
<td>10.9</td>
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<tr>
<td>Agree</td>
<td>51</td>
<td>39.5</td>
<td>39.5</td>
<td>50.4</td>
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<tr>
<td>Unsure</td>
<td>42</td>
<td>32.6</td>
<td>32.6</td>
<td>82.9</td>
</tr>
<tr>
<td>Disagree</td>
<td>19</td>
<td>14.7</td>
<td>14.7</td>
<td>97.7</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>3</td>
<td>2.3</td>
<td>2.3</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
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<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Table 4.16 and figure 4.16 show that 14(11 percent) of the respondents strongly agreed; 51(39 percent) agreed; 42(33 percent) answered unsure; 19(15 percent) disagreed and 3 (2 percent) strongly disagreed. The result of the survey revealed that the majority of the respondents agree that RBM’s CSR offers the communities the opportunity for advancement. The graph and the table above further show the results of the survey.

The main finding of the graph and the table indicates that RBM’s CSR offers the communities the opportunity for advancement.
**Question 4.3.12:** The attitudes of corporate social responsibility management at RBM influences motivation positively resulting in communities to advance their lives.

**Table 4.17: Responses on management attitudes on influencing motivation positively**

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Valid</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>15</td>
<td>11.6</td>
<td>11.6</td>
<td>11.6</td>
</tr>
<tr>
<td>Agree</td>
<td>35</td>
<td>27.1</td>
<td>27.1</td>
<td>38.8</td>
</tr>
<tr>
<td>Unsure</td>
<td>51</td>
<td>39.5</td>
<td>39.5</td>
<td>78.3</td>
</tr>
<tr>
<td>Disagree</td>
<td>27</td>
<td>20.9</td>
<td>20.9</td>
<td>99.2</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>1</td>
<td>0.8</td>
<td>0.8</td>
<td>100.0</td>
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<tr>
<td><strong>Total</strong></td>
<td>129</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

**Figure 4.17: Responses on management attitudes on influencing motivation positively**

Table 4.17 and figure 4.17 show that 15(12 percent) of the respondents strongly agreed; 35(27 percent) agreed; 51(39 percent) answered unsure; 27(21 percent) disagreed and 1(1 percent) strongly disagreed. The results of the survey revealed that the majority of the respondents are unsure that the attitudes of CSR management at RBM influences motivation positively resulting in communities to advance their lives. The graph and the table above further show the results of the survey.

The main finding of the graph and table above indicates that the majority of the respondents are unsure that the attitudes of CSR management at RBM influences motivation positively resulting in communities to advance their lives.

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**Question 4.3.13:** Compared to other companies, I feel RBM is better that the most when it comes to social responsibility issues.

**Table 4.18: Responses on comparison to others**

<table>
<thead>
<tr>
<th>Valid</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
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</thead>
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<tr>
<td>Agree</td>
<td>32</td>
<td>24.8</td>
<td>24.8</td>
<td>38.8</td>
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<tr>
<td>Unsure</td>
<td>67</td>
<td>51.9</td>
<td>51.9</td>
<td>90.7</td>
</tr>
<tr>
<td>Disagree</td>
<td>10</td>
<td>7.8</td>
<td>7.8</td>
<td>98.4</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>2</td>
<td>1.6</td>
<td>1.6</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>129</td>
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<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

**Figure 4.18: Responses on comparison to others**

Table 4.18 and figure 4.18 show that 18(14 percent) of the respondents strongly agreed; 32(25 percent) agreed; 67(52 percent) answered unsure; 10(8 percent) disagreed and 2 (1 percent) strongly disagreed. The results of the survey revealed that the majority of the respondents are unsure that when compared to other companies, RBM is better than the most when it comes to social responsibility issues. The graph and the table above further show the results of the survey.
The main finding of the graph and table above indicates that many respondents are not sure that when compared to other companies, RBM is better than the most when it comes to social responsibility issues.

**Question 4.3.14:** I always talk positively about RBM’s social responsibility.

**Table 4.19: Responses on creating the positive image about RBM**

<table>
<thead>
<tr>
<th>Valid</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
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<td>7.0</td>
<td>7.0</td>
<td>7.0</td>
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<tr>
<td>Agree</td>
<td>48</td>
<td>37.2</td>
<td>37.2</td>
<td>44.2</td>
</tr>
<tr>
<td>Unsure</td>
<td>43</td>
<td>33.3</td>
<td>33.3</td>
<td>77.5</td>
</tr>
<tr>
<td>Disagree</td>
<td>29</td>
<td>22.5</td>
<td>22.5</td>
<td>100.0</td>
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<tr>
<td>Total</td>
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<td></td>
</tr>
</tbody>
</table>

![Figure 4.19: Responses on creating the positive image about RBM](image)

Table 4.19 and figure 4.19 show that 9(7 percent) of the respondents strongly agreed; 48(37 percent) agreed; 43(33 percent) stated they were unsure and 29(23 percent) disagreed. The results of the survey revealed that most of the respondents agree that they talk positively about RBM’s social responsibility. The graph and table above further show the results of the survey.

The main finding of the graph and table above indicates that many people always talk positively about RBM’s social responsibility.
**Question 4.3.15:** I respect the history and vision of RBM.

**Table 4.20: Responses on the respect for RBM.**

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
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</thead>
<tbody>
<tr>
<td><strong>Valid</strong></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>14</td>
<td>10.9</td>
<td>10.9</td>
<td>10.9</td>
</tr>
<tr>
<td>Agree</td>
<td>64</td>
<td>49.6</td>
<td>49.6</td>
<td>60.5</td>
</tr>
<tr>
<td>Unsure</td>
<td>49</td>
<td>38.0</td>
<td>38.0</td>
<td>98.4</td>
</tr>
<tr>
<td>Disagree</td>
<td>2</td>
<td>1.6</td>
<td>1.6</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>129</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

**Figure 4.20: Responses on the respect for RBM**

Table 4.20 and figure 4.20 show that 14 (11 percent) of the respondents strongly agreed; 64 (49 percent) agreed; 49 (39 percent) replied unsure and 2 (1 percent) disagreed. The results of the survey revealed that many respondents agree that they respect the history and vision of RBM. The graph and table above further show the results of the survey.

The main finding of the graph and table above indicates that the majority of the people respect the history and vision of RBM.

**Question 4.3.16:** I am satisfied about the way things are done at RBM when it comes to social responsibility issues.
Table 4.21: Responses on the level of satisfaction

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
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<td>11.6</td>
<td>11.6</td>
<td>11.6</td>
</tr>
<tr>
<td>Agree</td>
<td>24</td>
<td>18.6</td>
<td>18.6</td>
<td>30.2</td>
</tr>
<tr>
<td>Unsure</td>
<td>61</td>
<td>47.3</td>
<td>47.3</td>
<td>77.5</td>
</tr>
<tr>
<td>Disagree</td>
<td>27</td>
<td>20.9</td>
<td>20.9</td>
<td>98.4</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>2</td>
<td>1.6</td>
<td>1.6</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>129</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Figure 4.21: Responses on the level of satisfaction

Table 4.21 and Figure 4.21 show that 15(12 percent) of the respondents strongly agreed; 24(19 percent) agreed; 61(47 percent) answered unsure; 27(21 percent) disagreed and 2(1 percent) strongly disagreed. The results of the survey thus revealed that the majority of the people are unsure of their satisfaction about the way things are done at RBM when it comes to social responsibility issues. The graph and table above further show the results of the survey.

The main finding of the graph and table above indicates that many respondents are unsure of their satisfaction about the way things are done at RBM when it comes to social responsibility issues.
Question 4.3.17: We are always encouraged by RBM to take the opportunities they avail regarding the social advancement issues.

Table 4.22: Responses on opportunities availed for social advancement

<table>
<thead>
<tr>
<th>Valid</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
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</thead>
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<td>9.3</td>
<td>9.3</td>
<td>9.3</td>
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<tr>
<td>Agree</td>
<td>48</td>
<td>37.2</td>
<td>37.2</td>
<td>46.5</td>
</tr>
<tr>
<td>Unsure</td>
<td>23</td>
<td>17.8</td>
<td>17.8</td>
<td>64.3</td>
</tr>
<tr>
<td>Disagree</td>
<td>45</td>
<td>34.9</td>
<td>34.9</td>
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<td>Strongly Disagree</td>
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<td>0.8</td>
<td>0.8</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>129</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Figure 4.22: Responses on opportunities availed for social advancement

Table 4.22 and Figure 4.22 show that 12(9 percent) of the respondents strongly agreed; 48(37 percent) agreed; 23(18 percent) answered unsure; 45(35 percent) disagreed and 1 (1 percent) strongly disagreed. The results of the survey revealed that the majority of the respondents agree that they are always encouraged by RBM to take the opportunities they avail regarding the social advancement issues. The graph and table above further show the results of the survey.

The main finding of the table and graph above indicates that the majority of the respondents agree that they are always encouraged by RBM to take the opportunities they avail regarding the social advancement issues.
**Question 4.3.18:** I always find it easy to voice my concerns to RBM regarding social responsibility issues.

**Table 4.23: Responses on the freedom to voice concerns**

<table>
<thead>
<tr>
<th>Valid</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
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<td>7.8</td>
<td>7.8</td>
<td>7.8</td>
</tr>
<tr>
<td>Agree</td>
<td>11</td>
<td>8.5</td>
<td>8.5</td>
<td>16.3</td>
</tr>
<tr>
<td>Unsure</td>
<td>30</td>
<td>23.3</td>
<td>23.3</td>
<td>39.5</td>
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<td>94.6</td>
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<tr>
<td>Strongly Disagree</td>
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<td>5.4</td>
<td>5.4</td>
<td>100.0</td>
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<tr>
<td>Total</td>
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<td></td>
</tr>
</tbody>
</table>

**Figure 4.23: Responses on the freedom to voice concerns**

Table 4.23 and Figure 4.23 show that 10(8 percent) of the respondents strongly agreed; 11(9 percent) agreed; 30(23 percent) said unsure; 71(55 percent) disagreed and 7 (5 percent) strongly disagreed. The results of the survey thus revealed that the majority of the respondents disagree that they find it easy to voice their concerns to RBM regarding social responsibility issues. The graph and table above further show the results of the survey.

The main finding of the graph and table above indicates that many people disagree that they find it easy to voice their concerns to RBM regarding the social responsibility issues.
**Question 4.3.19:** I am familiar with the concept of corporate social responsibility.

**Table 4.24: Responses on the concept of CSR**

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Valid</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>17</td>
<td>13.2</td>
<td>13.2</td>
<td>13.2</td>
</tr>
<tr>
<td>Agree</td>
<td>43</td>
<td>33.3</td>
<td>33.3</td>
<td>46.5</td>
</tr>
<tr>
<td>Unsure</td>
<td>46</td>
<td>35.7</td>
<td>35.7</td>
<td>82.2</td>
</tr>
<tr>
<td>Disagree</td>
<td>21</td>
<td>16.3</td>
<td>16.3</td>
<td>98.4</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>2</td>
<td>1.6</td>
<td>1.6</td>
<td>100.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
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<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Table 4.24 and figure 4.24 show that 17(13 percent) of the respondents strongly agreed; 43(33 percent) agreed; 46(36 percent) answered unsure 21(16 percent) disagreed and 2(2 percent) strongly disagreed. The results of the survey thus revealed that the majority of the respondents are unsure of the concept of CSR. The graph and table above further show the results of the survey.

The main findings illustrated (Table 4.19) indicate that the majority of the respondents are not sure whether they are familiar with the concept of CSR.
Question 4.3.20: I participate actively in social and political activities in my local community.

Table 4.25: Responses on social and political activities participation

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>9</td>
<td>7.0</td>
<td>7.0</td>
<td>7.0</td>
</tr>
<tr>
<td>Agree</td>
<td>43</td>
<td>33.3</td>
<td>33.3</td>
<td>40.3</td>
</tr>
<tr>
<td>Unsure</td>
<td>8</td>
<td>6.2</td>
<td>6.2</td>
<td>46.5</td>
</tr>
<tr>
<td>Disagree</td>
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<td>53.5</td>
<td>53.5</td>
<td>100.0</td>
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<tr>
<td>Total</td>
<td>129</td>
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</table>

Figure 4.25: Responses on social and political activities participation

Table 4.25 and figure 4.25 show that 9(7 percent) of the respondents strongly agreed; 43(33 percent) agreed; 8(6 percent) answered unsure and 69(54 percent) disagreed. The results of the survey revealed that the majority of the respondents disagree that they participate actively to the social and political activities in their local community. The graph and table above further show the results of the survey.

The main finding of the graph and table above indicates that the majority of the respondents do not participate actively on social and political activities in their local community.

Question 4.3.21: RBM often organises social outings or programmes for local communities.
Table 4.2: Responses on social outings or programmes

<table>
<thead>
<tr>
<th>Valid</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
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<td>7.0</td>
<td>7.0</td>
</tr>
<tr>
<td>Agree</td>
<td>22</td>
<td>17.1</td>
<td>17.1</td>
<td>24.0</td>
</tr>
<tr>
<td>Unsure</td>
<td>74</td>
<td>57.4</td>
<td>57.4</td>
<td>81.4</td>
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<tr>
<td>Disagree</td>
<td>23</td>
<td>17.8</td>
<td>17.8</td>
<td>99.2</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>1</td>
<td>0.8</td>
<td>0.8</td>
<td>100.0</td>
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<tr>
<td>Total</td>
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<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Figure 4.26: Responses on social outings and programmes

Table 4.26 and Figure 4.26 show the results of the survey, illustrating that 9 (7 percent) of the respondents strongly agreed; 22(17 percent) agreed; 74(57 percent) said they were unsure; 23(18 percent) disagreed and 1(1 percent) strongly disagreed. The results of the survey revealed that the majority of the respondents are unsure whether RBM often organises social outings and programmes for local communities. The graph and table above further show the results of the survey.

Question 4.3.22: Corporate social responsibility is a marketing strategy for the company that may have a positive impact on local and regional communities.
Table 4.27: CSR as a marketing strategy to impact positively

<table>
<thead>
<tr>
<th>Valid</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>26</td>
<td>20.2</td>
<td>20.2</td>
<td>20.2</td>
</tr>
<tr>
<td>Agree</td>
<td>52</td>
<td>40.3</td>
<td>40.3</td>
<td>60.5</td>
</tr>
<tr>
<td>Unsure</td>
<td>46</td>
<td>35.7</td>
<td>35.7</td>
<td>96.1</td>
</tr>
<tr>
<td>Disagree</td>
<td>3</td>
<td>2.3</td>
<td>2.3</td>
<td>98.4</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>2</td>
<td>1.6</td>
<td>1.6</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>129</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Figure 4.27: CSR as a marketing strategy to impact positively

Respondent perceptions show that 26 (20 percent) of the respondents strongly agreed; 52 (40 percent) agreed; 46 (36 percent) are unsure; 3 (2 percent) disagreed and 2 (2 percent) strongly disagreed. The results of the survey revealed that the majority of the respondents agree that CSR is a marketing strategy for the company that may have a positive impact on local and regional communities. The graph and table above (Table 4.22 and Figure 4.22) further show the results of the survey.

The main findings of the study reveal that the majority of the respondents agree CSR is a marketing strategy for the company that may have a positive impact on local and regional communities.

Question 4.3.23: RBM’s corporate social responsibility activities involve stakeholder engagement, community activities and stimulate sustainable local economy.
Table 4.28: Stakeholder engagement, community activities and sustainable economy

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Valid</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>10</td>
<td>7.8</td>
<td>7.8</td>
<td>7.8</td>
</tr>
<tr>
<td>Agree</td>
<td>31</td>
<td>24.0</td>
<td>24.0</td>
<td>31.8</td>
</tr>
<tr>
<td>Unsure</td>
<td>68</td>
<td>52.7</td>
<td>52.7</td>
<td>84.5</td>
</tr>
<tr>
<td>Disagree</td>
<td>20</td>
<td>15.5</td>
<td>15.5</td>
<td>100.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>129</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Figure 4.28: Stakeholder engagement, community activities and sustainable economy

The findings (Table 4.28 and figure 4.28) show that 10(8 percent) of the respondents strongly agreed; 31(24 percent) agreed; 68(53 percent) indicated unsure and 20(15 percent) disagreed. The results of the survey thus revealed that the majority of the respondents are unsure that RBM’s CSR activities involve stakeholder engagement, community activities and sustainable local economy.

The main findings of the survey indicate the majority of the respondents are not sure that RBM’s CSR activities involve stakeholder engagement, community activities and sustainable local economy.
Question 4.3.24: RBM communicates its corporate social responsibility efforts locally.

Table 4.29: Communication efforts

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Valid</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>10</td>
<td>7.8</td>
<td>7.8</td>
<td>7.8</td>
</tr>
<tr>
<td>Agree</td>
<td>25</td>
<td>19.4</td>
<td>19.4</td>
<td>27.1</td>
</tr>
<tr>
<td>Unsure</td>
<td>61</td>
<td>47.3</td>
<td>47.3</td>
<td>74.4</td>
</tr>
<tr>
<td>Disagree</td>
<td>29</td>
<td>22.5</td>
<td>22.5</td>
<td>96.9</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>4</td>
<td>3.1</td>
<td>3.1</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>129</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Figure 4.29: Communication efforts

An illustration of the results of the survey (Table 4.29 and Figure 4.29) show that 10(8 percent) of the respondents strongly agreed; 25(19 percent) agreed; 61(47 percent) indicated unsure; 29(23 percent) disagreed and four (3 percent) strongly disagreed. The majority of the respondents are shown to be unsure whether RBM communicates its CSR efforts locally. The main findings of the survey show that the majority of the respondents are not sure that RBM communicates its CSR efforts locally.
4.2.2 Section B – Part Two
The results pertaining to the variables will be discussed here, with reference to benefits brought by RBM, negative impacts, feedback on community issues, community involvement and respect towards RBM.

Table 4.30: Benefits brought by RBM

<table>
<thead>
<tr>
<th>Benefits brought by RBM</th>
<th>Component</th>
</tr>
</thead>
<tbody>
<tr>
<td>The benefits brought by RBM to local people can include jobs, capacity building, technology, contracting and business opportunities and social investment</td>
<td>0,660 0,049 0,244 -0,020</td>
</tr>
<tr>
<td>RBM has contributed to the well-being of the society on the northern region of KZN</td>
<td>0,680 0,247 0,140 -0,246</td>
</tr>
<tr>
<td>Sustainability of the communities surrounding RBM is based on the corporate social responsibility of the company</td>
<td>0,481 0,478 -0,084 -0,064</td>
</tr>
<tr>
<td>Schools do benefit from corporate social responsibility programmes established by RBM</td>
<td></td>
</tr>
<tr>
<td>RBM’s corporate social responsibility offers the community the opportunity for advancement</td>
<td>0,782 0,196 0,018 -0,119</td>
</tr>
<tr>
<td>The attitude of corporate social responsibility management at RBM influences motivation positively resulting in communities to advance their lives</td>
<td>0,588 0,359 0,430 -0,138</td>
</tr>
<tr>
<td>We are always encouraged by RBM to take the opportunities they avail regarding the social advancement issues</td>
<td>0,650 0,380 0,294 -0,094</td>
</tr>
</tbody>
</table>

A component test was conducted on whether RBM does bring benefits to the local communities. The respondents have indicated to four components, where the first variable with regards to the benefits brought by RBM to local people can include jobs, capacity building, technology, contracting and business opportunities and social advancement shows a positive response of 0,660 on component one, while the fourth component shows a negative response of -0,020.
With regards to variable on whether RBM has contributed to the well-being of the society of the northern region of KZN, the results showed a positive response on component one of 0.680, while component four had a negative response of -0.246. There is also a strong significance on the variable on whether schools do benefit from CSR programmes established by RBM, this is indicated by the positive results of component one which is 0.782, while the results on component four showed a negative response of -0.119.

The variable on whether RBM’s CSR offers the community the opportunity for advancement, the results showed a positive response on component one of 0.588, while component four showed the negative results of -0.138. The other variable on whether the attitudes of CSR management at RBM influences motivation positively resulting in communities to advance their lives, showed the results of 0.650 which is positive on component one, while component four displayed a negative result of -0.094.

The above two components show a strong significance to the variable of whether local communities are always encouraged by RBM to take the opportunities they avail regarding the social advancements issues, as this variable also showed the results that many respondents have concurred as this was proved by the positive results on component one of 0.647, while component four showed negative results of -0.244.

The results given above show that local communities agree that they do benefit from RBM’s CSR.

Table 4.31: Negative impacts

<table>
<thead>
<tr>
<th>Negative impacts</th>
<th>Component</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
</tr>
<tr>
<td>There is a negative effect on the livelihood, health, safety, lifestyle,</td>
<td>-0.067</td>
</tr>
<tr>
<td>security and economic development of communities developed by RBM</td>
<td></td>
</tr>
<tr>
<td>RBM’s corporate social responsibility programmes are skewed to benefit the few</td>
<td>-0.140</td>
</tr>
<tr>
<td>while starving many</td>
<td></td>
</tr>
<tr>
<td>There are negative impacts brought by RBM’s corporate social responsibility</td>
<td>-0.259</td>
</tr>
<tr>
<td>on northern region’s culture</td>
<td></td>
</tr>
</tbody>
</table>
A component test was conducted on negative impacts that RBM bring to the local communities. On the variable pertaining to whether there is a negative effect on the livelihood, health, safety, lifestyle, security and economic development of communities developed by RBM, the responses showed positive results of 0.565 on component four and a negative result of -0.067 on component one. On the other variable regarding whether RBM’s CSR programmes are skewed to benefit the few while starving many, the responses to the component tested showed positive results of 0.739 on component four and a negative result of -0.140 on component one.

The variable on whether there are negative impacts brought by RBM’s CSR on northern region’s culture, the responses to the component tested showed a positive result of 0.746 on component four and a negative result on component two of -0.008. All the tested variables indicated a strong significance to the negative impacts brought about by RBM to the local communities.

**Table 4.32: Feedback on community issues**

<table>
<thead>
<tr>
<th>Feedback on community issues</th>
<th>Component</th>
</tr>
</thead>
<tbody>
<tr>
<td>The corporate social responsibility management of RBM always gives feedback to community</td>
<td>0.601</td>
</tr>
<tr>
<td>issues pertaining to social responsibility</td>
<td>0.503</td>
</tr>
<tr>
<td>The local communities are always reminded of how much they contributed to the success of</td>
<td>0.309</td>
</tr>
<tr>
<td>the company’s social responsibility issues</td>
<td>0.715</td>
</tr>
<tr>
<td>RBM always ask for inputs in decision making pertaining to social responsibility issues</td>
<td>0.262</td>
</tr>
<tr>
<td>I always find it easy to voice my concerns to RBM regarding social responsibility issues</td>
<td>0.470</td>
</tr>
<tr>
<td>RBM communicates its corporate social responsibility efforts locally</td>
<td>0.529</td>
</tr>
</tbody>
</table>

A component test was conducted on whether RBM gives feedback to communities regarding CSR issues. On whether the CSR management of RBM always gives feedback to community issues pertaining to social responsibility, the respondents have indicated to four components.
with component one showing the results of 0.601 which is positive response and component four showing a negative response of -0.038.

With the variable on whether the local communities are always reminded of how much they contribute to the success of the company’s social responsibility issues, respondents have indicated a positive response of 0.715 on component two and a negative response of -0.042 on component four. On the other variables regarding whether RBM always ask for inputs in decision making pertaining to social responsibility issues, the respondents have indicated positive results of 0.800 on components two and component four shows the negative response of -0.044. On the variable, I always find it easy to voice my concerns to RBM regarding social responsibility issues, a positive response of 0.689 is shown on component two and other respondents have indicated a low result of 0.077 on component four.

With the variable on whether RBM communicates its CSR efforts locally, the respondents have indicated positive results of 0.536 on component two and the other respondents have indicated negative results of -0.021 on component four. The above variables are showing a strong significance with the majority of the respondents showing the positive results.

Table 4.33: Community engagement

<table>
<thead>
<tr>
<th>Community engagement</th>
<th>Component 1</th>
<th>Component 2</th>
<th>Component 3</th>
<th>Component 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>I am familiar with the concept of corporate social responsibility</td>
<td>0.123</td>
<td>0.139</td>
<td>0.790</td>
<td>0.149</td>
</tr>
<tr>
<td>I participate actively in social and political activities in my local community</td>
<td>0.093</td>
<td>0.482</td>
<td>-0.163</td>
<td>0.414</td>
</tr>
<tr>
<td>RBM often organises social outings or programmes for local communities</td>
<td>0.423</td>
<td>0.470</td>
<td>0.209</td>
<td>0.215</td>
</tr>
<tr>
<td>Corporate social responsibility is a marketing strategy for the company that may</td>
<td>0.195</td>
<td>-0.033</td>
<td>0.874</td>
<td>-0.015</td>
</tr>
<tr>
<td>have a positive impact on local and regional communities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RBM’s corporate social responsibility activities involve stakeholder engagement,</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>community activities and stimulate sustainable local economy</td>
<td>0.417</td>
<td>0.461</td>
<td>0.544</td>
<td>-0.079</td>
</tr>
</tbody>
</table>

A component test was conducted on whether local communities are afforded the opportunity to be involved in CSR programmes. On a variable that “I am familiar with the concept of
corporate social responsibility” the respondents indicated a positive result of 0.790 on component three and a response of 0.123 on component one.

On the other variables whether CSR is a marketing strategy for the company that may have a positive impact on local and regional communities, the respondents have indicated positive results of 0.874 on component three and negative results of -0.015 on component four. With the variable on whether RBM’s CSR activities involve stakeholder engagement, community activities and stimulate sustainable local economy, the results are showing positive response on component three of 0.544 and component four showed a negative result of -0.079.

**Table 4.34: Respect towards RBM**

<table>
<thead>
<tr>
<th>Respect towards RBM</th>
<th>Component</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Compared to other companies, I feel RBM is better than the most when it comes to social responsibility issues</td>
<td>0.727</td>
</tr>
<tr>
<td>I always talk positively about RBM’s social responsibility</td>
<td>0.700</td>
</tr>
<tr>
<td>I respect the history and vision of RBM</td>
<td>0.718</td>
</tr>
<tr>
<td>I am satisfied about the way things are done at RBM when it comes to social responsibility issues</td>
<td>0.666</td>
</tr>
</tbody>
</table>

A component test was conducted on whether respondents show any respect towards RBM with regards to CSR issues. On the variable that when compared to other companies, I feel RBM is better than the most when it comes to social responsibility issues, the respondents on component one are showing positive results of 0.727 while component three shows negative results of -0.090.

On the variable, I always talk positively about RBM’s social responsibility, the positive response of 0.700 is showing on component one, while a negative response of -0.102 is showing on component four. On the variable, I respect the history and vision of RBM, component one shows the results of 0.718 and component two is showing the results of 0.111. With the other variable of whether I am satisfied bout the way things are done at RBM when it comes to social responsibility issues, the results on component one is 0.666 while on component four is negative results of -0.200.
4.3 CONCLUSION

The main focus of this chapter was on the analysis and interpretation of the results of the survey, which were presented graphically, according to the different sections and questions of the survey questionnaire. It was revealed from the survey questionnaire that the respondents believe RBM’s CSR programme has impacted their lives in a positive manner. The only challenge they revealed is the lack of community engagement by RBM in giving local communities the opportunity to make decisions regarding CSR programmes.

The following chapter provides conclusions for the entire study, based on the objectives of the research. It will also include recommendations by the researcher.
5.1 INTRODUCTION
This chapter summarises the study, findings related to the literature review, research questions, conclusions and implications of the study, as well as recommendations for further study, and along with a brief conclusion of this chapter.

5.2 SUMMARY OF THE STUDY
The study revealed that local communities fully agree that RBM brings benefit such as jobs, capacity building, technology, contracting and business opportunities. On the one hand these communities are happy and satisfied to have RBM around them and providing such benefits, while there are also people around RBM who seem to not have an understanding whether there have been negative effects on their livelihood, health, safety, lifestyle, security and economic development. This then suggests that RBM is not doing anything that would have negatively impacted communities around them.

Although local communities agree that RBM has contributed to their well-being, some still believe that the company’s CSR programmes are skewed to benefit the few, while starving many. It appears that a perception exists that the CSR management of RBM have not been distributing the benefits equally to the local communities.

- It became apparent that the management of RBM seem to be failing in giving the local communities feedback on issues pertaining to social responsibility, while at the same time, communities are satisfied about the contributions RBM provides to the local schools through their CSR programmes.

- The perception found by the study is that RBM has not put adequate effort in ensuring that local communities are made aware of their contributions to the success of the company, this brings back the issue of lack of communication by RBM.

- The study further found that communities are unsure whether RBM ever involves them by asking for their inputs in decision-making regarding issues pertaining to social responsibility. This needs to be addressed to ensure stakeholder participation.
• A positive perception has been revealed by the study, regarding CSR management of RBM having positively influenced motivation, subsequently resulting in communities having the opportunity to advance their lives.

• While local communities may not be sure they are satisfied with the way things are done at RBM when it comes to social responsibility issues, they do, however, agree that RBM encourages them to avail themselves of opportunities regarding social advancement.

• The study revealed that local communities around RBM respect the history and vision of the company, with the result that they always talk positively about RBM’s social responsibility efforts.

• The findings indicate that local communities are shown to not be aware of any social activities and programmes RBM organises that involves stakeholder engagement and community activities. This reveals a lack of stakeholder engagement and consultation in issues pertaining to social responsibility.

5.3 FINDINGS RELATING TO LITERATURE REVIEW

• According to Miluwi (2013), CSR involves various voluntary efforts in which companies engage themselves in order to give something back to the society. He further states that, it involves providing innovative solutions to societal and environmental challenges. Therefore, it shows that even though RBM may have challenges with communities around them, they should, however, develop and maintain sound relationships with them, in order to maintain organisational excellence.

• According to Garriaga and Mele (2004), CSR programmes provide the community with a means through which it can be involved with and provide input into the mining project. This has, however, not been the case with RBM, as local communities argue they are not given the opportunity to become involved and offer inputs in decision-making on issues pertaining to CSR matters.

• Frynas (2005 in Jenkins and Obada 2006) has also argued that reasons, such as failure to involve the beneficiaries of CSR and consultation with communities in addressing CSR programmes, may detrimentally affect the company’s sustainable development.
• The study has revealed that there is a crucial gap in companies’ declarations that they are addressing CSR related issues, even when they aim to show that their net social impact is positive. This gap pertains to the general absence of justice in the CSR narratives. It is thus suggested that an important criterion that needs to be applied in any assessment of CSR narratives and practices, at any level of analysis, is that of social justice. This has been proven in the case of RBM and communities in northern KZN, where the relevant communities seem to agree about the lack of feedback being given by the company in declaring their CSR initiatives.

While there is a strong potential of CSR to make a positive contribution in addressing the needs of disadvantaged communities, Swift and Zadek (2002 in Ite 2005) note that there are ways in which such communities could be damaged by CSR, by mistake or by design. It has been revealed in this study by the local communities that some of the issues, such as communities not finding it easy to voice their concerns with RBM; being unsure whether RBM ever organises social outings and programmes for local communities, while some of the community member are even unsure whether they are familiar with the concept of CSR.

5.4 CONCLUSIONS
The research study arrived at several conclusions, set out below under negative, positive and neutral findings, reflecting respondents’ perceptions:

Positive
• Local communities in the northern region of KZN may not be satisfied with CSR initiatives of RBM, however, the results of the findings show that 80.6 percent of the respondents are satisfied with the benefits brought by RBM, such as jobs, capacity building, technology, contracting and business opportunities, as well as social investment.
• It was concluded that the impact of RBM’s CSR initiatives has proven to be positive. This is supported by 48.9 percent of the respondents being in agreement with RBM that they have contributed to their wellbeing.
• The perception of 63.6 percent of the respondents is that RBM has established CSR programmes that benefit the local schools.
• The study concluded that RBM’s CSR offers the communities the opportunity for advancement, with 50.4 percent of the respondents in agreement.
With 60.5 percent of the respondents in agreement, it is concluded that CSR is a marketing strategy for the company that may have a positive impact on local and regional communities.

The study concluded that when RBM’s social responsibility is discussed / talked about, it is done in a positive manner, which was agreed with by 44.2 percent of the respondents.

It has further been concluded that the respondents have a high regard for the company, with 60.5 percent of the respondents that agreed they do respect the history and vision of RBM and only % are unsure of how they feel whereas % disagreed.

Negative

The study discovered that 45 percent of the respondents perceived CSR programmes of RBM as skewed to benefit the few and starving many. This could be the reason for constant boycotts by local communities.

The study concluded that, with only 37.2 percent of the respondents in agreement, RBM is not perceived as always encouraging community members to avail themselves of any opportunities regarding social advancement issues,

RBM’s CSR is concluded to have a negative impact on the northern region’s culture, as perceived by 43.4 percent of the respondents.

Voicing concerns to RBM regarding social responsibility issues is concluded to be difficult, with this statement being supported by 55 percent of the respondents.

The study further concluded that RBM does not involve or rather engage local people in making decisions pertaining to CSR issues. This is attributed to 38 percent of the respondents being unaware of the fact that ‘RBM always asks for their inputs when making decisions pertaining to social responsibility issues’. A further 37 percent of the respondents were in total disagreement with this statement.

The study concluded that communities are losing interest on issues taking place in their local communities when they don’t have anything to gain at the end. This is supported by 53.5 percent of the respondents indicating that they do not take part in social and political activities happening in their communities.

Neutral / Unsure

The study concluded that a lack of community engagement in CSR initiatives by RBM could be perceived to have resulted in 36.4 percent of the respondents not being entirely
sure whether there is a negative effect on their livelihood, health, safety, lifestyle, security and economic development by RBM.

- The study concluded that the sustainability of the communities surrounding RBM being based on the CSR of the company was neutralised by 48.8 percent of the respondents indicating their not being sure of the statement.

- The study further concluded that the CSR management of RBM is not perceived as ‘always giving feedback on community issues pertaining to social responsibility’; this is supported by 39.5 percent of the respondents indicating they were unsure.

- The study concluded that when it comes to being reminded of how much they contribute to the success of the company’s social responsibility issues 39.5 percent of the respondents were unsure. This emphasises the lack of communicating and engaging local communities in CSR initiatives.

- The study concluded that the statement ‘The attitude of CSR management at RBM is concluded to influence motivation positively, resulting in communities being able to advance their lives. This is agreed with by 39.5 percent of the respondents.

- The study concluded that the statement ‘RBM is better than most’ when comparing RBM to other companies, left 51.9 percent of the respondents unsure whether they have this perception when it comes to social responsibility issues.

- The study concluded that the way things are done at RBM when it comes to social responsibility issues, was indicated by 47.3 percent of the respondents as unsure of their satisfaction in this regard.

- The study concluded that respondents are not really familiar with the concept of CSR, as 35.7 percent of the respondents indicated unsure to this statement. This indicates inadequate communication and consultation in terms of advocating the communities about CSR issues.

- With 52.7 percent of the respondents having indicated neutral, the study concluded that the statement whether RBM’s CSR activities involve stakeholder engagement, community activities and stimulate sustainable local economy was perceived in the negative.

- The study further concluded that the perception of whether RBM often organises social outings or programmes for local communities, saw 57.4 percent of the respondents indicating unsure. This concurs with the above statement in terms of communication and consultation strategies.
• The study concluded that RBM does not communicate its CSR efforts locally, with 47.3 percent of the respondents being unsure of the statement.

5.5 IMPLICATIONS OF THE STUDY
The study has highlighted some of the critical factors affecting CSR initiatives at RBM for local communities.

5.6 RECOMMENDATIONS
The following recommendations are made, based on the findings of the study:

• The CSR management team at RBM should equally distribute the benefits, such as jobs, capacity building, technology, contracting and business opportunities, and so on, amongst the local communities. This should bring an end to the riots and strikes happening around the area and ought to bring peace and harmony in the community of RBM.

• Complete and wholly inclusive Stakeholder involvement should be ensured by the CSR management team in decision-making, specifically when it comes to issues pertaining to social responsibility.

This has been attested to by Naidoo (2009: 244-246), that the following four principles as selected from the nine, have been recommended for RBM as the most important to be considered to improve their CSR implementation efforts:

• **Accountability** – reporting to stakeholders should be guided by the principles of transparency and integrity; stakeholders’ ‘need to know’ should take precedence over inconvenience and cost to company. Transparency is integral to building a company’s reputation.

• **Financial returns** – the company’s profits should sustain long-term, sustainable growth and an increase in shareholder value.

• **Business relationships** – the company should strive to be fair and honest with all business partners, and should monitor the CSR programmes of its business partners to ensure they are not inconsistent, in principle, with those of the company.

• **Community involvement** – the company should have an open, honest, transparent, and proactive relationship with the community.
An understanding of why the organisation does certain things in a certain manner and where the organisation is heading will make all stakeholders more committed to the cause. This can be achieved through effective communication channels. The King report clearly states that transparent and effective communication is essential for building and maintaining stakeholders’ trust and confidence (principle 8.4). By implication, availability of information that is complete, timely, relevant, and accurate, as well as honest and accessible becomes vital.

5.7 RECOMMENDATIONS FOR FURTHER STUDY
This study set out to analyse the impact of CSR initiatives and the factors that affect the implementation of such initiatives, with specific reference to RBM and the surrounding communities. The study recommends further research with the management and employees at RBM on the progress of implementation of strategies to improve CSR initiatives. This will assist in measuring the performance of the company on CSR initiatives and to determine to what extent it needs to improve.

5.8 CONCLUSION
The aim and objectives of this study have been met, by means of an investigation into the perceived impact of RBM’ CSR on the improvement of the lives of communities; with the final chapter presenting conclusions and recommendations from the study.
REFERENCES


Villagra, N. 2016. Communicating Corporate Social Responsibility: re-assessment of classical theories about fit between CSR actions and corporate activities. 29(2).


ANNEXURES / APPENDICES

APPENDIX A: Questionnaire

APPENDIX B: Permission letter

APPENDIX C: Consent form

APPENDIX D: Factor Analysis

APPENDIX E: Frequencies
Research Questionnaire Draft

Section A

Biographical information

Instructions

1. Cross the appropriate box that best represents your answer.
2. Your confidentiality is guaranteed.
3. This Questionnaire consists of twenty four (24) questions, please answer all questions.
4. Please tick the appropriate response

Example

| Boy | x | Girl |  |

1. Race:

| Black | White | Indian | Coloured | Other |

2. Gender:

| Male | Female | other |

3. Age

| Less than 20 years | 20-25 | 26-30 | 31-35 | 36-40 | 41-50 | 51-55 | 51-60 | 61 and above |

4. Years living in the community

| Less than 2 years | 2-5 | 6-10 | More than ten years |

5. Educational background

| Below Matric | Matric | Tertiary | None |


### Questionnaire Draft

**Section B**

**Instructions**

1. Cross the appropriate box that best represents your answer.
2. Your confidentiality is guaranteed.
3. This Questionnaire consists of twenty four (24) questions, please answer all questions.
4. You can choose your answer by crossing one of five boxes provided.

1 = Strongly Agree.  2 = Agree.  3 = Unsure.  4 = Disagree.  5 = Strongly Disagree

<table>
<thead>
<tr>
<th></th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Unsure</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. The benefits brought by RBM to local people can include jobs, capacity building, technology, contracting and business opportunities and social investment</td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>2. There is a negative effect on the livelihood, health, safety, lifestyle, security and economic development of communities developed by RBM?</td>
<td></td>
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<tr>
<td>3. RBM has contributed to the well being of the society of the northern region of KZN?</td>
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<tr>
<td>4. RBM’s corporate social responsibility programs are skewed to benefit the few while starving many?</td>
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<td>5. Sustainability of the communities surrounding RBM is based on the Corporate Social Responsibility of the company</td>
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<td>6. The Corporate Social Responsibility management of RBM always gives feedback to community issues pertaining to social responsibility.</td>
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<tr>
<td>7. There are negative impacts brought by RBM’s Corporate Social Responsibility on northern region’s culture.</td>
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<tr>
<td>8. Schools do benefit from Corporate Social Responsibility programs established by RBM?</td>
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<tr>
<td>9. The local communities are always reminded of how much they contribute to the success of the company’s social responsibility issues.</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>10. RBM always asks for inputs in decision making pertaining to social responsibility issues.</td>
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<tr>
<td>11. RBM’s corporate social responsibility offers the communities the opportunity for advancement.</td>
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</tr>
<tr>
<td>12. The attitudes of Corporate Social Responsibility management at RBM influences motivation positively resulting in communities to advance their lives.</td>
<td></td>
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<td></td>
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<td></td>
</tr>
</tbody>
</table>
13. Compared to other companies, I feel RBM is better than the most when it comes to social responsibility issues.

14. I always talk positively about RBM’s social responsibility.

15. I respect the history and vision of RBM

16. I am satisfied about the way things are done at RBM when it comes to social responsibility issues.

17. We are always encouraged by RBM to take the opportunities they avail regarding the social advancement issues.

18. I always find it easy to voice my concerns to RBM regarding social responsibility issues

19. I am familiar with the concept of Corporate Social Responsibility.

20. I participate actively in social and political activities in my local community.

21. RBM often organises social outings or programs for local communities.

22. Corporate social responsibility is a marketing strategy for the company that may have a positive impact on local and regional communities.

23. RBM’s corporate social responsibility activities involve stakeholder engagement, community activities and stimulate sustainable local economy.

24. RBM communicates its corporate social responsibility efforts locally.
21 July 2016

Zonke Njapha
By email: Zonke.Njapha@LABOUR.gov.za

Dear Zonke

RE: Permission for research at RBM

Thank you for your email and interest in Richards Bay Minerals (RBM).

This letter serves as permission to conduct research around RBM’s CSI and LED projects.

Should you require any assistance please feel free to contact us on 035 901 3155 or Fundi.Diamini@riotinto.com.

We would like to take this opportunity to wish you all the best.

Regards,

Moses Thokwane
Acting General Manager: CCR
CONSENT

Statement of Agreement to Participate in the Research Study:

- I hereby confirm that I have been informed by the researcher, Ntombizonke Njapha (name of researcher), about the nature, conduct, benefits and risks of this study - Research Ethics Clearance Number: ________________.
- I have also received, read and understood the above written information (Participant Letter of Information) regarding the study.
- I am aware that the results of the study, including personal details regarding my sex, age, date of birth, initials and diagnosis will be anonymously processed into a study report.
- In view of the requirements of research, I agree that the data collected during this study can be processed in a computerised system by the researcher.
- I may, at any stage, without prejudice, withdraw my consent and participation in the study.
- I have had sufficient opportunity to ask questions and (of my own free will) declare myself prepared to participate in the study.
- I understand that significant new findings developed during the course of this research which may relate to my participation will be made available to me.

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<th>Time</th>
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Age, Gender Cross-tabulation

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<td>57</td>
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<td>Total</td>
<td>Percentage</td>
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**Question:** Why management of RM always gives feedback to community issues?

Communities surrounding RM is based on the Corporate Social Responsibility.

Are social responsibility programs are skewed to benefit the few while others are not.
<table>
<thead>
<tr>
<th>Frequency</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Unsure</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
<th>Total</th>
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<td>11.7%</td>
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**Table 1:** Impact of RBS's Corporate Social Responsibility on Market Confidence

<table>
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<th>Agree</th>
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<tr>
<td>Percent</td>
<td>48%</td>
<td>32%</td>
<td>11.7%</td>
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**Table 2:** Impact of RBS's Corporate Social Responsibility on Market Confidence

<table>
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<tr>
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<th>Agree</th>
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<th>Disagree</th>
<th>Strongly Disagree</th>
<th>Total</th>
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<td>100</td>
</tr>
<tr>
<td>Percent</td>
<td>88.9%</td>
<td>8.1%</td>
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**Table 3:** Impact of RBS's Corporate Social Responsibility on Market Confidence
<table>
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</table>

**Note:** The table appears to be related to a survey or research data, but the context is not clearly visible. It seems to be analyzing the percentage of valid responses.
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**Notes:**
- Age groups are approximate and may not perfectly match the actual age ranges.
- The table represents the distribution of responses to a question about the impact of RBM on social responsibility.
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*Valid* refers to the number of respondents who provided a response. *Percent* is the percentage of the total respondents who provided a response. The *Valid Percent* is the percentage of the valid respondents who provided a response.