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CORPORATE SOCIAL INVESTMENT: COMMUNICATION CHALLENGES FACING SELECTED JOHANNESBURG SECURITIES EXCHANGE LISTED ORGANISATIONS

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DECLARATION

I, **Uzothile Ngobeni**, declare that this dissertation is my own work and has not been submitted previously for any degree in any University.

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Abstract

Corporate Social Responsibility (CSI) is an issue with a growing business value in South Africa. The increasing emphasis on CSI is affecting the relationship between organisations and their various stakeholders, such as investors, customers, vendors, suppliers, employees, communities and government. The stakeholders of an organisation play a vital role in the process of CSI planning and execution. There is a need to communicate CSI activities to stakeholders, as well as to monitor the flow and role of communication within the CSI context. While it is generally agreed that companies need to manage their relationships and communication with their stakeholders, the way in which they choose to do so varies considerably. Challenges in communicating corporate social responsibility do exist – for example, communication channels that are used in CSI, scepticism towards company messages and potentially hostile reactions from the media, complex community engagement processes, diversity of the audience, misunderstanding with special interest groups such as employees and government regulations. The diverse information requirements of different stakeholder groups also present special communication challenges, and these requirements are examined in turn.

Given this background, the purpose of this study is to investigate communication in CSI practice. This study seeks to understand communication challenges facing CSI and communication channels that are used in CSI. Lastly, this study offers recommended best practices that can be applied in CSR communication.

Although CSI is gaining a role as a strategic business function, however the literature review presented in this paper shows that CSI communication is still an area to be explored. One of the arguments presented in the literature review originate from Maignan & Ferrell (2004:17) that "Businesses cannot hope to enjoy concrete benefits from CSR unless they intelligently communicate about their initiatives to relevant stakeholders".

Communication challenges in CSI exist mainly in the process of transmission and receiving of messages from sender to receiver. The selection of the proper channels

to disseminate information is also a challenge. These challenges arise mainly in rural and underdeveloped areas. In most instances, these communities lack infrastructure such as electricity and telecommunication which facilitate the dissemination of information. Commonly the communicator has to first do the necessary research in order to establish the most suitable medium for disseminating information to these communities. Illiteracy is also a major hurdle to communication in underdeveloped areas. This poses a challenge in that often messages have to be disseminated face to face, which can take time and requires expertise in communicating.

The research method that was used to conduct this study is random sampling. A sample of thirteen organizations was drawn from the Johannesburg Securities Exchange (JSE) database of medium to large businesses that are actively involved in CSR programmes in South Africa.

The findings in this study reveal that South African organisations are engaged in serious efforts to communicate and pro-actively integrate CSI as a strategic business phenomenon. These findings are significant to communications and CSI practitioners who wish to communicate with their stakeholders in CSI implementation. These findings will also benefit corporate executives who wish to engage in CSI communication. Non-Government Organisations (NGOs), Non-Profit Organisations (NPOs) and community organisations that wish to engage in CSI activities with corporate organizations, can also benefit from this study.

In summary, CSI has grown from an ideology to a business reality and is now acknowledged as an important dimension of modern business practice. It is important that organisation examine their CSI communication in the context of the ever-changing business environment.

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List of Abbreviations

(CSI) Corporate Social Investment

(CSR) Corporate Social Responsibility

(CR) Corporate Responsibility

(SRI) Socially responsible Investment/ (SRI) Index

(JSE) Johannesburg Securities Exchange

(BEE) Black Economic Empowerment

(BBBEE) Broad Based Black Economic Empowerment

(CEO) Chief Executive Officer

(NGO) Non Governmental Organisation

(NPO) Non Profit Organisation

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Chapter 1

Statement of the problem

1.1 Background to the study

There have been major developments in the field of corporate social investment (CSI) in South Africa. The Broad-based Black Economic Empowerment Act No. 53 of 2003: that has been legislated, industry charters and transformation score cards in the financial, mining, petroleum and other industry sectors, and the new JSE socially responsible Investment (SRI) Index, all render CSI a part of the broader transformation imperative. Clearly, then these developments position CSI as an issue that needs to be a priority within both companies and government (Trialogue, 2003:8).

A planned and a managed corporate social investment programme should be part of a company's broader communications strategy. Skinner, Von Essen and Mersham (2004:281) state that corporate social investment programmes are expected to provide a return on investment and to contribute to the promotion of the company's image in the marketplace. It is essential that corporate grantmakers have a communications strategy in place that is aligned to the programme's mission and strategic objectives. Effective communication of corporate social investment activities plays an important role in the projection of the company as a caring citizen and is often not given the priority it deserves, until things go wrong. When companies communicate their corporate social investment, it clearly indicates that they take it seriously, they are willing to share their experiences and models, and they are acknowledging the important role played by the various parties. It is important that the corporate social investment programme works closely with the marketing or public relations departments to ensure that there is effective co-operation.

A critical aspect of communications management is the full spectrum of communication tools that are used, including: internal newsletters and quarterly/annual reports; CD-ROM; videos; promotional material such as banners, logos, flags, and signboards, press releases in both national and local press; advertisements and advertorials available to corporate social investment practitioners. Skinner, Von Essen and Mersham (2004:16) warn that, although there are many communication tools that exist to create awareness and to promote the company's corporate social investment activities, the power of open dialogue with

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the targeted communities should not be underestimated. This research investigates the CSI communication challenges faced by CSI managers. It does so by examining the communication processes and tools that are used to manage CSI programmes between communities and companies.

1.2   Research objectives

The objectives of this study are:

- To investigate the communication challenges facing organisations in respect of corporate social investment;

- To investigate the communication processes and tools that are being used to manage communication in CSI programmes between communities and companies;

- To use the findings and offer recommendations on best practice.

1.3   Rationale for the study

Corporate social responsibility has historically been seen as a luxury, but no longer. In today's climate, looking beyond short-term profit is increasingly important. Trialogue (2004) estimates that the total corporate expenditure on corporate social investment (CSI) in South Africa for the 2003 financial year was R2.35 billion (around $385 million), 6.8% higher than in 2002. Based on the total CSI budget of a sample of 100 leading corporate grantmakers, the average CSI budget per company in South African in 2003 was R13 million ($2.1 million). In terms of the priority issues, education funding made up 39% of CSI spent in 2003, up from 35% in 2000. Spending on health (including HIV/AIDS) was up to around 10% in 2003, with a similar proportion in support for job creation initiatives. Other areas, in order of declining budget proportion, were training, social development, arts and culture, community and rural development, environment, sports development, safety and security, and housing (Visser, 2005:41). Evidently, corporate social investment needs to take a prominent role in the organisations's planning and strategic priorities.

Presently major organisations cannot operate effectively without a proper understanding of the political, social and economic climate at the local, national and international level. Whatever happens in the public arena will have a direct effect upon what can and cannot be done in business. It's important for corporations to recognise that their continued acceptance in a given society, even their survival, depends to a very great extent on demonstrating not only an awareness of the problems of that society, but also willingness and the capacity to do something to resolve these problems. This research will highlight communication procedures that can be used in order to create an awareness of the needs of the communities within which the business operates.

A planned and a managed corporate social investment programme is essential for leading companies. CSI programmes should be viewed as a strategic function that adds value to the particular business and the communities it operates in, creating a conducive economic environment, whilst at the same time facilitating good corporate citizenship.

Corporate Social Investment must be used as a tool and a platform for businesses to contribute towards socio-economic development. Meeting social responsibilities requires anticipating the full range of social, political, economic challenges that face the society.

1.4 Literature Review

The following literature review discusses various theories, perspectives and assumptions concerning communication and corporate social investment.

Despite the growing importance of corporate social responsibility, there is little agreement as to what the phrase means consequently that there are several different names for the same or similar practices, such as Corporate Social Responsibility (CSR), Corporate Social Investment, Corporate Citizenship, Sustainability, Global Citizenship and Corporate Accountability. While some may argue over the distinctions among these terms, at the core they all refer to the same

fundamental principle: that a company is responsible for providing more benefits than just profits. CSI is any social development activity that is not undertaken for the purpose of generating business income Rockey (2005:186).

Within the South African context, businesses have a pivotal role to play in bringing about meaningful transformation the benefit of all. The social needs facing our country are substantial and it is a moral duty for big businesses to make a difference by supporting projects that benefit historically disadvantaged sectors of our society.

According to The Economist Intelligence Unit (2005:2), businesses have a role to play internally within the organisation by treating employees well as well as having external responsibilities, include preserving the environment, developing sound corporate governance, supporting philanthropy, fostering human rights, respecting cultural differences and helping to promote fair trade, among others. All these activities are meant to have a positive impact on the communities, cultures, societies and environments in which companies operate. These efforts should also benefit the company's various stakeholders, who comprise all or some of the following: customers, employees, executives, non-executive board members, investors, lenders, vendors, suppliers, governments, NGOs, local communities, environmentalists, charities, indigenous people, foundations, religious groups and cultural organisations (Economist Intelligence Unit, 2005).

Business is not divorced from the rest of society. How companies behave affects many people, not just shareholders. A company should be a responsible member of the society in which it operates" (World Business Council for Sustainable Development, 2004).

Nilsson (2005:3) suggests that an increased awareness and focus of the responsibilities of a corporation gives business communities the opportunity to be important and powerful actors in societies. It is not only an opportunity given to the companies. It is also, in many cases, an expectation by customers, employees, society and other stakeholders. Visagie (1993:16) argues that the true purpose of corporate social investment is to assist in the development and maintenance of a

socio-economic and socio political environment that is conducive to real economic growth.

The general awareness of CSR in society has gradually increased (Bengtsson, 2005: 1). The media keeps the debate in the public domain and ethical investors and financiers are seeking more information and raising their expectations progressively. Communication thus plays an important role in ensuring the future of the business.

Grunig (1992:17) takes a position that aligns almost all public relations activities to social responsibility principles. Grunig's view of corporate social investment is within the theory of public relations in which the idea of communication is pivotal. Grunig's input focuses on the mutual interdependence between the society and the business. In this model, communication is regarded as the heart of an organization.
Grunig (1992:99) further argues that communication is viewed as behavior which reduces uncertainty in problematic situations, in order to gain a more accurate picture of the environment with which such organisations must cope. Communication in an organization means that the organisation has to carefully consider the internal and external changes in the environment. The role of communication is to continuously convert the information received, internally and externally, into a concrete diagnosis. This shapes the organizational communication programme.

Communication of CSR is still an area to be explored, comments (Maignan and Ferrell 2004: 1). The relevant receivers of the communication must be identified. Therefore, for a company that is aiming for successful CSR communication, it needs to fully understand who the stakeholders are, as well as their level of awareness. Communication of CSR does not only create awareness of CSR, it is also a way of creating a bond between the company and its stakeholders Maignan and Ferrell, (2004:14). Realizing the connection between the power of the business brand and the effect of CSR should make a company act responsibly.

Roodt (2002:9) stresses that, here in South Africa, right from the outset, the first King Report on corporate governance recognised the significance of legitimate stakeholder interests as a fundamental concern of corporate governance. Therefore,

stakeholder management brings to light the concept of corporate social responsibility, as it challenges every corporation to rethink the way it is governed and whose interests it serves.

Therefore it is important for organisations to study their stakeholders and develop strategies and channels to communicate CSI programmes with them.

An increased awareness and focus of the responsibilities of a corporation, gives the business communities the opportunity to be important and powerful actors in the societies in which they function (Ruggie, 2002: Nilsson, 2005). Although effective communication methods are recognised as paramount for the overall impact of managing corporate social investment, they are largely absent from social responsibility literature (Clark, 2000:363).

According to Mersham and Skinner (2004:15), the communication problem in the area of development and corporate social investment, lies in the selection of the proper channels to disseminate information. This problem arises mainly in rural and underdeveloped areas. In most instances, these communities lack infrastructure such as electricity and telecommunication. Often the communicator has to first do the necessary research in order to determine the most appropriate medium for disseminating information to these communities. Illiteracy is also a major barrier to communication in underdeveloped areas. This poses a challenge because messages often messages have to be disseminated face to face, which can take time and requires expertise in communicating.

Mersham and Skinner (2004:29) argue in favour of recognizing the equality of roles of the communicator and recipient in the traditional communicator, message and recipient relationship. They further argue that the communicator needs to become the recipient of messages originating from members of various disadvantaged communities. If these messages are not forthcoming, the communicator involved in corporate social investment merely acts as a "midwife" to facilitate the passage of messages amongst the stakeholders of an organisation.

Orbe (1998:8) asserts that people communicate differently, depending on the context. Context may consist of the social, political and historical structures in which communication occurs. The social context is determined by the societal level. The political context in which communication occurs includes those forces that attempt to change or retain existing social structures and relations. In every society there exists a social hierarchy that privileges some groups over others. Those groups that function at the top of the hierarchy determine, to a great extent, the communication system of the entire society. Orbe (1998:9) goes on to describe how those people in power, consciously or unconsciously create and maintain communication systems that reflect, reinforce, and promote their own way of thinking and communication. There are two levels of group related power. The primary dimension, viz., age, ethnicity, gender, physical abilities, race and sexual orientation, are more permanent in nature. The secondary dimension viz: educational background, geographic location, marital status and socio economic status, are more changeable.

Steinberg (1994:101) argues that, as a rule, effective communication analyses cannot be carried out satisfactorily without the help of a trained communications expert, who may be either an outside consultant or a member of the organisation. The communication analyst will look not only at the upward, downward and lateral communication channels, but also at all the areas likely to furnish clues to communication malfunction, such as management styles, decision making and problem solving procedures, complaints and grievances. If there is a glaring communication problem, the chances are that this problem will affect most or all of these areas.

Organisations are held together by communication. As soon as people gather together, a need for communication arises. Communication is not merely a means of doing organisational work together. It is also a process by which the organisation is brought into existence and given personal, social and professional meaning. Therefore, communication processes and the tools that are used to convey these messages, should be thoroughly interrogated and analysed so that communication efforts are worth the effort and the resources.

Many companies today are aware that they have to account in some form for their wider impact on society and are now committed to producing annual environmental and social reports (Frankental, 2001:40). The concept of reporting relates to communication and provides stakeholders with information that can be verified in order, to build trust in its value as the foundation of social, environmental and economic performance (Beckett and Jonker, 2002:12).

1.5   Research Methodology and Design

1.5.1 Primary Data

Due to constraints such as time, cost and personnel, researchers may not always have access to the actual population for which they want to generalise findings. For the purpose of this research, the population will be defined as organizations listed on the Johannesburg Securities Exchange (JSE). The database of these organizations was obtained from the JSE website.

The research method that was used to conduct this research is random sampling. In random sampling, the nature of the population is defined and all members have an equal chance of being selected. A sample of thirteen organizations was drawn from the population. This research focused on organizations that are accessible in terms of geographic location, the availability of contact telephone numbers and addresses, and the availability of suitable respondents to answer the questionnaire (i.e. the corporate social investment manager, public relations officer, communications officer or general manager). The advantage and strength of this random sampling method is that a representative sample can be obtained (Du Plooy, 2002:107).

1.5.2 Secondary Data

Secondary data was obtained through internet research, media articles, government articles, survey reports, journals and books.

1.5.3 Data Collection Methods

The target population for this research was JSE listed companies. JSE listed companies are the economically strongest companies in South Africa ranging from medium to large business. The criteria for listing are determined by the JSE in consultation with the Advisory Committee, an independent panel of experts from across the spectrum, which includes investment managers, listed companies, sustainability experts, academics and civil society. Companies are assessed against the triple bottom line, i.e. environment, society and economy, with governance forming the foundation of the triple bottom line pillars. Within each area of measurement, companies are assessed based on policy, management, performance and reporting. These criteria retain the triple bottom line philosophy, but the indicators are structured along ESG lines (Environment, Society, and Governance), in keeping with the framework promoted by the United Nations's principles for responsible investment. Within the environmental criteria, companies are classified as high, medium or low impact based on their activities. The society and governance criteria follow a thematic approach to reflect global standards while accommodating issues peculiar to South Africa. such as Black Economic Empowerment (BEE) and HIV/AIDS. They also incorporate economic factors and related sustainability concerns reflective of the emerging market.

In order to make it onto the Index, companies have to meet the minimum core and desirable indicators as set out in the criteria.

A list of the Johannesburg Securities Exchange listed organisations was obtained from the JSE website: www.jse.co.za. This list is managed by the JSE and indicates all the organisations that are listed on the stock exchange.

The data was collected by identifying respondents from within the organization. In this instance, suitable people to answer this questionnaire were: the public relations officer, communications officer, corporate social investment manager, corporate social responsibility manager, business manager and public affairs managers. An exception was made for respondents whose area of responsibility included corporate social investment or communication.

The collection of data was conducted by means of questionnaires. The questionnaires were sent to organizations via courier service, post, fax transmission and some were hand delivered. One-on-one interviews and telephonic interviews were also used in this study.

1.5.4 Analyses of Results

The data was checked for accuracy to determine whether there was any interviewer bias or whether the questions are deemed to be completed without any outward action (Kinnear & Taylor, 1996:56). The quantitative data was analysed using the SPSS data analysis package. The qualitative data was analysed by the researcher.

1.5.5 The Questionnaire

For the purpose of this research, an open ended questionnaire was used. An open ended questionnaire allows respondents to answer the questions in their own words. An open ended questionnaire was used particularly to encourage respondents to express their attitudes or opinions in their own words. The reason for asking open ended questions in a self administered questionnaire was to invite the respondent to answer in any way that he or she may wish. Since open ended questions do not have structured specified answers, they can elicit underlying ideas, feeling, sentiments and suggestions that researchers may not even have considered (Du Plooy, 2002:138).

The first section of the questionnaire dealt with obtaining necessary personal information from the respondents as well as filtering questions to eliminate any respondents deemed unsatisfactory.

The second section of the questionnaire dealt with obtaining the company's approach to communication. This section addressed communication tools and communication processes.

The third section of the questionnaire dealt with corporate social responsibility issues. This section addressed communication challenges in the context of corporate social investment practices.

1.6   Outline of Chapters

Chapter 1. Introduction and Statement of the Problem
- Presents an overview of the research, statement of the problem, rationale and delimitation of the study.

Chapter 2. Literature Review
- Theories and assumptions on corporate social investment and communication. Theoretical background underpinning the study.

Chapter 3. Methodology
- The selection of the research methods to conduct the study. The selection of the research population, sample selection and data collection.

Chapter 4. Evaluation and Analysis of Results
- Examine the research data collected, analyse the results.

Chapter 5. Conclusions and Recommendations.
- Overview of the research results, recommendation on best practice.

1.7   Conclusion

In a country like South Africa, where business is being actively encouraged to redress the inequities of the past, economic contribution and corporate social investment takes on a critical role. The socio-economic needs of South African society are so great that philanthropy is an expected norm. It is considered the right thing to do by business. Companies also realise that they cannot succeed in societies that fail, and philanthropy is seen as the most direct way to improve the prospects of the communities in which business operates.

This chapter presented a summary of this research study, the statement of the problem, summary of the literature review, and summary of the research methods used. The next chapter will discuss the literature, various theories and assumptions concerning corporate social investment and communication.

Chapter 2

Literature Review

Corporate Social Investment: Communication Challenges

2.1 Introduction

The previous chapter provided a background to this study. It also outlined that overall objective of this study is to evaluate the communication tools employed by corporate to communicate corporate social investment, initiatives to key stakeholders. This chapter provides the theoretical underpinning for the study. It does so by firstly defining corporate social investment and then goes on to provide an overview of corporate social investment in South Africa. It identifies communication as pivotal in CSI and Therefore discusses a key CSI theory that highlights the importance of communication. It further examines the various communication tools employed in order to communicate corporate social investment initiatives. In doing so this literature review outlines the key challenges being faced in a corporate social investment context.

2.2 Definitions of Corporate Social Investment

The term corporate social investment itself came into common use in the early 1970s, although it was seldom abbreviated. Despite the growing importance of corporate social investment, there is little agreement as to what the phrase means and there are several different names for the same or similar practices, such as corporate social investment (CSI), corporate citizenship, global citizenship and corporate accountability. While some may argue over the distinctions amongst these terms, at the core they all point towards the same fundamental principle: that a company is responsible for providing more benefits than just profits for shareholders. It has a role to play in treating its employees well, preserving the environment, developing sound corporate governance, supporting philanthropy, fostering human rights, respecting cultural differences and helping to promote fair trade, among others. All are meant to have a positive impact on the communities, cultures, societies and environments in which companies operate. In addition, Trialogue (2007) suggests that CSR is a company's internal value systems for conducting business and regulating operations whereas CSI is a company's contribution to people, organisations or communities that are external to the company. They propose that CSI should support a business's CSR agenda.

The definition of corporate social investment (CSI) used within an organisation can vary from the strict 'stakeholder' impacts definition used by many CSI advocates and will often include charitable efforts and volunteering. CSI may be based within the human resources, business development or public relations departments of an organisation, or may be given a separate unit reporting to the CEO or in some cases directly to the board. Some companies may implement CSI-type values without a clearly defined team or programme. Implicit in the above is that there are many definitions for corporate social investment.

There is also the issue of just what standard of CSI companies should use and how far companies should go to perform their responsibilities, beyond what the legislation calls for. The issue of what is the "responsibility" of a corporation is far from being settled, and there is an unresolved argument over what CSI means. Companies face a plethora of options among the various standards, guidelines, benchmarks and other proposed measures of CSI. One point that can be agreed upon on is that CSI is not a neutral topic. There is persistent debate about whether the CSI "movement" represents an unjustified intrusion into corporate affairs, and whether companies should invest profits in their own CSI projects or return the money to shareholders to let them invest as they see fit. However there is no denying that CSI has become an important issue facing the global business community and one that promises to grow in importance in the coming years.

Van den Ende (2004:18) argues that CSI is a concept that frequently overlaps with similar approaches such as corporate sustainability, corporate sustainable development, corporate responsibility, and corporate citizenship. While CSI does not have a universal definition, many see it as the private sector's way of integrating the economic, social, and environmental imperatives of their activities. As such, CSI closely resembles the business pursuit of sustainable development and the triple bottom line. In addition to integration into corporate structures and processes, CSI also frequently involves creating innovative and proactive solutions to societal and environmental challenges, as well as collaborating with both internal and external stakeholders to improve CSI performance.

Bateman and Snell (1999:164) define corporate social investment as the obligation towards society assumed by business. The socially responsible organisation maximises its positive effects on society and minimises its negative effects. The economic responsibilities of business are to produce goods and services that society wants, at a price that perpetuates the business and satisfies its obligation to investors, adds   Van den Ende (2004:18).

Sparks (2002:210) points out that in South Africa the business contribution to community development is termed corporate social investment.   Corporate social investment means that companies should care for their core function of making profits by the provision of goods and services, but to do so in a socially responsible way. In other words companies have a responsibility to communities and the physical environment in which they operate.

Kotler and Lee (2005:24) reveal that corporate social investment means that a corporation adopts and conducts discretionary business practices and investments that support social causes to improve community well being and protect the environment. Initiatives may be conceived of and implemented by the organisation, or they may be in partnership with others.

Corporate social investment is meeting the needs of present and future stakeholders thereby exceeding legal requirements, by integrating the economic, social and environmental impact of an organisation's operations within the organisation's strategy (EFQM, 2004: 8).

Sparks (2002: 211) argue that the need for CSI to be based on action rather than words is accepted by many large companies. Economists sometimes attack the whole idea of corporate social investment as being fundamentally misconceived. Using the erroneous assumption that corporate social investment is equivalent to corporate philanthropy, they argue that the job of the corporate sector is to maximise its profits, not to give shareholders money away. The conclusion of the argument is true unfortunately, its premise is false.

Trialogue (2004: 207) reveals that corporate social investment is a significant factor for many businesses and the communication of CSI is an important part of the corporate communication function. This change has been brought on by pressures to demonstrate corporate commitment to social responsibility, to justify their license to operate or to show a return on CSI investments. Corporate companies today increasingly publish delicate social responsibility reports to promote their CSI expenditure through public relations campaigns (Trialogue, 2004).

Corporate social investment refers to a whole range of fundamentals that organisations are expected to acknowledge and to reflect in their actions. It includes, among other things – respecting human rights, fair treatment of the workforce, customers and suppliers, being good corporate citizen of the communities in which they operate and conservation of the natural environment. These fundamentals are seen as not only morally and ethically desirable ends in themselves, but also as key drivers in ensuring that society will allow the organisation to survive in the long term, since society benefits from the organisation's activities and behaviour (EFQM, 2004: 7).

Although there are varying definitions of CSI it is essential and plays a key role within an organisation. EFQM (2004:6) reinforces this and maintains that CSI is an essential ingredient for the survival of any organisation. Given that all organisations have some connection with society, CSI is becoming, to varying degrees, an unavoidable issue, irrespective of an organisation's size or sector.

From the perspective of socially responsible investors, particularly institutional investors, CSI has three distinctive elements:

- Responsibility to shareholders or corporate governance.
- Responsibility to humanity in the form of human rights.
- Responsibility to the biosphere in terms of good environmental practice.

Furthermore, according to Trialogue (2004: 216), the company often uses its CSI programmes to support the community, perhaps by contributing to local schools and clinics, by funding specific community events, or even by supporting local

government structures. Executed properly, such contributions are likely to elicit favour with the community or contribute to a climate of trust, goodwill and co-operation. In this way, they provide an effective platform on which to build more meaningful and enduring relationships that are characterised by interactive and meaningful two way communication, to address contentious issues and matters of mutual interest (Trialogue, 2004).

CSI refers to an organisation's impact on society and the need to deal responsibly with this impact on each group of stakeholders. Typically these stakeholders are diverse customers, suppliers, employees and the community (both local and global). The key issues will vary from sector to sector, organisations to organisation and may include human rights, labour conditions and environmental impacts of products (Hopkins & Cowe in Van den Ende, 2004:4).

One of the main characteristics of corporate social investment is that all stakeholders should be taken into account. Stakeholders will differ from organisation to organisation however they are all being defined as those groups of people who affect or are affected by the organisation and its activities in some way. These may include, but are not limited to; owners; trustees; employees and trade union; customers; members; business partners; competitors; government and regulators, the electorate, non-governmental organisations non-profit organisations, pressure groups, influencers, local, national and international communities. The business climate is changing fast, spurred on by the trend towards global brands and multinational organisations with worldwide supply chains. Many organisations are becoming increasingly aware of the direct economic value of CSI. By integrating CSI as a strategic investment into core business strategy and management operations, organisations can have a positive impact on society and the environment, concurrently enhancing their own reputation (EFQM, 2004: 8).

It is common that different organisations will adopt different approaches to CSI however all these approaches should fulfill the role of corporate social investment. Clearly then, it can be said that corporate social investment is a significant factor for many businesses and contributes to the bottom line results of an organisation. It

therefore has to be positioned and regarded as a pivotal component in the organisation as its role is distinctively advantageous.

The traditional role of business, as stated by one of its staunchest and most eloquent advocates, Freidman (1966:133) is to use resources and engage in activities designed to increase profits so long as it stays within the rules of the game, therefore the business engages in open and free competition, without deception or fraud. Today this approach is simply not enough to guarantee survival.

In the modern world, organisations need to earn and retain the consent of society at large to stay in business. This consent will only be given if communities believe the operation has a beneficial "footprint" on the human and natural environment. Powerful media reactions mean that organisations are now under scrutiny. Ordinary citizens, potential investors, pressure groups, politicians, insurance companies and a wide range of other stakeholders are increasingly holding organisations to account for the social environmental and economic impacts that they have on every community in which they operate, as well as on the natural environment (EFQM, 2004: 1).

In South Africa, although corporate social investment is generally viewed as participation in and support of community services and social welfare programmes outside the actual business practices of the company, the greater societal impact of business nevertheless remains in the execution of its activities. Organisations in the private sector, survived historically by generating maximum profits for their shareholders. In the public sector the historic focus was on providing a service at the least cost to the taxpayers.

2.3. Overview of corporate social investment in South Africa

In South Africa, CSI has a very specific look and feel.   It is determined not only by the demands of the circumstances but also required and measured by legislation

and industry charters. The most important document that has influenced and determined the character of CSI in South Africa is the Broad-Based Black Economic Empowerment act of 2003. In this act and in the codes of good practice derived from it. CSI falls under socioeconomic development as one of the seven measurable aspects of broad-based economic empowerment (B-BBEE). (Njenga and Smit, 2007:11)

Apartheid's social and economic legacy remains. The majority of nearly 45 million South African people continue to live in conditions resembling those of a decade ago. The bulk of the country's wealth remains in the hands of a small percentage of the population. Though corporate giving is one of the largest sources of funding for civil society, companies remain reluctant to address inequalities and take on social justice grant making. Ironically, it was apartheid, and its consequent social unrest and threat to the economy that provided the first real stimulus for corporate social investment (CSI). After the 1976 student uprisings in Soweto, several companies banded together to establish the Urban Foundation, which focused on urban development, housing and education in black townships. At about the same time, the Sullivan Principles were introduced, requiring American companies to justify their presence in the country by contributing to local communities, which encouraged more formalised giving by the private sector in general. During 1984-1985, the groundswell of the liberation movement against apartheid and the international attention it brought provided a further stimulus to corporate giving (Mersham, Rensburg and Skinner, 1995:95).

Post 1994, under a democratic government, facilitated further CSI development. The South Africa Grantmakers' Association (SAGA) was launched as voluntary non-profit association of organisations and individuals involved with development funding. The association now has a membership of over 105 organisations. In 2001 the Code of Best Practice for South African NPO was developed by the Directorate of NPOs of Department of Social Development to guide institutions to make an investment rather than a mere donation (Rockey, 2004:19).

These developments signify that CSI has matured over the years in South Africa. Corporate social investment provides companies with the means of contributing to sustainability, enhancing the context for business from the perspective of a preferred

future for business and the long term well being of the world in which we live and work.

2.3.1   Approaches to CSI

The style of CSI in South Africa has matured over the years. During the pre democracy stage CSI was characterised by factors such as donated cash to NGOs, maintaining a very low marketing profile and focused on selecting projects to support based on funding applications received (Rockey, 2004:6).

Today CSI offers a wide range of formulas and business benefits. Rockey (2004:19) suggests that CSI:

- Provides an integrated framework for internal management reporting;
- Uses formula-based CSI budget determination, often based on meeting charter based requirement;
- Aligns CSI with the business, and provides defined business benefit;
- Focuses on high-profile industry-specific projects that are corporate driven;
- Offers transparency of achievements, lessons, definitions and amounts of money spent, and
- Uses partnerships over long period, with terms dictated by companies.

It is interesting to note that organisations are gradually moving beyond conscience-based CSI approach to a more holistic approach that focuses on broader sustainable development agenda.

2.3.2   An urban focus

Mersham, Rensburg and Skinner (1995:104) warn about providing a number of considerations in the area of corporate social investment focus. Most companies are urban-based and their development efforts reflect this. In 2003, two-thirds of CSI

spending was targeted towards urban and peri-urban areas, with only 34 per cent targeted towards rural communities. Given the high levels of poverty in rural areas, this funding pattern is in almost inverse proportion to need.

2.3.3   An insular focus

Fifteen per cent of funds from CSI programmes focus on company employees and their families and another 49 per cent on the communities in which the companies operate. While this may seem logical, it also means that those people and communities, who have little or no connection to corporate South Africa, as employees or customers, are badly underserved (Mersham, Rensburg and Skinner 1995:105).

The Statistic South Africa 2011 Census Figures reveals that the number of people without work is estimated at 4.5 Million. Given this background it is possible that CSI is not reaching those who are most marginalised with least access to resources and information.

2.3.4   Promoting the government line

The new government has promoted the concept of public-private partnerships to address social needs and implement government programmes. Companies are encouraged to support this trend in order to achieve greater exposure and win government favour. It is unlikely, therefore, that companies will publicly criticise government policy or support local communities and Organisations that do so. Promoting a social justice agenda would inevitably involve this.

2.3.5   Internal considerations

Many CSI practitioners tend to be guided in their choice of CSI projects by government priorities. There are, however both advantages and disadvantages to adopting this kind of approach. Aligning the CSI spend to government priorities might lead to the necessary leverage and to effective follow through in respect of developmental projects. On the other hand, there are those who argue that corporate social investment should not replace the legitimate role of the government and its responsibility to its citizenry (Njenga and Smit, 2007:47).

The majority of the CSI budgets in South Africa are not determined through a formula, as they are in the UK and the US, which makes them more vulnerable to the arbitrary decisions of management and less likely to be strategically focused. When it comes to evaluation, companies tend to focus on inputs and anecdotal evidence, with little effort to being made to assess developmental impact, lessons learned and implications for policy reform. CSI in South Africa is thus limited in scope, often non-strategic and emphasises service delivery rather than structural reform. Without giving attention to the areas of weakness outlined above, CSI is unlikely to make any significant contribution to social justice. A set of initiatives that have encouraged greater reflection and improved reporting are described below. They are not specifically aimed at promoting social justice programmes, but it is possible that the greater reflection on the role of companies in society that they encourage could lead in this direction (Mersham, Rensburg and Skinner, 1995:91).

2.3.6 The BEE Report

The King Report on Corporate Governance (King II, 2002) provides a South African voluntary code of conduct, which embraces the 'triple bottom line' concept. The Socially Responsible Investment (SRI) Index launched in 2004 on the Johannesburg Securities Exchange, assesses companies on a range of social, environmental and economic issues (Institute of Directors, 2002).

Broad Based Black Economic Empowerment (BBBEE) initially focused on extending black equity participation, predominantly to a small black elite. Government now encourages BEE to take a broader approach to empowerment that includes guiding government's procurement decisions to benefit black-owned companies, development of small businesses, skills development, etc. Unfortunately, to date, BEE has focused on redistribution at the apex rather than at the base (Mersham, Rensburg and Skinner, 1995:92).

Industry charters developed by several industries (banking, mining and finance), with government encouragement, provide a scorecard for transformation, featuring issues

such as black ownership and control, skills development, financing and procurement, and CSI.

2.3.7 Working through other grantmakers

Identifying CSI partners should be more real than merely choosing from a list of high profile beneficiaries. It is a process of background analysis, close engagement with other funders and stakeholders, intensive consultation within and beyond company leadership and ensuring a clear fit with CSI strategies that make developmental sense (Creative Space Media, 2010:4).

Working through other types of grant makers, especially those that focus on human rights and reaching the most marginalised, offers a potential way for companies to give their CSI activities a social justice focus. Possible partner organisations include community foundations and women's funds, two new institutional forms of philanthropy in South Africa in recent years (Mersham, Rensburg and Skinner, 1995:93).

2.3.8 Community foundations

WesBank, the leader in vehicle and asset finance believes that the need to empower communities to become self supporting is one of the most pressing needs in South Africa. In keeping with its policies, WesBank focuses on flagship projects with established non-profit organisations. The Wesbank is currently supporting 15 organisations across three programmes, emergency relief and disaster management programme, food security and agricultural livelihood programme (Creative space media, 2010:4).

2.3.9 Women's funds

Johnson and Johnson have been caring for local communities for more than 80 years. Together with their partners they are helping mothers and infants survive childbirth, educating communities about how to reduce their risk of infection from preventable diseases and supporting doctors, nurses and local leaders as they work to provide the best care to their people (Creative space media, 2010:40).

2.3.10 Other local grantmakers

Corporate companies have also begun to partner with other local grantmakers such as the Social Change Assistance Trust (SCAT) and the Nelson Mandela Children's Fund (NMCF). SCAT is a grantmaking development agency that funds rural, community-based organisations focusing on human rights, gender equity, HIV/AIDS and local economic development. It has received money from the De Beers Fund and has helped develop Ditikeni, an investment company that is building assets for a set of non-profit organisations, SCAT included. Given its name and profile, NMCF has received numerous corporate contributions. The organisation has been affected by political influences but, given its R250 million endowment, may develop greater independence and a stronger social justice emphasis in the future (Mersham, Rensburg and Skinner, 1995:95).

Working through local grandmakers such as these could enable companies to reach those communities outside their immediate ambit. If that greater outreach combines with well-designed advocacy campaigns driven by local communities, there is the potential to influence corporate grant making for the better (Mersham, Rensburg and Skinner 1995:95).

Based on the varying approaches to CSI, the practice is subject to much debate and criticism.

2.4   Dominant critiques of corporate social investment

Proponents argue that there is a strong business case for CSI, as corporations benefit in multiple ways by operating with a perspective broader and longer than their own immediate, short-term profits. Critics argue that CSI distracts from the fundamental economic role of businesses. Others argue that it is nothing more than superficial window-dressing. Still others argue that it is an attempt to pre-empt the role of governments as a watchdog over powerful multinational corporations.

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

- They can and should improve the corporate and local image of the firm.

- They are in the stakeholder's best interest – By making communities a better place to live, the organisation can entice superior and happier workers who in turn put out better products and increase profits.

- Business is partially responsible for getting themselves in the mess they are in so they should help to get themselves out of it.

- They will help maintain and gain customers.

- It will help prevent possible unpalatable and even destructive government regulations.

- More and more investors prefer to invest in socially responsible organisations.

- For the business to do well by converting social needs and problems into profitable business opportunities.

- It is better to take some positive action than to take no action at all.

- It is better to prevent the problem from occurring in the first place (Anon, 2000:4; et al).

Corporate social investment practices can backfire when, for example, companies over-publicise their charitable works. Some corporate companies may get upset when they see a company engaged in what is called "cause-related marketing." Indeed, advertising and public-relations companies have developed sophisticated cause-related marketing strategies for companies on the premise that it is one of the cheapest and most effective forms of building brand loyalty.

Nevertheless, organisations are changing their attitudes towards the issue. Increasingly. There is an increasing trend towards communicating CSI activities to relevant stakeholders. This is preferred to obtaining traditional publicity. Communicating these activities also include other channels such as internal employee communication (Mersham, 1994:21). While companies are wary of a high profile regarding their CSI involvement, the trend is moving towards increasing their profile especially in communities where they are actively involved (Mersham, 1994:21).

2.4.1 Corporate responsibility a false notion

Although many forces have shaped the debate of CSI, the increasing globalisation of business has made it an international concern. For example as people around the world celebrated the year 2000, there was also a growing backlash against big businesses, particularly multinational corporations. A wide variety of protests were held around the globe, but their common theme was criticism of the increasing power and scope of business. Questions of corruption, environmental protection, fair wages, safe working conditions and the income gap between rich and poor were posed. Many critics and protesters believe that global business involves exploitation of the working poor, destruction of the planet and a rise of inequality (Ferrell, Thorne and Ferrell 2008:22).

The advocates of CSI, say CSI critics, imply that there is something shameful in companies making profits by providing goods and services to consumers. So, CSI implies that redemption can only be found through being "responsible" as a good "corporate citizen". Although environmental and social concerns about businesses have an ancient history, their evolution into the concept of sustainable development is relatively recent. The Sustainable Development Timeline written by Lynne Elvins (at A420.com, www.a20.com) provides a summary of the key events, ideas and organisations that have been involved in the evolution of sustainable development.

Major arguments in support of the view that corporate responsibility is a false notion that:

- Society will be better off if it asked businesses only to maximize their efficiencies and thus lower cost.
- CSI violates the policy of maximisation and as a result stakeholders will suffer.
- It will increase the price of the end item and a result all purchasers of the end item will suffer.
- Most corporate executives lack the knowledge, perceptions, skills and patience, to deal with and solve society's problems.

- Social actions cannot be measured, so why participate in them.
- Businesses already have too much power. Increased activity in the social arena will only increase their power to re-mould society to their way of thinking.
- If government wants organisations to support social activities, it should give them adequate incentive to do so (Cannon 1992:37- 39; Anderson, 1998:11-12; Theobald, 2002:25).

The question is not really whether an organisation should become involved in CSI activities but rather how deeply an organisation should become involved in it. Every organisation most certainly must obey all social responsibility - related laws and requirements. They must also have a minimum code of morals and ethics to which all their employees must agree and adhere as well as economic resources to determine just how far they want and can go in this area. The following section highlights corporate social investment challenges in the corporate environment.

2.4.2   Arguments against CSI: Business perspective

It is apparent that in today's business practice, CSI is entwined in many multinational organisations' strategic planning processes. The reasons or drive behind social responsibility towards human and environmental responsibility is still questionable as to whether it is based on genuine interest or has underlining ulterior motives. Corporations are fundamentally entities that are responsible for generating a product and or service to gain profits to satisfy shareholders (Malloy 1997 et el). As Friedman believes, there is no place for social responsibility as a business function. However, a business still comprises people those who posses both the humanistic and naturalistic view points.

The humanistic view is that a deteriorating environment and planet is of no relevance in sustaining human life, let alone a business. The naturalistic view is where we draw the line between exploiting our natural resources and destroying our fauna and flora for the sake of profiteering and sustainability (Grace and Cohen, 2005:144). The need to create an ideal scenario that is "pareto efficient" may be the main reasons such mediators are there to adjudicate. Influence from the population, government and competitors are possible forces that can

destabilize an organization should its motives or unethical processes become clear. Legal structures are created and implemented to ensure international borders are not left exposed to multimillion dollar organisations self interest. Stringent laws and penalties are governed by legal bodies, such as the International Court of Justice, that are capable of sanctioning non abiding Organisations ICJ Report 2007 in (Grace and Cohen, 2005:144).

CSI has been an issue of some debate. There are some people who claim that corporate social investment cherry-picks the good activities a company is involved with and ignores the others, thus 'greenwashing' their image as a socially or environmentally responsible company. There are some other people who argue that it inhibits free markets.

2.4.3   Disputed business motives

Critics of CSI will attribute other business motives, which the companies would dispute. For example, some believe that CSI programmes are often undertaken in an effort to distract the public from the ethical questions posed by their core operations. Some that have been accused of this motivation include British American Tobacco (BAT) which produces major CSI reports and the petroleum giant BP which is well known for its high profile advertising campaigns on environmental aspects of their operations (Malloy, 1999: 59).

2.4.4   Critics who believe that CSI is self interested

This group argues that the only reason corporations put in place social projects is for the commercial benefit they see in raising their reputation with the public or with government. They suggest a number of reasons why self-interested corporations, solely seeking to maximise profits, are unable to advance the interests of society has a whole (Malloy, 1999: 61). They point to examples where companies have spent much time promoting CSI policies and commitment

to sustainable development on the one hand, with damaging revelations about business practices emerging on the other. For example the McDonald's Corporation has been criticised by CSI campaigners for unethical business practices, and was the subject of a decision by Justice Roger Bell in the McLibel case (which upheld claims, regarding mistreatment of workers, misleading advertising, and unnecessary cruelty to animals). Similarly, Shell has a much publicised CSI policy and was a pioneer in triple bottom line reporting, but was involved in 2004 in a scandal over the misreporting of its oil reserves which seriously damaged its reputation and led to charges of hypocrisy. Since this has happened the Shell Foundation has become involved in many projects across the world, including a partnership with Marks and Spencer (UK) in three flower and fruit growing communities across Africa (Stein, 2001:47).

These critics generally suggest that stronger government and international regulation, rather than voluntary measures are necessary to ensure that companies behave in a socially responsible manner.

Corporations really care little for the welfare of workers or the environment and given the opportunity, will move production to sweatshops in less well regulated countries.

- Companies do not pay the full costs of their impact. For example, the costs of cleaning pollution often fall on society in general. As a result profits of corporations are enhanced at the expense of social or ecological welfare.

2.4.5 Hindrance of free trade

Critics who believe that CSI runs against capitalism would go further and say that improvements in health, longevity or infant mortality have been created by economic growth attributed to free enterprise. Investment in less developed countries contributes to the welfare of those societies, notwithstanding that these countries have fewer protections in place for workers. Failure to invest in these countries decreases the opportunity to increase social welfare (Malloy, 1999: 61).

2.4.6 Drivers of corporate social investment

It is difficult to concede if CSI is purely driven by the intentions of corporate members to exert ethical conduct or if it is a distraction and/or opportunity to over shadow or distract society and consumer perception based on the moral standing of an organisation.

The above clearly points out that CSI roles within an organisation are founded on addressing community needs. These needs, however, need to be clearly understood by both the organisation and the community within which it operates. Therefore there has to be a strong link between the organisation and its community. A critical tool that therefore needs to be interrogated is the concept of communication and its role within CSI.

2.5   The importance of communication in corporate social investment

Corporate Social Investment (CSI) is a concept with a growing currency within South Africa and around the globe. Today, corporate social investment is considered an integral part of any business. Integrating CSI into corporate structures and processes involves communication and public relations strategies. Communication is a key enabler of entire CSI programme. It is imperative that the organisation takes into account all the key communication properties at different stages of the CSI implementation programme. This would ensure that there is understanding and harmony between the organisation and its various audiences.

There is a need to communicate the company's CSI activities to stakeholders who have both direct and indirect interests in the programmes. Project partners, company employees and executives, suppliers and community leaders all have vested interest in a company's CSI programmes and each contribute in some way to its success. By communicating appropriately with each other, one therefore (harnesses) the mutual benefits of the interaction can be harnessed to improve the way the project functions (Trialogue, 2004 -5: 206).

Corporate social investment (CSI) programmes often fall short of their potential because of a number of common errors relating to stakeholder and beneficiary communication. Challenges and mistakes in this regard include insufficient communication and engagement with the intended beneficiaries, which means that the relationship deteriorates rather than being strengthened. Communication plays a major role in all stages of the corporate social investment programme viz., planning, facilitation, implementation and evaluation.

Grunig (1992:17) takes a position that aligns almost all public relations activities to social responsibility principles. Grunig's view of corporate social investment lies within the theory of public relations in which the idea of communication is pivotal. Grunig's input focuses on the mutual interdependence between society and business. In this model, communication is regarded as the heart of an organisation. Grunig (1992:99) also states that communication is viewed as behavior which reduces uncertainty in problematic situations, in order to gain a more accurate picture of the environment with which the organisation must cope. Communication in an organisation means that the organisation has to carefully consider the internal and external changes in the environment. The role of communication is to continuously convert the information received internally and externally into a concrete diagnosis; thereby shaping the organisational communication programme.

It is interesting to note that the priority the company affords to communicating and profiling their community-giving activities has increased dramatically over the past decade. Until the early 1990's, it was almost unheard of for companies to promote their CSI activities. In many instances, it was in fact detrimental for them to do so. One common motivator for communicating CSI activities is to contribute to company image and brand reputation. Trialogue research indicated that 88 percent of responding companies believe that CSI should contribute to corporate image and brand identity. The research also showed that more than half the respondents now believe their CSI contributes 'significantly' to image and brand (Trialogue, 2004:206).

Moving beyond awareness, the extent to which companies communicate their CSI activities to key stakeholders varies considerably. In many organisations CSI

remains a largely extraneous corporate activity functioning in isolation from the company's day-to-day operations, hardly engaging experts or potential partners with proper understanding of the company's approach to community development. On the other hand, some CSI programmes have a comprehensive communication plan that defines relevant stakeholders and details an appropriate message and medium to reach each group.

Communication, although pivotal, does not come without challenges. It follows then that, for CSI communication to be effective, these challenges need to be identified and teased out so that resources and time spent on CSI communication initiatives are not futile. Therefore it is important to examine the commonly used theories and models that underpin CSI communication.

2.6. CSI and communication models, theories and assumptions

Communication plays a vital role in the planning and implementation of a corporate social investment programme. The processes and communication channels that are being used in CSI also contribute to the overall outcome of the CSI programme. It is therefore imperative to understand the theories that underpin communication in light of corporate social investment.

This section discusses various communication theories and assumptions. The (theories) highlighted provide scientific background to explain the dynamics surrounding communication.

2. 6.1 The Systems Theory

Systems theories emphasise the importance of equilibrium, balance and interdependence of the various subsystems that make up society. According to the systems theory, sub-systems that make up the society include businesses, the public, state organs, church and community organisations. This approach regards society as an integrated whole, whose components work together in such a way that the whole system is kept in balance. According to the systems theory,

communication is the integrating factor which regulates and organises the components/sub-systems. The primary function of the system and its sub-systems is to maintain balance, synergy and connectivity. To reach this goal, the system must maintain dynamic equilibrium or balance. This means that the components for example, business organisations within a society must provide for the needs of the system. Since what goes on in a system is not always positive and since society is never stagnant, the process is distinguished by an integrative process of social change. If negative changes are introduced that endanger the system's survival, then feedback (communication) becomes the means used to restore equilibrium (Cutlip et al, 1985:194).

In the context of corporate social investment, communication is the key enabler, to initiate the relationship with stakeholders like businesses and the society through developing open channels of communication. This means that businesses and the society need to exchange messages, create a dialogue in order to come to a consensus about corporate social investment programmes.

In other words, the organisation studies a wide variety of messages from the internal grapevine to media reports, feedback from the community, participates in discussions and interviews with stakeholders, studies the behaviour of stakeholders and carries out systematic opinion research. All these tasks are undertaken to monitor and interact with internal and external publics.

Grunig and Hunt (1985: 195) argue that, when applied to public relations policy, it means that the organisation has to carefully consider the stable or unstable behaviour of the environment belonging to each of the external and internal stakeholders. In times of rapid social change, the public relations practitioner's task is to systematically and continuously convert the information received into a concrete diagnosis. This diagnosis shapes the organisation's public relations practice in that it focuses almost entirely on actions and communication that is carried out by system in society for the satisfaction of different needs.

In view of this theory, an organisation that wishes to interact with the society in the context of corporate social investment, must engage in the process of studying the

environment and the relevant stakeholders around it in order to get an understanding of the environment. This will enable the organisation to make informed decisions on how to communicate with the particular audiences and also be able to create CSI programmes.

The systems theory therefore relies on the extremely behaviourist view of human nature. It places a certain amount of value in communication and the processes that are being used to open the line of communication between the society and the organisation. This approach thus lacks the human perspective. The complicated process of the exchange of meaning in human communication (which implies the importance of inter subjectivity) is ignored. Human beings are seen as machines, components or robots acting with a mechanistic system in the interest of society.

2.6.2. Open System Approach

Mersham, Rensburg and Skinner (1995: 50) claim that the functional mode of public relations calls for an open system approach, using both input and output to change the organisation and the environment. Relations between the organisation and its publics are maintained or changed on the basis of reciprocal output feedback adjustment. It may be argued that an open system approach to public relations suggests radical changes to the practice of the widely used functionary approach. This approach, which Gruining and Hunt (1985:22) call the two way symmetrical model, stresses that communication is a two way stream and that information exchange causes changes on the side of the organisation's-public and also on the organisation itself.

Open system public relations also has the capacity for initiating corrective actions within the organisation and for directing efforts to affect knowledge, predispositions and behaviours of the public. The dynamics sought in this model are the maintenance or achievement of goals that are in the organisations and the public's mutual interest. Those found to be in conflict with mutual interests are changed or eliminated. Pro-active corrective action may be the major and most useful aspect of the public relations open system model (Mersham, Rensburg and Skinner, 1995:5).

Applying the open system approach to public relations and corporate social investment calls for the purposeful scanning of the environment to anticipate and detect changes that affect the organisation's relationship with its public. Following an open system approach public relations must be sensitive to those publics that are mutually affected by the organisation's policies, procedures and actions in the process of corporate social investment implementation. This not only calls for specifically defined publics, but also for research skills to monitor the public as well as the organisation itself. This also calls for open communication between the organisation and its public. This approach requires the organisation to carefully study the audience, its behaviour and its way of communication. It is important that the organisation identifies the most effective ways of communicating with its intended audience in order the reach a common ground and level of understanding.

One of the biggest mistakes made in respect of CSI is presuming that the company knows best what the community or stakeholders need and, therefore not engaging sufficiently with the intended audience. Pearson (1989:377) mentions that it is imperative to establish and maintain a communication relationship with all the stakeholders affected by the organisation's actions. It is also essential to improve the quality of these relationships. This is done by increasing the extent of dialogue; which means working towards rule identification, clarification of messages and change so that measures of organisational and public understanding of agreement on communication rules become increasingly positive. One such model that discuses this limitation is Mersham's Communication Model for Development

2.6.3 Mersham's Communication Model for Development

Mersham (1992:8b) argues similarly for communication equality between the communicator and recipient in his graphic communication model for development and public relations. Mersham argues for recognising the equality of roles of the communicator and recipient in the traditional communicator message recipient (C-M-R) model. He further states that organisations, public relations practitioners corporate social investment practitioners and communication practitioners, first need to become the recipient of messages originating from members of the various

disadvantaged communities in South Africa. If these messages are not forth coming, the communications person involved in corporate social investment act as a kind of 'midwife' to facilitate the passage of messages between the stakeholders and the organisation (Skinner, Rensburg and Mersham, 1995:54).

Mersham (1992b:18) draws attention to the importance of the way in which the communicator or an organisation manifest ideas about CSI. This must be done in a way that should bring harmony and good communication between the organisation and the community. Mersham (1992b:19) also argues that we need to consciously ensure that the form in which these ideas are manifested is decodable by the partners in the communication process. The model also suggests that we need to consciously monitor the interpretations attached to messages by the various participants in the communication process and CSI, otherwise they remain inner thoughts that we assume are shared with communication partners. The external, material form of the message must also be sensually perceptible through some medium or other.

2.6.4 The medium is the message

The medium may be thought of as a message receptacle which provides the platform for the signs, symbols and codes of meaning to be conveyed. Mersham adds that each medium is the message. However the definition of the medium as the vehicle which carries messages emphasises the technological aspects of the message conveyance. The communicator must have skills in encoding messages in the mother tongue of the communication partners. By the same token, the model implies that we need to be sure that all partners have the requisite skill in the decoding of the mediated message. This model implies that elements such as language and level of literacy must also be taken into consideration when the community and the organisation engage in the communication process for corporate social investment implementation.

Mersham (1992b:19) further argues that signs and symbols are devoid of meaning themselves. They can mean something to somebody only if the source gives them a specific meaning and if the recipient sees a specific meaning in them. The meaning

of the signs depends on the personal interpretation which also can never be wholly objective. The interpretation of signs, symbols and system codes can only be one of the many avenues of interpretation possible for a given message. Communication code does not terminate once the message is expressed and encoded in a medium. To complete the process of communication, a message must be received and interpreted. The recipient's active participation in the communication process must be encouraged and recognised.

This process of interpretation (internalisation) can be vigorous enough to transform the message into the recipient's own message when it is re-expressed. It may in fact become an entirely new message or at least a revised form of the original. In development communication or corporate social investment, Mersham (1992:10b) believes too much emphasis is placed on the so called 'effects of the message upon the recipient. He believes that it is therefore important for the communicator to take active steps to encourage the recipient to manifest his or her interpretation, through a medium that all participants are comfortable with, so that the understanding or meaning attached to the original message can be evaluated.

The interpretation of messages is crucial in ensuring that the participants understand each other in the CSI communication process. Therefore, both the community and organisation must keep this in mind when communicating, they also need to constantly check that their messages are not being misinterpreted.

2.6.5 The communicator and the recipient's role

The development communication practitioner and public relations practitioner involved in community or social investment programmes should therefore first prompt the community to initiate messages about their development needs. Alternatively the development scientist or agent can be thought of as a facilitator a person who carries out environmental scanning. In this process, the person is actively monitoring the messages from a given community or stakeholder. And setting setting out a development or social responsibility plan, that is in fact a response to messages from the communicators in the community. The

communicators and recipient's roles are thus reversed from to the conventional model.

Mersham's (1992b:14) graphic communication model points to the importance of taking into account the broader societal circumstances in which the communication interaction takes place. Mersham, (1992b:14) argues that in this model these aspects are graphically illustrated by the spheres which surround both the communicator and recipient box around the triptych of the communicator's message and the recipient to represent the broad cultural, societal and international context.

Mersham (1992:14b) argues that a consideration of what constitutes South African society is important for the communication process in CSI. Appeals to national identity, patriotism and reconciliation and reconstruction are key terms in South Africa discourse and have great impact on the likely success of the interchange of ideas through the communication process.

Mersham's model draws attention to the importance of the way in which the communicator manifests his or her ideas which is vital to the success of the communication process. The central position in the communication triptych is the message. This also relates to the fact that there cannot be communication without a message. In CSI, it is a trend that the message often originates from the community. Although this may be a perfect situation however it demonstrate that the messages is the central elements that enables the communication process with the initiate the inter In order to transfer thoughts, information, feelings and attitude, Mersham suggests that we need to consciously ensure that the form in which these ideas are manifested is decodable by the partners in the communication process. The model also suggests that we should consciously monitor the interpretations attached to messages by our partners in the communication process. Otherwise they remain 'inner thoughts' that we assume are shared with our communication partners. The external, material form of the message must be sensually perceptible and easy to understand (Mersham, Rensburg and Skinner 1995:55).

The medium may be thought of as a message receptacle or that which provides the platform for the signs symbols and codes of meaning to be conveyed. Mersham

adds that each medium has its own set of encoding possibilities and structures. However the definition of the medium as the vehicle which carries messages emphasises the technological aspects of message conveyance.

The communicator must have skills in encoding messages in the mother tongue of the communication partners and skills in the technology and techniques of the medium in question. By the same token the model implies that we need to be sure that all partners have the requisite skills in decoding the mediate message. (Mersham & Skinner, 1995: 55).

In responding to the message content Mersham (1992b:15) believes that the recipient's interpretation of sign and symbol system (codes) can only be one of many avenues of interpretation possible for a given message. Communication does not terminate once the message is expressed and encoded in a medium.

2.6.6 Message interpretation

To complete the process of communication that messages must be received and interpreted. the recipient's active participation in the communication process must be encouraged and recognised. The process of interpretation and internalisation can be vigorous enough to transform the message into the recipients own message when it is re-expressed (externalisation) It may in fact become an entirely new message or at least a revised from of the original. In CSI this means that the community must actively participates in the CSI communication process, in order to articulate its ideas central to CSI implementation and also to ensure that these messages are not misinterpreted (Mersham and Skinner, 1995: 56).

Mersham (1992:b:11) concludes with the view that an individual's circumstances must also be recognised. This is particularly relevant to South Africa because it is still a developing country made up of many cultures and languages. He states that in spite of the commonalities that link us into the social structure, no two lives are ever the same in terms of individual experience. Thus within the circles surrounding communicator and recipient, he points out autobiographical circumstances. It is these personal successful circumstances that caution the communicator to remain

constantly aware of the differences in life experiences of the various players in the communication process.

In view of Merchant's theory it is imperative that the media used for communicating CSI activities are carefully considered. These channels must be able to deliver messages to the community with clarity that will leave no room for misinterpretation. The next section discusses communication channels used in CSI communication.

2.7.   Channels of communication in CSI

The selection of communication channels for CSI communication is extremely important. CSI practitioners must become acquainted with the advantages and disadvantages related to all possible channels. Channel selection will depend on largely on the type of audience that the communicator wants to reach and the type of message to be communicated. There are various channels that could be used for CSI communication However, South Africa is unique in terms of its diversity. This, therefore, poses distinctive challenges to CSI communication (Mersham, Skinner and Rensburg, 1995: 167). Below is a discussion of the communication channels that can be used in CSI communication.

2.7.1 Mass media channels

Tomaselli (1993:13) and others suggest that, development and growth in today's society dependent on information technology and mass communication. Mass media channels are the technologies and social institutions such as newspapers, radio and TV stations that are involved in the production and distribution of messages to large audiences. It is important to be aware that while the mass media channels are essential in the process of mass communication, they represent the technological instruments and means used to convey messages to large audiences and they do not constitute the process involved (Steinberg, 2007: 253).

We cannot define mass communication in a quick and simple way because each channel includes its own special kinds of communicators, technologies, groups, kind

of content, types of audiences and effect. The CSI practitioner must understand these channels in order to appropriately utilise them in the communication of CSI.

To develop a good understanding of mass communication channels, we wil proceed one step at a time, describing each of the major features of the channels and taking into account their relevance to corporate social investment and also highlight where they can be applied in CSI.

2.7.2 Radio

Radio has the biggest reach of all mass media in South Africa. More people listen to radio than watch television or read newspapers. Unlike television, radio often appeals more to inner thought processes. Therefore it has greater personal impact than other media. Radio is direct and personal. At the same time, in some parts of South Africa, listening to radio can be a group experience (De beer, 1993:152).

Radio is one of the most effective types of media that can be used in the communication of CSI activities because of the possibilities that it can offer. Through the use of radio, an organisation can reach the targeted community to communicate CSI messages at the chosen time, using a chosen language and also allowing the target community or audience to respond to the messages with immediate effect, thereby ensuring two way communication.

Some media scholars believe that in certain areas radio is of greater importance than print media. The latter are relatively expensive and poorly distributed, particularly in the rural areas in South Africa. Radio has far greater reach and accessibility than print media due in part to the high rate of illiteracy in the country, which is estimated at 45% of the population.

2.7.3 Television

Television is both a technology and a complex medium of communication. At the same time, is it a medium that is little understood by its public. Television is without doubt the most persuasive and powerful medium of communication today in terms of

the number of people it can reach and the impact even a single appearance can have.

Television has the following advantages:

- The audio-visual impact provides realism, immediacy and lasting impression.
- TV can introduce new interest to viewers, which in turn stimulates back up material.
- Programmes are watched in a variety of settings, which lends intimacy in the comfort of the home.
- Recent technological innovations allow recording and playback if equipment is available (Skinner and Von Essen, 1995: 168).

Television is about images and personalities. The impression created with the audience will often linger on in the memory long after the content has been forgotten.

Although television has strong characteristics in terms of its visual impact, it has limitations in reaching a larger audience as some of the people in South Africa cannot own televisions due to unaffordability. In some rural areas, communities do not have electricity which then puts them in a disadvantaged position because without electricity they cannot watch television.

This poses a challenge in the communication of CSI because the organisation is not able to reach all the targeted audiences through television. For example, if an organisation wants to visually show the community how it intends to develop its infrastructure and dramatise how this development will help upgrade the lifestyles of the people in that community. In this instance, television cannot be used because some members of the community will not be able to get that message due to the fact that they cannot afford televisions or do not have electricity in enable them to watch television. This therefore shows that using television cannot be the only mechanism or channel for the communication of CSI activities. The CSI practitioner needs to identify other channels that can complement television by reaching the audiences that normally wouldn't be reached by TV.

2.7.4 Print media

Print media channels, particularly newspapers, have traditionally been one of the main channels employed for communication purposes. There are many types of newspapers, classifiable according to size, the area they cover, the nature of their readership and the kind of content they emphasise. These include:

- Metropolitan dailies;
- Medium size newspapers;
- Small dailies; and
- Non daily and free distribution papers.

The functions of newspapers are beginning to change due to an increased emphasis on corporate profits. Although the function of informing readers is still there, entertaining readers has assumed new importance. Newspapers have had to continue their in-depth coverage and interpretation because of competition from radio and television which get the news out much faster. However, newspapers now make strong efforts to appeal to reader's interests, selecting much of what they publish with audience preferences in mind (De Fleur, 1989:108).

In corporate social investment, It is clear that there are certain requirements that the audience or a community must have in order to interpret messages that are conveyed by the organisation through print media. It means that the community must be literate enough to read and be able to interpret and make sense of the messages that are being conveyed by the organisation. If the community or the targeted audience is not able to read, print media cannot be an effective channel to communicate CSI messages in this context. It is the responsibility of the CSI practitioner to understand the level of literacy in the community or the targeted audience that it intends to communicate CSI messages to. It is equally important that the CSI practitioner employs communication channels that do not require literacy as an enabler to communication and understanding.

2.7.5 Small group communication channels

A group is a collection of individuals who see themselves as belonging to the group, who interact verbally and non-verbally, who occupy certain roles with respect to one another and who co-operate to accomplish a definite goal. A group is composed of three to 12 people interacting face to face in such a way that each person influences and is influenced by every other person in the group (Gamble and Gamble, 1987). A group is not merely a random collection of individuals who happen to occupy a particular space at the same time.

Gamble and Gamble (1987:56) maintain that knowing how to communicate with each other in a group setting is vital to attain success. However Steinberg (2007:199) says that the way members communicate with each other will to a large extent determine the effectiveness of the group. Factors such as language, ethnicity groups, literacy and culture must be taken into consideration when engaging in group communication. CSI practitioners must be aware of these factors in that group communication presents challenges in relation to the diversity of the group. For example, If the group does not speak the same language this becomes a problem in that which that what qualifies communication is the ability to exchange messages, understand messages, interpret messages and be able to make meaning of the messages being communicated. If these elements are not present in group communication due to language barrier communication is ineffective in this context. This requires the CSI practitioner to examine this channel and come up with interventions to overcome this challenge.

2.7.6 Public communication channels

Public Communication refers to a situation where a communicator, such as a public speaker, does most of the talking while several dozens to several hundreds or thousands of people do most of the listening. The public speaking context is significantly different to the interpersonal and small group contexts. This difference affects the nature of the communication that takes place.

In public communication, the speaker's goal is to successfully transmit information. This means that the speaker must present information in a way that holds the attention of the audience. The success of an informative speech depends on how well the material is understood. The audience may be motivated to listen and the speaker may be dynamic but success must be based on what was learned by the audience (Mersham and Skinner, 1999:135).

CSI practitioners must be aware of the challenges that come with using public communication channels. The communicator must have knowledge of the audience in terms of its level of literacy, language, demographic profile, level of status consciousness and stereotypes. Understanding these factor will enable the CSI practitioner to tailor make message that will suit the intended audience, thereby overcoming the challenges that may occur, which include a lack of interest and short attention span

2.7.7 Interpersonal Communication Channels

Interaction with others is called interpersonal communication and occurs whenever one person interacts with another, usually in an informal setting (Hybels and Weaver, 2007:156). Interpersonal communication is a transactional process between two or more individuals in a face to face encounter. Interpersonal communication usually involves a single source (the communicator) and a receiver (the recipient) who are known to one another and whose purpose is to engage in a meaningful exchange of messages (Mersham, Skinner and Rensburg: 1995:253). Although the contexts or situations in which interpersonal communication occurs are extremely diverse, we can say that any activity is interpersonal communication if it meets three criteria:

- All parties are in close proximity;
- All parties send and receive messages; and
- The messages include both verbal and non-verbal stimuli.

Interpersonal communication is effective when there is greater correspondence between our communication intention and the response we receive from the recipients. The feedback that we receive indicates whether the communication was effective or ineffective (Tubbs and Stewart, 1981:10).

The relationship between the communicator and the recipient in CSI communication is crucial. Unless the relationship is a healthy one, this can hinder the communication in the area of receiving messages (i.e. barrier to reception). The CSI practitioner must be able to study the participants in the communication process in order to deal with the issues that may hinder the delivery of the message.

2.8   Challenges of communication

Based on the above, it can be seen that there are distinctive challenges that face CSI communication. Mersham and Skinner (2004:15) argue that the communication problem in the area of development and corporate social investment depends on the selection of the proper channels to disseminate information. This problem mainly arises in rural and underdeveloped areas. In most instances, these communities lack infrastructure such as electricity and telecommunication. Often the communicator has to first do the necessary research in order to determine the most appropriate medium for disseminating information to these communities. Illiteracy is also a major barrier to communication in underdeveloped areas. This poses a challenge in as messages often have to be disseminated face to face, which can take a lot of time and requires expertise in communicating. In certain regions, such as KwaZulu Natal, which is dominated by Zulu speaking people, effective communication requires not only the mere understanding of the language, but also the culture, value systems and traditions that exists in the province. This section highlights the challenges that prevail in various communication channels in the context of CSI.

2.8.1 Mass communication channel challenges

Mass communication is largely a one way activity. Communicators try to guess how their messages will be received with indirect delayed feedback in the form of

research findings, telephone calls from the audience and occasional letters. This delayed feedback may help them shape future communication. However it provides no basis for altering the message while it is being disseminated (De Fleur, 1989:28).

The use of mass media in CSI communication can still create a challenge. This is because of the existence of a large and diverse audience which present significant limitations on the content accuracy and influences of the message transmitted by mass media. The reason is that, inevitably, much mass media content, perhaps most of it, is designed for the tastes and presumed intellectual level of the average citizen or often for the average member of a specialised category of people who are assumed to share some common tastes or interest. In forming appropriate CSI messages and content, assumptions must be made about such audiences. In fact, most CSI practitioners tend to assume that the majority of their audiences have a limited attention span, prefer to be entertained rather than enlightened and lose interest in any subject that makes intellectual demands. Unfortunately these assumptions are probably correct at least in large part. Consequently CSI practitioners who design and deliver content at a very unsophisticated level can expect these challenges. CSI practitioners need to be aware of the assumptions and examine them throughout the communication process (Smith, 1991:101).

2.8.2 Diverse audience

In mass media communication the demographic characteristics of the audience members are diverse. Due to this diversity, messages are not personally addressed to particular individuals but are public. They are directed at groups of people who may not have very much in common. This also poses a challenge to CSI practitioners who may want to target a selected audience through the use of mass media.

2.8.3 Feedback

Another challenge facing CSI communication through the use of mass media is that there is no interaction or feedback from the audience to the communicator in mass communication. This is because the audience members are unable to use the same

medium to reply to the communicator. Their access to mass media is restricted by the media organisation and the complex technology involved. This means that most people do not have the specialised skills required to encode their messages in a mass medium. The recipient may still provide feedback by, for example, phoning in, writing a letter to the media organisation or sending an email but such feedback is not immediate. It is delayed and not face to face (Steinberg, 2007:254).

Unless the CSI practitioner or the communicator is provided with prompt and unambiguous feedback, the communication process is likely to be frustrated. The receiver must take immediate steps to provide feedback. Limitations on feedback in mediated communication reduce the ability to engage in effective role taking. Where accuracy and congruence of meanings are critical, mediated communication is simply less effective that the direct face to face interpersonal mode (Steinberg, 2007:256).

2.8.4 Consequences of using mass media

One of the biggest challenges facing CSI in mass communication is a loss of accuracy due to the limitations on feedback and role taking. The other components of using mass media that posse challenges are:

- Some of the mass types of media mediums reduce the richness of feedback and limit the process of role taking between the communicator and the recipient;
- Feedback limitations increase the possibility of incongruence between meanings of senders and those of receivers;
- When meanings of sender and receiver are incongruent, accuracy is reduced; and
- The decreases of accuracy in communication reduce the probability that the message will influence people in ways desired by the sender (Mersham and Skinner, 1999:137).

2.8.5 Print media channels: Newspapers

Discontent with newspapers has centrered on three basic issues. One is that some people are sure that newspapers are not representing the full story or that what they represent is in some way distorted. This is the problem of credibility. The second type of criticism focuses on objectivity. The charge is not that newspapers are failing to be objective, but that they are too much so. These critics want a new and more compassionate kind of news reporting. Finally many critics see newspapers as being selective and biased in what is or is not being reported (De Fleur, 1989:104).

Some of the disadvantages associated with print media are:

- Print media can take time to produce and can also be expensive;
- Communication tends to be more formal and distant and can cause problems of interpretation;
- Instant feedback is not possible. Once dispatched it is difficult to modify the message; and
- Print media does not allow for the exchange of opinions, views or attitudes except over a period of time

Finally, newspapers have been criticised in recent decades in terms of their credibility, for being too cold and objective and for biased selectivity in what they cover (Van den Ende, 2004:18). Therefore, CSI practitioners cannot rely solely on print media in order to communicate CSI messages.

2.8.6 Radio challenges

- The disadvantage of radio is that is that it leaves no trace. Unlike print media, if one misses a particular programme, there is no way of retrieving it unless one has a radio with a tape recorder.
- Another disadvantage of radio is that the opportunity for expanding on topics is severely limited by time constraints and the audiences' inability to concentrate on one subject for too long.

- Radio messages tend to be brief and are therefore limited.
- Listeners have a tendency to switch from stations so the message may be missed in this cross over (Skinner and Mersham, 1999:184)

CSI practitioners need to be aware of these disadvantages because should an organisation decide to use radio as the only channel of communication with the CSI audience or community, the communication may be ineffective and in some cases may not even achieve the desired objectives in terms of feedback, thus causing a communication breakdown.

2.8.7 Television challenges
- Television is a passive and sometimes anti social medium.
- One might argue that, in the South African context, people in rural areas may have little means of contact with television because of geographic isolation and lack of resources.
- The danger is that television in South Africa may only be used for a restricted set of purposes (De Beer, 1993:195).
- There is a long standing controversy about the effects of television as a communication medium. For instance:
  - What kind of power does television have over or confer on those who have access to it and those who exercise control over it?
  - Does it sway opinion and does it persuade people to change behaviour?
  - Does television blur cultural and social distinctions or does it sustain and encourage them?
  - Does it turn people into passive drones, providing false and shallow versions of really human experience or does it help viewers deepen their insights and increase participation?
  - Television is said to play an important role, ensuring the legitimacy of majority support. From this point, television does influence what people think about (De Beer, 1993:230)

It is widely assumed that such remarkable developments in communication technologies automatically improve communication. Unfortunately, this is not necessarily true. The technological strides described here mean nothing if we ignore the human factor.

This implies that the participants in CSI activities i.e. the organisation and the community need to engage in authentic two way communication. Without real communication between the organisation and the community, communication instruments will yield nothing of substance. The technology used in communication may be perfect but it can never take first place. It will always remain only a technique (Mersham, Rensburg, and Skinner,1995:188).

2.8.8 Group communication channels

Group communication is more complex than two person communication (Steinberg, 2007:196). One of the trends in CSI is that organisations tend to speak to the community or the targeted audience in groups. For example, community forum meeting and participatory meetings. Despite the strong points of using groups to solve problems and make decisions, certain drawbacks have also been identified. The disadvantages of group communication include the following:

2.8.9 Decision making

It generally takes longer for a group to reach a decision than an individual working alone. In the context of business and in CSI where it is often essential to reach a decision quickly, the group process can be a disadvantage. There is a temptation to force people to take over and dominate the group. The problem is exacerbated when lower status members are reluctant to criticise the ideas of someone who is higher in status.

The challenge that faces CSI communication in a group setting is that community members may not able be on the same intellectual level with the CSI practitioners. In some cases the members of the community feel lower in status because of the conditions they live in, their economic status and their level of education. The lower

status reduces the ability of the community members to view ideas critically and be able to criticize the organisation if need be.

2.8.10 Group cohesion

There is, however, the danger of too much cohesion within a group, especially if the group has a strong dominant and respected leader e.g. a community leader or a CEO of an organisation. Too much cohesion can lead group members to be so concerned with maintaining good relationships with the group that they neglect the purpose for which they came together. The result is that the group is not open to new ideas and may not allow new members to join. Such group suffer from groupthink – a condition in which minimising conflict and preserving harmony are more important goals that the critical examination of ideas (Steinberg, 2007:`198). This challenge is also found in CSI. In that, in most cases, the management of the organisation meets with a selected members of the community to discuss CSI matters and outline what the community needs. Often the members of the community would not be free to voice their honest opinions to the CEO or the management due to fear of sounding unknowledgeable or uneducated.

2.8.11 Groupthink

When groupthink predominates, the group as a whole tends to discount negative information and may even ignore critical considerations in order to preserve cohesiveness. Groupthink also affects individuals within the group. Since non conformity might damage cohesion, members who privately disagree with the views expressed by the majority may be unwilling to risk conflict by publicly admitting that they disagree. The outcome of groupthink can be that group decisions turn out to be unfair, discriminatory or insensitive. (Steinberg, 2007:199).

2.8.12 Group roles

Problems arise in small group communication when members deliberately play self centred roles–roles that accomplish egocentric or self serving functions. They achieve this by being aggressive, seeking attention promoting personal interest or

not contributing at all. People who fulfill such roles dominate the discussion, verbally attack others, block suggestions, and engage in point picking, criticising everything the group attempts.

Even in urban situation, communication activities may not be differentiated from other social processes. Information tends to be distributed through the grapevine, and through social, face-to-face hierarchical lines which are consistent with relationships in the community (Steinberg, 2007:200).

2.8.13 Culture

Importantly, South Africa is a country of diverse cultures, as well as indigenous cultures. While we share the same characteristics, each group has its own cultural characteristics. Given the number and variety of cultures and societies in South Africa, it is not surprising that communicating between people of different cultures can be sometimes problematic (Steinberg, 2007: 298). People from different cultures will find it difficult to communicate. They would need to take special care to establish a common ground for communication.

2.8.14 Language

In the process of empowerment and redressing imbalances of the past, language has been an extremely important tool in South Africa. While English is regarded as a dominant language, research has shown that South Africans prefer to be addressed in their own language. Audiences understand more of the intended message if it's in their own language (De Beer, 1993:458). As such, language is likely to remain a high priority in South African media, especially in relation to broadcasting concerns that have also been expressed worldwide that local languages have become under-utilised and overshadowed by English.

Although the white community in South Africa generally displays a negligible level of illiteracy, close to 50% of blacks in the country are still illiterate. It is therefore important to focus on local languages to facilitate development and information flow within the community. In this process, radio, especially community radio, remains

one of the primary communication media in the country. With its primary aim being to serve the community, community radio strives towards improving the flow of information to a mass audience within a specific community (De beer, 1993:458).

2.8.15 Interpersonal communication channels

Interpersonal communication is not just the one-way delivery of messages and information to passive recipients. It is also inherently a partnership between people. It is about the response, interpretation and evaluation of messages by the individual.

Koehler, Annatol and Applbitun (1981:25) state that there are barriers that can hinder the communication process in the different stages of thr interpersonal communication process. However, the barrier to reception is one of the most critical challenge in the process of interpersonal communication.

 A barrier to reception is the state whereby a message is hindered by the needs and the anxiety state of the recipient.   Communication barriers in interpersonal communication include (and are not restricted to) the following:

- Stereotypes
- Language barrier
- Inability of the recipient to concentrate on receiving information,
- Prejudgements
- Recipient's open mindedness
- Length of communication and existing knowledge of the recipient.

In CSI we can learn about possible interpersonal communication barriers by studying the demographic profile of the recipient. However, the communicator or the CSI practitioner should handle this information with care since the inferences made from it are often based on well established stereotypes (Koehler, Annatol and Applbitun, 1981:26).

Berlson and Steiner (1991:51) add that, unless the source of information is respected, objective communication is unlikely to be successful. The message must relate to the recipient's posture of thought and identity. People reject or distort whatever is alien to their heritage, background and sources of self assurance.

In the context of CSI, an organisation that intends to speak to the community about development issues needs to be a respected organisation. The community must have trust in the organisation's ability to deliver on its promises. Unless this trust exist, the community can resist the messages.

2.9   Public Communication Channels

Groups of people addressed in the public speaking context are usually much larger than those in the small group context. As a result, direct interaction between the members is often severely limited or sometimes even impossible.

2.9.1 Public Speaking intimidation

Formal public speaking situations can be intimidating even for people who are usually very talkative and outgoing. Although public speaking includes many of the same communication skills as other speaking situations people who may be comfortable while talking in small groups can feel anxious and experience communication apprehension in public speaking settings (Skinner and Mersham, 1999:133).

2.9.2 The speaker-audience relationship

Public speaking differs from other forms of communication in two main ways. Firstly, a public speaking situation includes two distinct and separate roles: the speaker and the audience. Secondly, in the speaker audience relationship the speaker carries more responsibility for the communication interaction than does the audience. In other communication situations, speakers and listeners exchange roles and share this responsibility.

2.9.3 Public speaking misconceptions

Public Communication, like other forms of communication serves several purposes, It can be used to instruct, put forward a point of view or persuade. Public communication can also be used to prais, to blame, to accuse and to defend (Skinner and Mersham, 1999:133).

In CSI communication, public speaking is used to accomplish a wide range of communication purposes. However, there are a number of misconceptions about public speaking. The first is that good intentions are enough when it comes to making a public speech. Good intentions do not guarantee an effective public speaking outcome. Effective public speaking depends on content and delivery. Even if someone has something valuable to communicate the message will be lost if the delivery is poor (Skinner and Mersham, 1999:134).The most eloquent delivery cannot have a meaningless message. Thus, both content and delivery are important in achieving effective communication.

Public speaking in CSI communication requires that the speaker be responsible for the message, in this case the CSI practitioner. The challenge is that some CSI practitioners can cause great harm both to the members of the audience and subsequently to the organisation if the message is not delivered clearly to the public (Skinner and Mersham, 1999:135).Even if the topic is selected, the CSI practitioner needs to research the audience, how much they know about the subject and their involvement and commitment to the subject matter. This would ensure that the talk is in the harmony and resonates with the audience (Skinner and Mersham ,1999:136).

CSI practitioners need to be aware of the communication challenges that can arise in public speaking such as language, clarity of the message, credibility of the speaker and capability of the audience to understand the message. If the message is not clear and not communicated in the language that the audience is familiar with, this will result in the breakdown of communication. Also, the CSI practitioner has to have a certain level of credibility, which means that the public audience must have trust in

the communicator which then will then also impact on the audience's receptiveness to the CSI message.

Three factors that need to be fully investigated are:

- The characteristics of the group (demographics). These may include the following:
  - Age;
  - Background;
  - Education;
  - Interest and outlook;
  - Relationship with the speaker;
- The psychological make-up of the listeners (psychographics);
- The place where the presentation will be made (context) (Skinner and Mersham, 1999:137).

In view of these communication challenges, the communication ideal would be to synthesise existing communication channels and ora-media structures to communicate more effectively. Skinner and Mersham (1999:137) reinforce this idea and maintain that:

- Mass communication channels should be coupled with group discussions in media and communication forums.
- Ora-media should be utilised with group discussion in communication platforms.
- Interpersonal channels should be used in a special way to reduce the heterophylly gap between communication and recipients.
- New media technology should be made available to the masses by means of media training.

The above clearly points out that there are various channels that could be used for CSI communication. However South Africa is unique in terms of its diversity. This therefore poses distinctive challenges to CSI communication. This study maintains

that much can be learnt about CSI communication if these channels are evaluated based on these challenges. This study therefore designs a research instrument that incorporates the challenges identified above. This instrument is used to investigate and identify the communication challenges specifically experienced within a CSI context.

2.10 Conclusion

This section gave an overview of CSI communication and the channels which are being used to communicate CSI messages. The different communication channels that we have discussed here make it clear that CSI communication is more complex than an organisation sending messages to the public. It is also about how accurately and efficiently messages can be transferred from the communicator to the recipient through various communication channels. It is also important to identify ways of increasing the clarity and accuracy of the message through communication channels.

Many CSI problems can be traced to communication challenges just as many proposed interventions to solve this problem also depends on effective communication solutions. This chapter also revealed the different types of communication channels that can be used in CSI and communication challenges associated with these various channels.

Developing effective programmes for solving CSI communication challenges, reducing cross-cultural misunderstanding, managing interpersonal communication conflict, and constructing effective communication message, these are some of the solutions that can be implemented to reduce challenges in CSI communication. The researcher concludes that communication challenges occur frequently and should come as no surprise in CSI practice.

Chapter Three

RESEARCH METHODOLOGY AND DESIGN

3.1   Introduction

This chapter presents the research design for the study, consisting of a combination of qualitative and quantitative techniques. The sampling design and justification, and the selected methods to be use for data collection analysis and interpretation, are also presented.

The main objectives of this study are to:

1. Investigate the communication channels that are used in corporate social investment;
2. Investigate the communication challenges facing corporate social investment; and
3. Recommend best practices that can be applied in CSI communication.

Research design is a plan for the collection and analysis of data with the intention of answering the research questions (Verwey, 2003:164). It is also known as a basic plan which guides the data collection and analysis phases of the research study. It acts as a framework which details the type of information to be collected, the data sources and the data collection procedure.

The strength of qualitative research is its ability to provide complex textual descriptions of how people experience a given research issue. It provides information about the "human" side of an issue – that is, the often contradictory behaviours, beliefs, opinions, emotions, and relationships of individuals. Qualitative methods are also effective in identifying intangible factors, such as social norms, socio-economic status, gender roles, ethnicity, and religion, roles in the research (Wimmer and Dominick, 1997:145)

Qualitative methods are typically more flexible, as, they allow greater spontaneity and adaptation of the interaction between the researcher and the study participant. For example, qualitative methods ask mostly "open-ended" questions that are not necessarily worded in exactly the same way with each participant. With open-ended questions, participants are free to respond in their own words, and these responses

tend to be more complex than simply "yes" or "no." In addition, with qualitative methods, the relationship between the researcher and the participants are often less formal than in quantitative research. Participants have the opportunity to respond more elaborately and in greater detail than is typically the case with quantitative methods (Richards, 1998:100).

3.1.1 Qualitative research

In addressing the central research problem, the researcher has used qualitative research because of the advantages that it provides. These advantages are that qualitative research:

- Seeks answers to a question;
- Systematically uses a predefined set of procedures to answer the question;
- Collects evidence;
- Produces findings that were not determined in advance; and
- Produces findings that are applicable beyond the immediate boundaries of the study.

Qualitative research shares these above listed characteristics. Additionally, it seeks to understand a given research problem or topic from the perspectives of the local population it involves. Qualitative research is especially effective in obtaining culturally-specific information about the values, opinions, behaviours and social contexts of particular populations (Du Plooy, 2002: 104).

3.2. The research population

Due to constraints such as time, cost and personnel, the researcher may not always have access to the actual population to which they want to generalise findings. Even if it were possible, it is not necessary to collect data from everyone in the population in order to get valid findings. In qualitative research, only a sample (that is, a subset) of a population is selected for any given study. The research objectives of this study and the characteristics of the population of this study (such as size and diversity) determine which and how many people to select. For the purpose of this research,

the population is defined as medium to large businesses registered on the Johannesburg Securities Exchange. The database of these businesses was obtained from the Johannesburg Securities Exchange. This database is updated on a regular basis and covers a large portion of business which are involved in corporate social investment.

For this study, a sample of fifty companies listed on the Johannesburg Securities Exchange has been selected using purposive sampling. This study has focused on companies that are accessible in terms of geographic location, availability of contact telephone numbers and addresses; and the availability of suitable respondents to answer the questionnaire (i.e. corporate social investment manager, public relations officer, communications officer, general manager). An advantage and strength of this sampling method is that a representative sample can be obtained (Du Plooy, 2002: 107).

3.2.1 Purposive sampling

Purposive sampling starts with a purpose in mind and the sample is thus selected to include people of interest and exclude those who do not suit the purpose. The key element is to verify that the respondent does in fact meet the criteria for being in the sample. Purposive sampling can be very useful for situations where you need to reach a targeted sample quickly and where sampling for proportionality is not the primary concern. With a purposive sample, you are likely to get the opinions of your target population, but you are also likely to overweight subgroups in your population (Richards, 1998:104). According to Cohen et al (2000:103), in purposive sampling, researchers handpick the cases to be included in the sample on the basis of their judgement of their typicality that helps to build up a sample that is satisfactory to their specific needs.

Collecting data is the first stage, followed in turn by coding and analysing. Secondary data was obtained through internet research, media articles, government articles, survey reports.

3.3   Data collection

According to Sarantakos (2005: 126), data collection involves decisions and action regarding the collection of the information needed to address the research question. Data-collection is the method that is used to systematically collect information about the objects of study (people, objects, phenomena) and about the settings in which they occur. Example of the data collection method include：

- Observation
- Interviewing (face-to-face)
- Administering written questionnaires
- Focus group discussions

3.3.1   Data collection methods

The data for this study was collected through a survey using questionnaires. Suitable respondents from the selected companies were identified to answer the questionnaire. The respondents selected occupied the positions of: public relations officer, communications officer, corporate social investment managers, corporate social responsibility manager, business managers to public affairs managers. An exception was made in respect of respondents whose area of responsibility includes corporate social investment or communication.

The collection of data was conducted through questionnaires with pre-designed questions to the selected individuals. This self-administered questionnaire was sent to companies via email, courier service, post, fax transmission and some were hand delivered.

3.4   The questionnaire

A survey is defined as a method of obtaining large amounts of data from a large number of people in a relatively short time and usually takes the form of a self-completion questionnaire (McNeill & Chapman,2005: 28). According to Kumar (2005:126) a questionnaire is a written list of questions, the answers to which are recorded by respondents.

For the purpose of this study, a survey via questionnaires was chosen as the instrument to collect data. The questionnaire was designed to obtain data from the research sample.

The questionnaire contains simple and straight forward questions which can be answered with the aid of easy instruction. The questionnaire was carefully worded and free from faults such as ambiguity, vagueness, technical expression, difficult questions and related faults.

A survey is defined as a method of obtaining large amounts of data from a large number of people in a relatively short time and usually takes the form of a self-completion questionnaire (McNeill & Chapman,2005: 28). For the purpose of this research an open ended questionnaire was used. An open ended questionnaire allows respondents to answer the questions in their own words. An open ended questionnaire is particularly useful when you want to encourage respondents to express attitudes or opinions in their own words. The reason for asking open ended questions in a self administered questionnaire is to invite the respondent to answer in any way that he or she may wish. Since open ended questions do not have structured, specified answers, they can elicit underlying ideas, feeling, sentiments and suggestions that researchers may not even have considered (Du Plooy, 2002:138).

It is important to use a logical sequence when formulating research questions, for example, questions about a respondent's exposure to mass media in general can be followed by detailed question about a specific medium, such as television, followed by more specific questions on individual programme types. The more general questions simultaneously function as a warm up for the detailed ones that follow. Asking questions in a logical order can also determine the validity of the answer (Du Plooy, 2002:173).

1. The first section of the questionnaire deals with biographical information from the respondents as well as filter questions to eliminate any respondents deemed unsatisfactory.

2. The second section of the questionnaire deals with the company's approach on communication. This section relates to communication tools and communication processes.

3. The third section of the questionnaire deals with corporate social responsibility issues. This section addresses communication challenges in the context of corporate social investment practice.

A questionnaire is valid if it measures what it is supposed to measure and is reliable if the responses are consistent and stable. Validity refers to the degree to which the measuring instrument measures what it is intended to measure (Frazer & Lawley, 2000:35). In this study, the questionnaire is designed to measure communication challenges facing corporate social investment. The results will correctly identify the actual challenges and not detract from the topic.

3.5   Data analyses

The overall design of the research method is aimed at answering the research questions. Consideration of the scope of the study continues in the process of data gathering and data analysis.

A descriptive content analysis method is used to describe the basic features of the data in this study. The use of this method provides simple summaries about the research sample. With descriptive analyses, the researcher is simply describing the data and what it shows.

3.6 Conclusion

The use of the qualitative research method will help this research produce more in-depth, comprehensive information. When conducting qualitative research, the investigator seeks to gain a total or complete picture. According to Stainback and Stainback (1988), a holistic description of events, procedures, and philosophies occurring in natural settings is often needed to make accurate situational decisions. This differs from quantitative research in which selected, pre-defined variables are studied.

The next chapter will focus on data analysis which includes checking and logging the data in, checking the data and for accuracy; entering the data on the computer; transforming the data; developing and documenting a structure that integrates the results.

CHAPTER FOUR

Evaluation of Results

4.1 Introduction

In chapter 3 the research methodology was outlined. This chapter presents and discusses the research results. The feedback from the respondents is discussed main achievements are drawn out and an explanation of the results given.

4.2 Discussion of results

The results that are presented in this chapter seek to achieve the following objectives:

1. To investigate the communication channels that are used in corporate social investment;
2. To investigate the communication challenges facing corporate social investment; and
3. To recommend best practices that can be applied in CSI communication.

A total of 40 questionnaires were distributed to companies listed on the Johannesburg Securities Exchange (JSE) and a response rate of 45% was achieved. The questionnaire was divided into three sections, A, B and C. Section A, related to the biographical details of the respondents. Section B related to communication and Section C concerned corporate social investment.

The analysis covered both a qualitative and quantitative study. The results for section B and C are presented in terms of the following themes to which they are aligned:

- Theme 1: Corporate Social Investment approach
- Theme 2: Corporate Social Investment processes
- Theme 3: Channels of communication used in CSI
- Theme 4: Communication challenges in CSI

4.3   Biographical data

4.3.1   Respondent organisations

As indicated in chapter 3, only organisations that are listed on the Johannesburg Securities Exchange were qualified to participate in this study. The companies that participated in this study are listed below. These are companies that have been in existence for a period of over five years. These organisations are medium to large size businesses.

List of respondents

- Adcock Ingram
- Annoraq Resources
- Arcelor Mittal
- Tshikululu CSI
- Tiger Brands
- Sun International
- Stanlib (Liberty Life)
- Pick n Pay
- Nampak
- Murray and Roberts
- Mondi Paper
- Merafo Resources
- City Lodge

4.3.2   Determining whether the companies were involved in corporate social investment

The respondents were asked to state whether their organisations are involved in Corporate Social Investment. The purpose of this question was to confirm that the respondents were indeed qualified to continue answering the questionnaire. All the respondents gave feedback that their organisations were involved in CSI. These results are in-line with the King II Report (2002) on the code of good corporate

governance. According to the report companies listed on the JSE index, have to meet the conditions of among other things, a business's commitment to black economic empowerment, tackling HIV/Aids in the workplace, labour policies and environmental practices (Institute of Directors, 2002).

4.3.3 The role of the respondents in the organisation and the location of the corporate social investment department within the organisation

The respondents were asked to state the type of positions they occupied in their company. According to the data collected, the respondents occupy the positions stated below:

- CSI Co-ordinator
- CSI Committee member
- CSM Manager
- Environmental Manager
- Executive Director
- Group CSI Manager

These results reveal to us that the CSI function is the responsibility of top and middle management in the organisation. These results also support Anders (1998:21) who indicated that establishing and implementing a CSR programme is not a simple process. It requires continued top management involvement. Implementation of such programmes takes place in three overlapping phases. Phase I is the commitment phase, during this phase organisations acknowledge the responsibility in a certain area or certain issues and a policy statement is generated. Phase II is the learning phase, during which pertinent data is collect and analysed by the top and middle management. Phase III is the institutionalisation phase. Responsibility of the programme is transferred from the staff to the line organisation. Resources are committed, performances and expectations are communicated and evaluation is instituted (Anderson 1998:21; Coldwell 2001:49).

4.3.4 The location of the corporate social investment department within the organisation

The respondents were asked to specify where the CSI department was located within their organisation. The results reveal that the corporate social investment department is a stand-alone department and sometimes located in the business support departments as follows:

- Communications
- Corporate Affairs
- Corporate Social Investment
- Human Resources
- Management and Information Accounting
- Sustainability

4.3.5 The number of years that the organisation has been in existence

When the question of the number of years that the organisation has been in existence was posed, the results (as indicated in Figure 1) show that the companies have been in existence from 5 years to 120 years.

Figure 1: Number of years that the company has been in existence
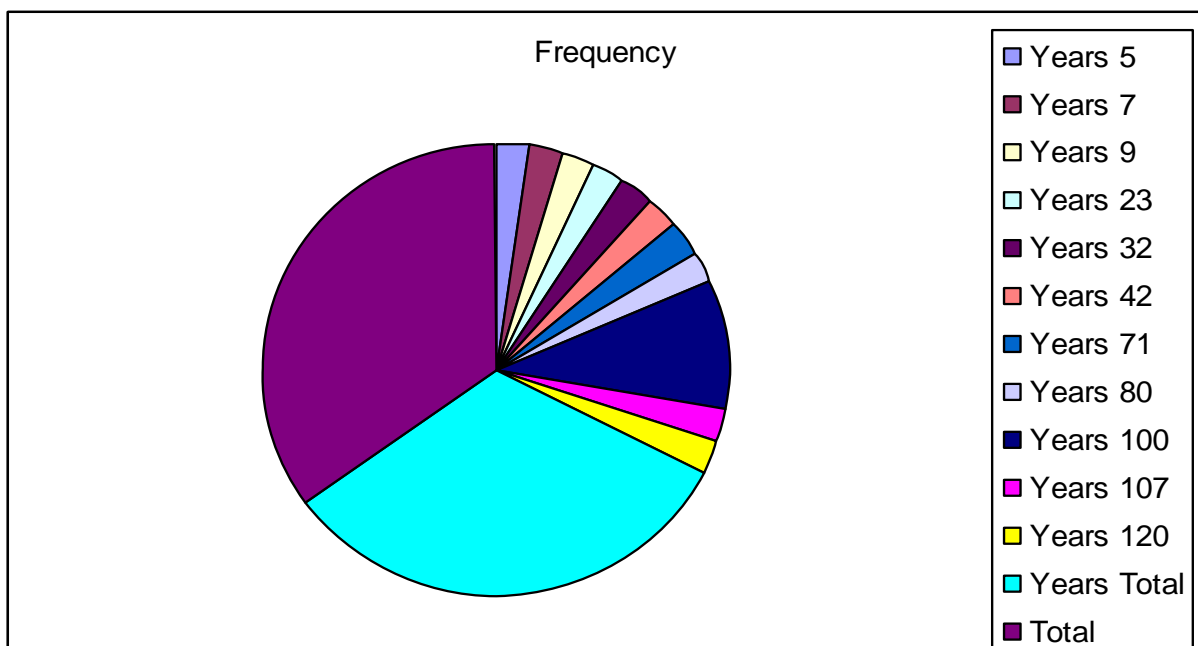
4.3.6 The number of employees in the company

The respondents were asked to indicate the number of employees that their organisations employ. According to the feedback provided by the respondents (as shown in Figure 2), the highest figure is 28 000, and the lowest is 50 employees.

Figure 2: Number of employees in the company
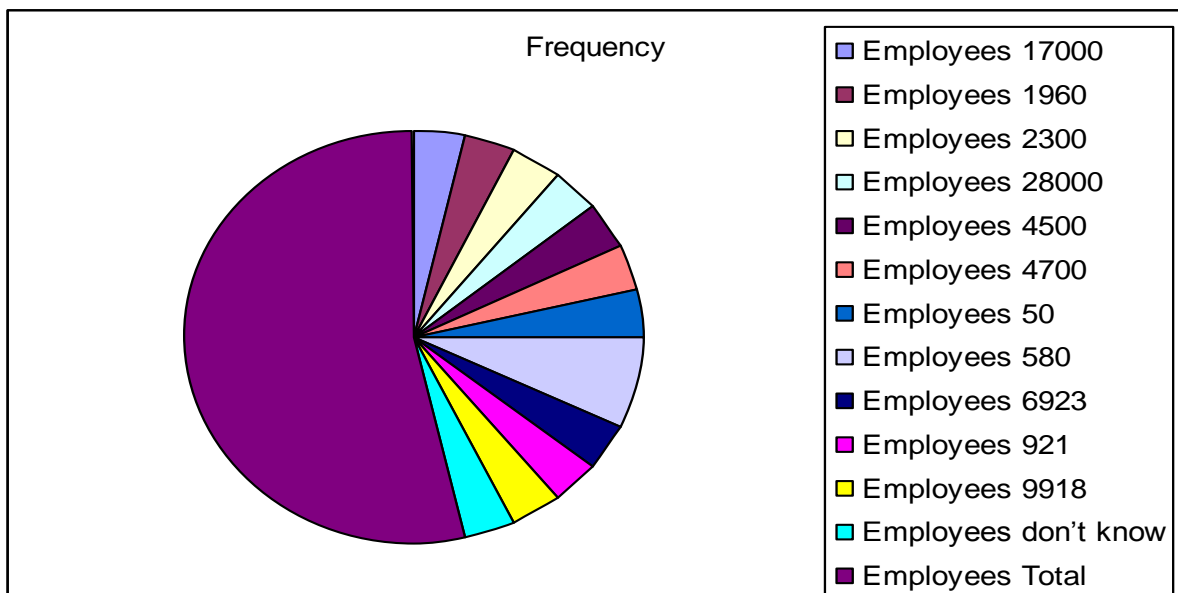
4.4 Theme One: Corporate social investment approach

In this section, the respondents were asked to elaborate on what their organisation's approach to CSI is. Respondents were asked to respond to an open ended question indicating their organisations' philosophy concerning corporate social Investment. The following responses were received:

- Some companies view themselves as corporate philanthropists that have embraced the responsibility to improve access to healthcare by ordinary South Africans, especially those that are disadvantaged.
- Changing lives for the better, more especially of those who are residing in rural areas, is an area of focus.

- Developing and sustaining a meaningful contribution in the areas of education, health, welfare and environment.
- One company follows the philosophy of "doing good is good business" and to educate people through involvement and not merely by making handovers. This organization aims to serve the needs of impoverished and vulnerable communities (for instance, by providing food parcels and donations) by forming partnerships with NGOs.

- One company indicated that, in order to achieve a greater impact in contributing to building the social fabric of the communities, the company strives to find a balance between altruistic and strategic corporate social responsibility projects in an array of philanthropic, goodwill, cause-related and strategic projects. This company has established a foundation for the supervision, coordination and reporting on all CSI projects.

> - What we do is to back up champions in what they are doing. Our value – we value our people by giving back to the communities.
> - We believe in empowerment through education.
> - We want to be seen contributing and also have a developmental outlook in CSI.

Other areas of corporate social investment that were mentioned are as follows:

- Access to healthcare;
- Access to education;
- Infrastructural development;
- Early Child development;
- Teacher training;
- Science and Technology;
- Employee voluntarism; and
- Economic development.

According to the feedback received from the respondents, most of the organisations have a pro-active approach towards corporate social investment. These organisations view themselves as corporate philanthropists, who have embraced the responsibility to improve the lives of ordinary South Africans, especially those that are disadvantaged. Some respondents have indicated that their approach is changing lives for the better, more especially those who are residing in rural areas.

These above mentioned responses support the principle of corporate governance outlined in the King III Report (2009). According to the report, the scope of corporate governance in South Africa and its core philosophy revolves around leadership, sustainability and corporate citizenship. Integrating sustainability and social transformation in a strategic and coherent manner will give rise to greater opportunities, efficiencies, and benefits, for both the company and society. King II (2002) required companies to implement sustainability reporting as a core aspect of corporate governance**.**

4.4.1 Manner of communication of the company's philosophy

The respondents were asked to indicate whether the organisation's philosophy concerning CSI was communicated to the rest of the organisation. The feedback from the respondents indicated that organisations do communicate the company's philosophy to the rest of the company. The respondents were then asked to indicate the methods that they use to communicate the organisation's philosophy to the rest of the organisation.

The feedback from the respondents revealed that the organisations communicate the CSI philosophy through various communication channels, which listed include the following:

- Print and electronic channels i.e. annual reports, newsletters and brochures;
- Internet, website, intranet;
- Internal meetings;

- Internal news bulletin and magazines;
- Local print media;
- Awareness campaigns;
- Meeting with the communities; and
- Bulletin boards.

As emphasised by Mersham and Skinner (1995: 189) these results remind us that, given the scope of media, the communication ideal is to synthesise existing communication media, new technologies and oramedia structures to communicate more effectively according to the following:

- Mass Communication media being coupled with group discussion in media or communication forums.
- Oramedia being utilized with group discussion in media or communication forums.
- Interpersonal channels being used in a special way to reduce the heterophylly gap between the communicators and recipients.
- Mass Communication media content being made audience relevant, enjoining messages about motivational progress in the total society.
- Making new technology available to the masses by means of media training,

4.5   *Theme Two* - Corporate Social Investment Processes

This theme addresses CSI processes that the organisation engages in before implementing CSI programmes.

4.5.1 Whether the organisation engages in a formal environmental scanning process or formal information gathering process before committing to a formal CSI programme?

The respondents were asked to indicate whether they engage in surveys, research or other methods of environmental scanning process before committing to a CSI programme? The feedback from the respondents indicated that most organisations

engage in surveys and meetings with the stakeholder before committing to a CSI programme. Some of the comments made by respondents in this regard were:

- NGOs identify the needs, they come to us, and then we assess the situation against our budget and make a decision from there;
- We are approached, then look at the proposals, make a needs analysis, and then look at the budget. We then prepare the proposal of the applicants and send it to the board of trustees. We then present it, and the board takes a final decision whether to approve the proposal or not;
- We do choose projects that are in line with our Focus Area and CSI Policy;
- Yes we do, to ensure that we address the needs of the people or institutions;
- Yes. This again depends on the type and size of the project; and
- We do not just give out money because someone from a particular area or location wants assistance. We go through a scanning process and the committee and relevant departments review the applications and act accordingly.

4.5.2 Processes followed by organisations before committing to a CSI programme

The respondents were also asked to state the type of processes they follow before implementing CSI programmes.

The responses indicated the following trends
- Most respondents stated a that needs diagnosis is done by their partners who are experts in a particular field, offering holistic and practical models to address the priorities.
- The partners are reputable non-profit organisations (NPO) that stand out as best practice organisations in their focus areas.
- These partners deliver quality programmes based on models that are holistic and specific in approach. Often, they are leaders in their field and operate at a provincial, if not, at a national level.

- The significant partners selected have an established track record. They are well run, recognised within the community, are transparent and accountable.

4.5.3 Dialogue between the organisation and the community

The respondents were asked to describe the type of dialogue and context between the organisation and the community. The respondents indicated that they adopt the following processes when implementing CSI programmes:

- Most organisations do engage in a formal dialogue with the community before implementing a CSI programme. Face to face interaction with the communities. The organisations either visit the communities themselves as a unit, or other stakeholders like NGOs do that for the organisation.
- Some companies pointed out that they go out to the community to discuss issues, not only CSI issues, only but those of concern to the community and the company.
- Issues of wellness, welfare, environmental, social and some issues concerning the company are also addressed in the forums.
- Before a specific project, the organisation talks to the communities in order to get support and buy in.
- Once they find out what the needs of the community are, they disburse funds to address those needs (e.g. education, primary health care, literacy and infrastructural development).

The feedback from the respondents also revealed that the environmental Infrastructure is generally poor in all areas but sometimes this depends on the geographic location. Some provinces and regions are more developed than others. Where meetings are held, the responses indicate that:

- Most organisations hold meetings with the communities on a date that would have been agreed by the company and the community. They then meet and discuss pertinent issues that needs to be addressed;

- Meetings are held to establish the real needs. Assessments are done to ascertain the level of support the company can provide;

- These meetings are also held to ensure that company support or resources are used effectively. In most cases, organisations meet with respective communities in places such as community hall or schools; and that

- In cases where the community is close to the company premises, the community is given the option to meet at the organisation's premises.

These results show that most organisations are experts in their respective fields. They participate from the beginning of the project/programme until the end. They start by identifying needs, then beneficiaries/stakeholders and then advise on how to undertake necessary activities up to the final stage of the programme/project. They also compile reports about things that have been done.

Respondents stated that they are approached by various non-profit organisations, and then they look at the proposals, make a needs analysis, and review the budget. They then prepare the proposal of the applicants and send it to the board of trustees, present it, and the boards takes a final decision whether to approve the proposal or not.

Some respondents have highlighted the following in respect of the process followed:

- They are approached by the communities;
- The CSI department takes the applications to the committee that meets quarterly);
- The organisation also affords the applicants an opportunity to come to their offices and present to the CSI committee;
- The committee examines the sustainability of the project before any funding is made available;
- The applications that are considered are generally aligned to their vision and interest of the organisation. The committee either approves or declines by scoring points. For instance, with reference to the sustainability of the project, value, knowledge of the presenters; and

- If the application meets all their requirements, it is supported/funded.

4.6   *Theme Three -* **The Channels of Communication used by organisations in CSI**

The respondents were asked about the type of communication tools that their organisations use to communicate CSI initiatives.

4.6.1   The type of communication tools used to communicate CSI initiatives to the communities / intended audience

The results reveal that the organisations use the following communication channels to communicate CSI messages:
- Intranet
- Internet
- Notice boards,
- Newspapers
- Newsletters
- Annual reports
- Company magazines,
- Telephones
- Meeting with the communities,
- Television,
- Radio interviews,
- Internet,
- Internal communication via email and pamphlets, bulletin board and posters.

The results also revealed that face-to-face meetings annual meetings, project visits, emails are the most commonly used channels of communication.

This study produced results which confirm the findings of previous work in this field. These findings of the current study are consistent with those of Skinner and Mersham (1995:25) who found that communication is the most important element in any function and discipline. Communication is the means that we use to create an

understanding between the communicator and the audience. It is evident from the data gathered that most of the companies that were sampled do communicate with their stakeholders. It is understood that different organisations use different methods of communicating because each organisation has a different audience and therefore different communication channels are employed to achieve success in communication.

4.6.2 Effective communication channels

The respondents were asked to indicate whether their companies engage in a formal dialogue between the community and the organisation.

Figure 3: Whether the organisation engages in dialogue with the community before implementing a CSI project
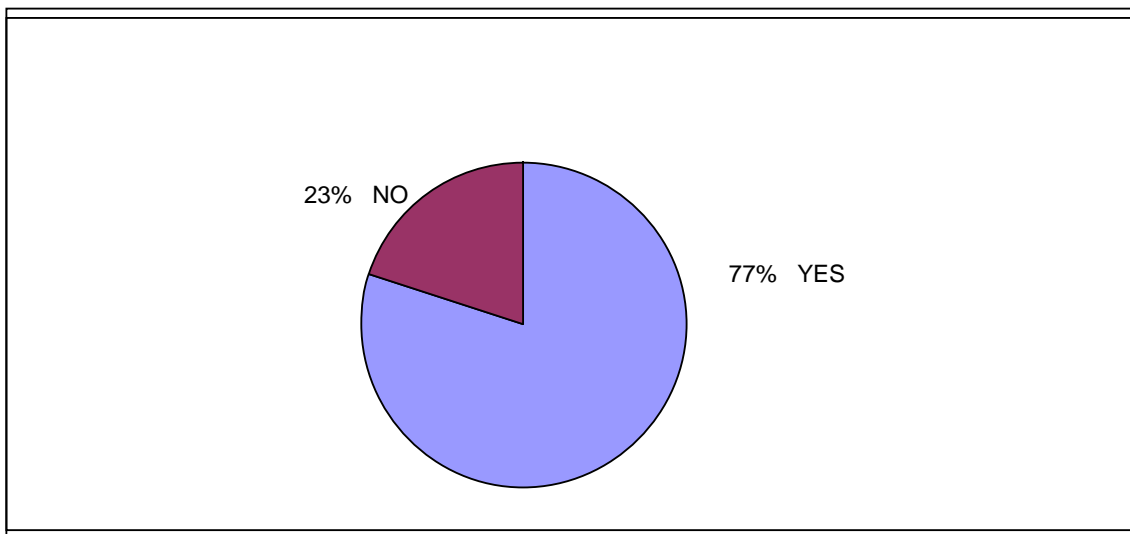
Figure 3 shows that ten out of thirteen companies (77%) indicated that they engage in a dialogue with the community before a CSI project is launched. The respondents were also asked to list the communication channels used for such purpose. The following comments were made regarding the communication channels used:

- NGOs, service or the strategic partner are used to communicate with the community;

- This is done once our company representatives have seen and spoken with the communities, and assessed the needs;
- This is done during the beneficiary analysis phase of assessing CSI applications; and
- Before a specific project, the compnanies talk to the communities even on projects that will benefit them at the end of the day, so that they buy in.

4.6.3 The type of dialogue

The respondents were asked to indicate the type of dialogue that takes place between the organisation and the community. The following types of dialogue were indicated:

- Community forums
- Meetings with communities
- Face to face dialogue
- Needs analyses is done by outside experts through, presentations, feedback sessions
- Visiting the community organizations

According to the feedback from the respondents, face to face dialogue is the most commonly used channel of engaging with communities. These results support the view expressed by Berlson and Steiner (1991:49) who believe that the more closely communication is beamed to a specific audience or single recipient, the more likely it is to be received and accepted. Communication directed at a particular audience is more effective than those directed to the public at large. The more sharply communication focuses on a key point the recipient; the more likely the source is able to grasp the message. At the same time, it must not be condescending or seem to insult his intelligence. The recipient should be led to draw to the conclusions and not feel that his conclusions are being imposed on him especially on complex matters.

4.6.4 Level of literacy

The respondents were asked whether they were aware of the level of literacy of their CSI stakeholders. The purpose of this question was to determined whether the community had the capability to read, write and understand the messages that are communicated to it by the organisation.

Figure 4 shows that, nine out of thirteen companies (69%) indicated that they were aware of the level of literacy of their CSI stakeholders. Four companies (31%) indicated that they were not aware of the level of literacy.

Figure 4: Level of awareness regarding stakeholder literacy
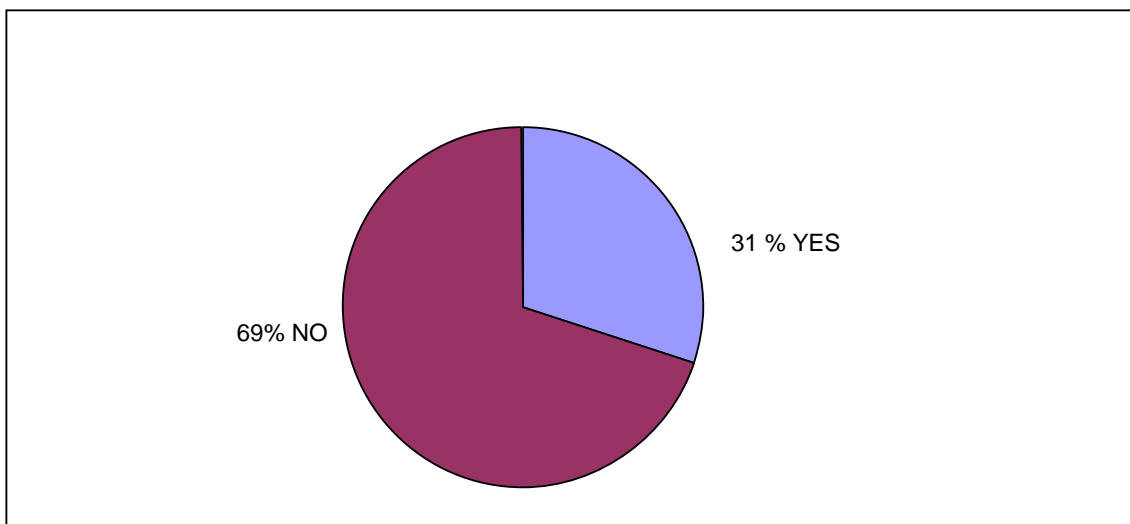
The following comments were made regarding the organisation's awareness of the level of literacy of the CSI stakeholders:

- No I don't, I am not aware of that. There might be, but nothing has been brought to our attention;
- No, we are not. But our partner NGOs are.
- They are literate as we are dealing with schools. For instance, we are promoting Early Childhood Development, university going students. However, the parents of some of the learners/students we are funding are illiterate.
- We are aware that all our CSI programmes will target entry level beneficiaries (skills development).

These results support Mersham and Skinner and Von Essen (2004:15) who argued that Illiteracy is also a major barrier to communication in the underdeveloped areas. This poses a challenge in that often messages have to be disseminated face to face, which can take a lot of time and requires expertise in communicating. In certain regions such as KwaZulu Natal, which is dominated by Zulu speaking people, effective communication requires not only the mere understanding of the language, but also the culture, value systems and traditions that exists in the province.

4.7   *Theme Four* - Communication barriers/challenges when communicating with stakeholders

In this section, the respondents were asked to describe the challenges that they faced when communicating with stakeholders. The results from this question reveal that only four out of thirteen companies experience communication challenges in CSI. Nine companies indicated that they do not experience communication challenges when communicating with the stakeholders.

Figure 5: Whether the organisation experiences communication challenges in CSI Communication

Does your organisation experience communication challenges in CSI Communication?

69% YES   31% NO
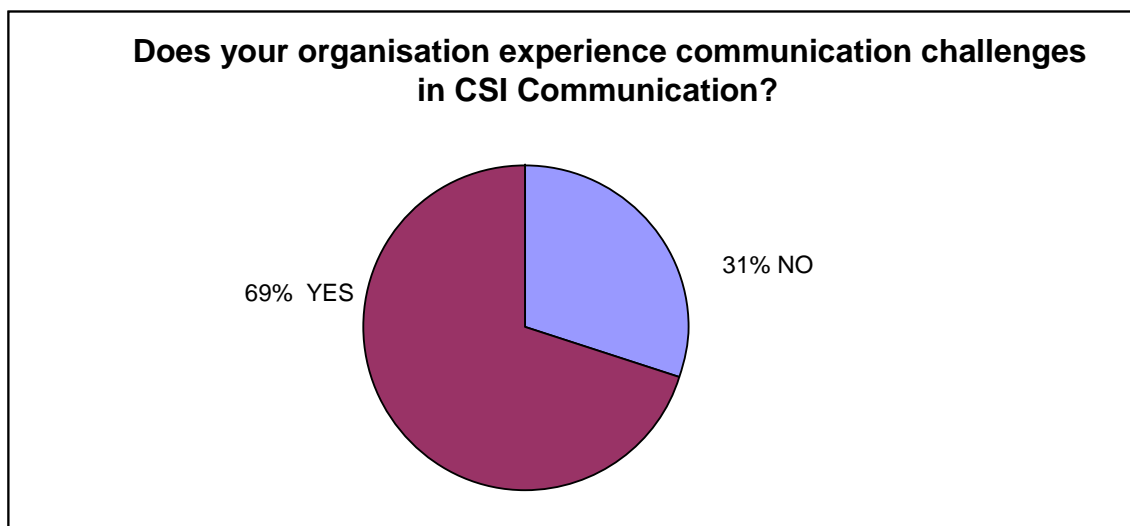
Figure 5 shows that nine of the respondents (69%) indicated that they do not experience communication challenges. These respondents indicated the following reasons as to why they do not experience challenges:

- No, because our CSI teams are mostly from the community and speak the language;

- No, because the NGOs we are working with are based in the communities, who speak the communities' languages. Also, when we speak to the schools we use English as all teachers can speak English. No, because we are speaking the language of the stakeholders, and we make sure that they understand us;

- No, we however subscribe to the Pharmaceutical Industry marketing codes with legislative limitation and, as a listed JSE entity, we also have to deal with insider trading and public information regulations;

- No! Communication is our specialty. I think that is the reason why we exist as a company; and

- No communication barriers were experienced as such. It is just the time frame that is a barrier. Some of the NGOs do not understand that it can take time to respond to the proposals they submit to us, as their proposals have to be sent to the CSI Committee members. They therefore give up and think that our organisation did/does not want to help them. Other applicants do not research and learn about our focus areas. For instance, they would ask for support in a field that we are not involved in.

Four of the respondents (31%) indicated that they do experience communication challenges in CSI. They cited the following reasons:

- Yes, the language is a problem as our CSI team cannot speak all South African languages. We have to find an interpreter in some cases.

- Yes, there are challenges, these challenges are not only in the language but in the manner in which one speaks to the people. For instance, the communities that we are operating in have high expectations. Therefore, if one of our colleagues does not communicate with them effectively, as it is the case now, people think that there is a lot to get from us because we are the mine, and this mine is mostly owned by blacks and they know that.

4.7.1 Communication Challenges

The respondents were asked to describe the type of communication challenges that their organisations experience. The purpose of this question was to ascertain the nature of the communication challenges experienced during CSI communication. The respondents cited the following challenges:

- **Diversity of the stakeholders**

  Communication is always a challenge and each stakeholder presents different challenges.

- **Literacy**

  It is the education and electronic literacy levels. We have all levels of people in this company some can't even write their names, but we still have to reach them also. So we try to translate our messages in many forms that could be understood by all the people.

- **Lack of understanding of procedures**

  The only problem is that the applicants are impatient, thinking that their applications will be responded/attended to immediately, not knowing that there is a procedure to follow and it takes time.

- **Barriers to communication**

The following issues have been listed as some of the most common barriers when communicating with the stakeholders:

- Lack of access to the communication channels being used
- Language barriers
- Cultural differences
- Context where the communication takes place

These above listed challenges confirm the views of Mersham and Skinner (2004:15) who argued that the communication problem in the area of development and corporate social investment depends on the selection of the proper channels to disseminate information. This problem mainly arises in rural and underdeveloped areas. In most instances these communities lack infrastructure such as electricity and telecommunication. Often the communicator has to first do the necessary research in order to determine the most appropriate medium for disseminating information to these communities.

4.7.2 Attitude, beliefs, stereotyping and perceptions of the audience towards organisations involved in CSI

Respondents were asked to indicate whether they were aware of any attitudes, beliefs, stereotyping or perceptions that their stakeholders have towards them. Figure 6 shows that five out of thirteen respondents (38%) indicated that they were not aware of any stereotyping or perceptions that the audience has towards organisations in CSI. Some of the reasons stated are as follows:

- No, but without fail, entitlement is the biggest stereotype corporates experience with CSI beneficiaries. They believe that such help is owed to them;
- No, except a few people who are accusing us of ripping them off, that is, about the price fixing that appeared on the news a couple of months ago; and
- No, I don't think that many people know about us because we are always in the background.

Figure 6: Awareness of attitudes, beliefs or stereotyping that CSI stakeholders have towards your organisation

Are you aware of any stereotypes that your CSI stakeholders have towards your organisation?
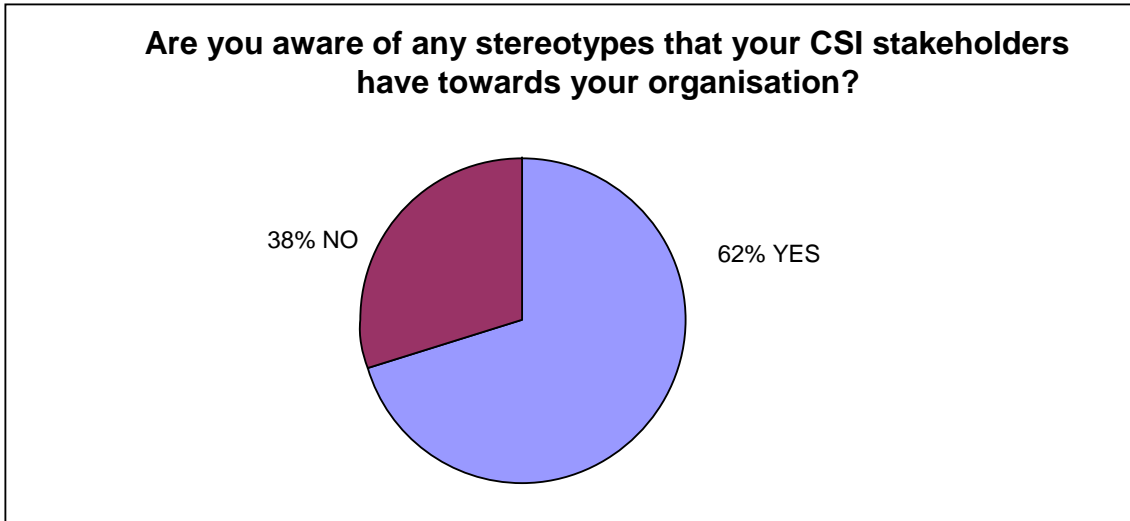
Figure 6 shows that eight respondents (62%) indicated that they were aware of the stereotyping or perceptions that the audience has towards them. Some of the reasons given by these respondents were as follows:

- The applicants have high expectations that their applications will receive a favorable consideration/approved as they have a perception that M&R is a rich company. If we decline their applications it is like we don't care about their projects.

- There seem to be little understanding of the issues relating to the governance of large corporations. Budgets for CSI projects are allocated annually and usually a year in advance. Therefore we have little funding to support ad hoc programmes.

- We have a legacy issue still from the time of ISCOR days. We were accused of polluting water air, and we get all of that. We were accused because we were not doing anything in the community, but since we started to communicating and getting more involved in the communities, the attitude is changing. People are now becoming more positive towards the company. There is more information going out through local radio, local news paper, and newsletters and also through campaigns. Even now with the current economic state, when your employees sees you handing out gifts or doing

charity work, they accuse us of spending the money they were suppose to get as an increase for their labour. We are now re-roofing some houses in Bophelong and Boipatong. We have just finished fixing the community hall and that is seen as wasting the employee's money. They don't see that as charity work, they don't understand if tell them that the foundation money and salary money. They are two different things. So it is very difficult to keep the people positive or happy.

Some respondents indicated that people in the communities expect that when they need financial help, the organisation should always respond by providing finance. It is cited that some communities fail to understand that organisation's primary objective is to make a profit and that the secondary objective is to support projects that are in line with the organisation's vision and objectives regarding CSI related issues.

4.8   Conclusion

The results provided by this research reveal that organisations engage with their internal and external stakeholders through various communication channels. The data provided by this research reveals that there are processes that the organisations follow before implementing a CSI programme. These processes range from:

- Surveys, research;
- Identifying the organisations/projects in need of funding;
- Needs analyses;
- Face to face communication with stakeholder, forum and meetings;

These findings are supported by Denton & Vloeberghs, (2003:88) and Freemantle & Rockey (2004:141) who argued that open communication promotes discussion about strategic issues. In order to learn, organisations need to interact with the environment. Engaging with stakeholders ensures diverse contribution and interaction that can help those inside the organisation become better informed, better prepared and more proactive.

One of the most significant findings to emerge from this study is that organisations use a variety of communication channels to communicate with their stakeholders. The selection of channels is guided in most cases by the audience disposition, access to the channels and capability of the audience to understand the medium.

The research also revealed a number of communication challenges that the organisations experience when communicating with their stakeholder in CSI. The most prevalent challenges include lack of access to the communication channels that are being used, language, illiteracy and cultural barriers.

Chapter 5

CONCLUSIONS AND RECOMMENDATIONS

5.1   Introduction

Chapter 4 elaborated on the evaluation of the results presented by this study. The objective of this chapter is to set out the conclusions and offer recommendations. This chapter also presents a summary of this study based on the objectives set at the beginning of this research.

The objectives set out at the beginning of this study were as follows:

- To investigate the communication channels used in corporate social investment.
- To investigate the communication challenges facing corporate social investment.
- To recommend best practices that can be applied in CSI communication.

5.2   Summary of the study

The purpose of this study, as set out in Chapter One, is to determine the communication challenges facing corporate social investment (CSI) in medium to large businesses listed on the Johannesburg Securities Exchange (JSE). A sample of thirteen companies representing different sectors were interviewed in order to gather information regarding their communication challenges in CSI.

Chapter Two provided a theoretical underpinning for the study. It defined corporate social investment and provided an overview of CSI in South Africa. The literature review also outlined historical the development of CSI. It identified communication as crucial in CSI and outlined the key theories that emphasise the importance of communication. It further examined the various communication tools employed in the CSI communication process.

Chapter Three outlined the research methods employed in this study. It presented the framework which details the type of information collected, the data sources and the data collection procedure. The methodology adapted for this study was both

qualitative and quantitative. The sampling design and justification of selected research methods used for data collection, analysis and interpretation were also presented in this chapter.

Chapter Four provided an analysis and discussion of the data collected from the respondents. It evaluated main achievements and gave explanation of the results. This chapter also classified the data into themes to present the findings of the questions that were posed to the sample. The themes were as follows:

- Theme one: corporate social investment approach;
- Theme two: corporate social investment processes;
- Theme three: the communication channels used by organisations in CSI; and
- Theme four: communication barriers and challenges when communicating with stakeholders.

5.3   Research findings, conclusions and recommendations based on the research objectives

5.3.1   *Theme One* - corporate social investment approach

According to the feedback received from the respondents, most of the organisations have a pro-active approach towards CSI. These organisations view themselves as corporate philanthropists, who have embraced the responsibility to improve the lives of ordinary South Africans, especially those that are disadvantaged. Some respondents have indicated that their approach is changing lives for the better, more especially those who are residing in rural areas. They are committed to being responsible and contributing corporate citizens. The above-mentioned approach is crucial for the continued well-being of the vast majority of organisations and essential for the community that surrounds them. Within the South African context, corporate social investment has a pivotal role to play in bringing about meaningful transformation to the benefit of all. The social needs facing our country are substantial and it is a moral duty for businesses to make a difference by supporting projects that benefit historically disadvantaged sectors of our society.

In view of these findings it can be concluded that South African organisations are engaged in serious efforts to integrate CSI as a strategic business phenomenon. Businesses in South Africa are increasingly involved in the solution of the social, economic and environmental problems. Companies are now aware that they have a social responsibility to participate in and contribute to the improvement of the communities within which they operate.

The concept of CSI is intended to provide each business with a far greater ability to create sustainable development. This can help to provide ongoing benefits for the business and its stakeholders, regardless of the size of the business. The business can become more competitive once it begins to create and follow guidelines to enforce the concept of CSI within the company and its surrounding community. The greater the sustainability of a business's developments, the more successful it can become. An organisation's commitment to improving the situation of its people will help to ensure successful future operations.

With corporate social investment becoming even more strategically focused, it is recommended that businesses align their corporate social investment spending with their core business objectives and imperatives. Such an approach moves CSI out of the charitable sphere into one in which true partnerships with beneficiaries, government and NGOs bring about long-term sustainable development to the benefit of all. Internal and external promotion of CSI activities can increase the positive reputation of a business by providing a framework to disseminate core values and beliefs to a wide range of stakeholders. This can result in a better working relationship with the community, shareholders and employees, as well as enhanced public understanding of the business and its operations.

It is recommended that all companies should be interested in corporate social responsibility as increased media attention on the misuse of corporate power has led to a rise in public awareness of corporate behaviour. The King Report on corporate governance (King III 2009:2) takes an approach that sustainability is now the primary moral and economic imperative and it is one of the most important sources of both opportunities and risks for businesses (Institute of Directors, 2009:2). Nature,

society, and business are interconnected in complex ways that need to be understood by decision makers. A well managed company will be aware of and respond to social issues, placing high priority on ethical standards. A good corporate citizen is the one that is non-discriminatory, non-exploitative and responsible with regard to environmental and human rights issues. The approach proposed by the King Report is therefore recommended as a guideline that South African organisations should take towards addressing corporate social investment issues.

5.3.2 *Theme two* – corporate social investment processes

The feedback from the respondents indicated that organisations engage in surveys and meetings with stakeholders before committing to a CSI programme. Most organisations hold formal face- to- face dialogue with the community or a group of representatives from the community organisations. The organisations either visit the communities themselves as a unit, or other support partners like NGOs do that for the organisation. By engaging in the above mentioned activities, organisations create a two-way communication stream.

In view of these results, it is clear that organisations have taken a proactive approach towards understanding the needs of the communities. Consultation with the communities is one of the critical processes that must be followed in order to investigate and diagnose the needs of the community before a CSI project is implemented. It is therefore recommended that business organisations consider the following fundamentals in the CSI implementation process:

- The selection and involvement of the community is an integral component to create a forum whereby various stakeholders of the community are represented. Ongoing consultation with the citizens in the form of forums and meetings for the purpose of applying a common vision for the benefit of the community is crucial.

- A determination of whether the particular organisation or representative is in tune with the constituencies and whether they could be identified by them as representatives, calls for careful exploration of community relationship and tapping into new social networks. It is not sufficient to call existing board or committee members. If there is a need for a person to represent senior citizens or the working class community, it will be necessary to contact that social network. The organisation might tap into co-operative extensions, like churches, school personnel or other service clubs, like the health department, local newspapers or the tribal council.

- The next step is to meet with the community to solicit ideas. The organisation needs to stimulate the community members to improve their environment. An important aspect is the citizens articulation of not only what do they want to change and what do they need, but also what do they want to retain. They should respond to the question: What features of community do they value and want to preserve?

- Accept their recommendations, discuss them and incorporate them, where applicable, to CSI plans. Organisations need to emphasise community participation in both resource assessment and needs assessment. Many communities are characterised both by a need for additional employment opportunities and social services. Assessment processes that generate both types of information are critical in addressing challenges facing the communities. Through participation, the community is gaining skills in obtaining and interpreting vital information that controls their future.

It is recommended that organisations, together with the community follow a systematic procedure designed to lead them through the dialogue process.
The recommended procedure cited by Steinberg (1994:104) is as follows:

- Identify and define the problem;
- Analyse and research the problem;
- Decide what the solutions should accomplish;

- Find and evaluate solution; and

- Implement solutions.

We can conclude that the CSI implementation process is a joint effort between the organisation and the community. The organisation is dependent on the co-operation of the community to agree on CSI issues and the implementation process. Communication is at the centre of this relationship. Communication styles and systems need adjustment from both parties in order to get to obtain a common ground.

5.3.3 Theme three - communication channels that are used in corporate social investment

The results revealed that organisations communicate CSI through various communication channels. The channels cited include print and electronic channels, (i.e. annual reports, newsletters and brochures, internet, website, intranet, internal meetings, internal news bulletin and magazines, local print media newspapers, awareness campaigns and meeting with the communities).

These above mentioned findings reveal that mass media and information technology are used extensively in the corporate social investment communication process. An obvious reason for this trend is that mass media has an advantage of reaching a wide phenomenally wide audience. It can reach huge audiences more or less simultaneously. Mass media is remarkable because of its ability to move information across distance and time. Radio, television and computers, being virtually instantaneous, can conquer vast distances without delay.

Now one can flip back and forth between several websites on the World Wide Web, 24-hour cable channels and even radio programmes to stay connected to business, political news and entertainment. Access to information is no more a complicated issue in today's "informed" times. For example, over the past ten years, the internet has increasingly become a major source of information. According to a recent Statistics South Africa report which states that, in mid 2010, South Africa had a

population of 49 million, **1**0.8% of which have access to the Internet. Traditional media still has enormous reach in South Africa. 18.9% of South Africans watch South African broadcast news from the top five most viewed news channels in the country. This includes news in Xhosa, Afrikaans and English. Ukhozi FM is the country's largest radio station reaching more than 6.6 million people, a total of 13.5%.Jacaranda 94.2 is South Africa's largest independent radio station broadcasting in both English and Afrikaans to more than two million loyal listeners. Metro FM, with 3.1 million listeners is the largest urban commercial station in South Africa. Approximately 8% of the population buys a Daily Sun newspaper every day, and up to ten times as many people will read at least one newspaper. In view of this, the mass media touches a large number of audiences every day. It affects us in many ways, as a major socialising influence, a carrier of culture, a source of information, education and entertainment.

The sheer range of communication media, their sophistication and the technology which makes instant communication possible, place demands upon organisations to control and direct the flow of information which it generates and receives in the CSI communication process. Although effective in reaching large audiences, mass media alone cannot achieve success in CSI communication. Mass media cannot effectively facilitate the interaction between the organisation and the audience. Interpreting verbal and non- verbal communication in the communication encounter is crucial. Therefore, organisations need to incorporate face to face communication when engaging with the stakeholders in the CSI communication process.

5.3.3.1 Recommendations on best practice

A lesson can be taken from the Marchant triangulate model (cited by Mersham and Skinner, 1995:53). According to this model, in the development plan one must first analyse all the key participants in the communication process. Understanding how they communicate is essential for strategic planning. In this view communication must be seen as the relationship between participants in an exchange of information.

In light of this situation, the communication ideal would be to synthesise existing communication media, new technology and ora media structures to communicate

more effectively. A media equilibrium could resolve the conditions which shade off the unsophisticated, semi literate or illiterate sectors of South Africa society from mass media. A balance would result in:

- Mass communication media coupled with group discussion in media or communication forums;
- Ora-media being utilised with group discussion in media or communication forums;
- Interpersonal channels beginning used in a special way to reduce the heterophylly gap between communicators and recipients;
- Mass communication media content being made audience-relevant enjoining messages about motivational progress in the total society; and making new technology available to the masses by means of media training.

5.3.4 Theme four: Communication barriers and challenges when communicating with CSI stakeholders

Although most of the respondents indicated that they did not experience barriers during the CSI implementation process, summary of the few communication challenges identified is as follows:

- Language barriers;
- Cultural differences;
- Low levels of literacy; and
- A lack of understanding of CSI procedures.

5.3.4.1 Language barriers

One of the dominant challenges in CSI communication is the language barrier. In South Africa, the wide variety of different languages which are spoken as mother tongues set a communication challenge between the organisation and the community. CSI corporate teams and executives cannot speak all South African

languages. In some case they are compelled to find interpreters to translate for them.

The new Constitution a new language policy has effectively afforded, eleven different languages status as official languages. This implies tremendous effort to develop languages which until now have been used only in limited settings, so that they can fulfill the same function that English and Afrikaans have until now. Empowerment of those who until now have not been able to use their language for upward mobility will have to be encountered. Communication across cultures as is often required in South Africa today calls for an awareness of differences for an an appreciation of the variety of views and values and for tolerance when we are confronted with language practices which at first may seem strange   (Kaschula and Anthoniseen, 1995:27).

It may be concluded that the importance of creating a society which is tolerant of other languages and cultures in a multilingual, multicultural country such as South Africa is crucial.

5.3.4.2   Cultural diversity

Quite clearly, cross cultural communication is a complex undertaking. The difficulties of the South Africa situation are exacerbated by previous apartheid policies of linguistic and cultural isolation between various communities. In view of the corporate social investment communication process, it is the responsibility of the organisations to find a way of understanding the various cultures and develop communication strategies that address these communication challenges.

5.3.4.3   Low level of literacy

South Africa has a low level of literacy. According to 2001 census figures (Statistics South Africa, 2001), 4.7 million adults (16% of the total population above the age of 15) have had no schooling and may be considered illiterate. A further 9.6 million (32%) have not completed primary school and may be considered in need of compensatory basic education. The majority of these adults are found in rural and informal settlement areas. This poses a challenge and a limitation to communication

by CSI practitioners who may want to reach these audiences through print media. Communication in this scenario needs to be face to face or through audio mass media such as radio.

5.3.4.4   Lack of understanding of CSI procedures

The challenge is that some communities expect that when they need financial help, the organisation should always respond by providing finance. The communities neglect the fact that the organisation's primary objective is to make profit while supporting projects that are aligned with the organisation's vision and objectives regarding CSI related issues. It is not always possible for organisations to respond by way of financial donations.

It is therefore the responsibility of the communications practitioner to ensure that expectations are managed from both the community and the organisation's side. The goal is to create mutual understanding between the two parties through continuous, open communication.

5.4   Summary of the recommendations

To summarise the recommendations presented in this chapter, it is important to understand that since communication is an ever-changing phenomenon, organisations need to constantly examine and investigate their communication processes, channels and challenges. To address some of the communication challenges outlined in this study, a communications audit is recommended as a starting point to diagnose the communication challenges and to assess the effectiveness of the communication channels that are used in CSI communication. In the same way that an accountant checks the financial statement of an organisation to establish its financial health and to provide it with the information to plan for future development, a communications audit can provide an organisation with information as to whether its internal communication system is effective or not. An audit can also help the organisation to identify communication problems which may hinder its future growth and development. The basic idea of the communication audit is that relevant information about the organisation's internal and external

communication system must be gathered and used to improve communication. Transparent and effective communication with stakeholders is essential for building and maintaining their trust and confidence.

The leadership of an organisation, including its directors, boards and committees, will need to review the corporate values that drive their behaviour to ensure that they and the organisation reflect societal upliftment and sustainability. To this end, leaders are expected to support and understand the full implications of the stakeholder inclusive model recommended in King III. Leaders will also have to give due consideration to the full range of material economic, social and environmental dimensions and impacts that the company and its processes have on the community in which it operates, when developing corporate strategy.

There are several ways of integrating CSR into a company. Best practice suggests that CSR should reflect the values and beliefs of the organisation as highlighted in the mission statement. It must be driven by top management and reinforced through the company's reward and recognition procedures. All of a company's activities, including its products and production process, should reflect the company ethos, which should also be reinforced by the actions of senior management. Some companies promote and extend their CSR principles to their supply chain if it is feasible. In addition, since the interests and values of an organisation's stakeholders tend to steer the direction of CSR activities, it is advisable to communicate and develop buy-in at the early stages of a development to strengthen support for the proposal and for its roll-out. CSR can be communicated through staff and other stakeholder newsletters, websites, promotional events and personalised letters.

The board should take account of the legitimate interests and expectations of its stakeholders in its decision-making while still acting in the best interests of the company

- Transparent and effective communication with stakeholders is essential for building and maintaining their trust and confidence;

- Complete, timely, relevant, accurate, honest and accessible information should be provided by the company to its stakeholders, whilst giving regard to legal and strategic considerations;

- Communication with stakeholders should be in clear and understandable language;

- The board should adopt communication guidelines that support a responsible communication programme; and

- The board should consider disclosing, in the integrated report, the number and reasons for refusals of requests of information that were lodged with the company in terms of the Promotion of Access to Information Act, 2000.

5.5   Closing Statement

Why is it important to understand communication and its challenges for corporate social investment? It is important because communication is the mortar which keeps businesses and society together. Without the ability to communicate, we would not be able to create a civilised society which offers the order and stability necessary to improve the quality of our lives. For most companies, the question is not whether to communicate but rather what to say, to whom, and how often. The statement above suggests that it is not a question of communicating or not for companies today. It is a question of how to communicate. The question of how CSR is communicated is a research area that still needs to continue to be explored. Businesses cannot hope to enjoy concrete benefits from CSR unless they intelligently communicate about their initiatives to relevant stakeholders.

The general awareness of CSI in society has gradually increased (www, CSRwire, 2005). Media keeps the debate in the public domain and ethical investors and financiers are seeking more information and raising their expectations progressively. Changes that have taken place in our society at large have irrevocably transformed the environment in which South African organisations function and do business. A

company with a serious CSI intention is likely to gain a competitive advantage, while a company with a neglectful approach might face overwhelming problems. The discussion about CSI and the communication of CSI shows that CSR should be an important part of a corporation's strategic priority. Communication of CSI does not only create an awareness for CSI, it is also a way of creating a bond between the company and its stakeholders.

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Appendix 1 – Letter of introduction

<div align="right">

113 Campbell Road
Fourwarys Estate
120 Tamboti
Craighavon
Fourwarys
1600

</div>

Dear Sir/Madam

<u>Research Questionnaire</u>

By way of introduction my name is Uzothile Ngobeni, I am a Master of Technology Student at the Durban University of Technology registration number 20357421. As part of the requirements for an M.Tech degree, I am doing a research thesis. The subject of my dissertation is *Investigation of the Communication Challenges facing Corporate Social Investment.*

In light of the above, I would like to do an interview with you by a way of the questionnaire. Please see attached. This questionnaire is tool to gather information on the subject of my research. I request that you go through this questionnaire and provide answers. This questionnaire is voluntary and also confidential and your responses will be kept as such.

This questionnaire is divided into three sections:

- Section one is biographical information.
- Section two of the questionnaire will deals with communication.
- Section three of the questionnaire will deals with corporate social responsibility issues.

Should you have any questions regarding this questionnaire or need more clarity on this research, please do contact me.

Regards

Uzothile Ngobeni
011 863 1382
082 228 9924

RESEARCH QUESTIONNAIRE

Section A
General Details

Name:……….

Company: ……….

Designation: ………...

Department: ……..

Tel: ………

Address:……

E.mail: ……….

Fax: ……….

Website Address:……………………………………………………………………………………………………

Type of Industry: …………………………………………………………………………………………………….

Type of Products: …………………………………………………………………………………………………

What is the number of Years that your company been in operation?…………………………………………

Is your company involved in Corporate Social Investment projects? …………………………………………….

Does your company have a communications Department? ....

How long have you been in your company?..

What is the total number of employees in your company?:……………………………………………………

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Section B
Corporate Social Investment

---

1) What is your organization's philosophy concerning Corporate Social Investment?

……....

……....

2) Is this philosophy communicated to the rest of the organization, if yes, how is it communicated to rest of the organization?

……….

……....

3) Section B Does your company have an identified area of interest when deciding on the CSI projects or investment initiatives toward the community? *Please elaborate*

……….

……....

4) Does your company have an identified area of interest when deciding on the CSI projects or investment initiatives toward the community? *Please elaborate*

………

……....

5) Does your organization diagnose the needs of the audience / community? before implementing a CSI program? If yes, please describe methods?

………

……….

6) Does your organization dedicate sufficient advance time to get maximum media and community exposure before implementing a CSI project? If yes how much time?

………

………

7) **Do your stakeholders participate in a meaningful way i.e. in the planning stage of your CSI program, if yes how do they participate?**

………

………

8) **Does your organization engage in a formal environmental scanning process, formal information gathering process before committing to a formal CSI program?**

………

………

9) **Does your company identify the focus, scope and magnitude of social problem before deciding on a CSI project?**

………

………

10) **What type of communication tools does your organization use to communicate CSI initiatives to the communities / intended audience?**

………

………

11) **Which are the most effective communication tools when communicating CSI issues?**

………

……

12) **Does your company have any knowledge of the language preferences of the Intended audience when communicating CSI initiatives?**

………

……

13) **Does your company have an external communication program which brings together various stakeholders from the social arena or relevant communities in a dialogue?**

………

………

14) Does your intended audience / community have knowledge about CSI issues?

……

……

Section C
Communication

1) What is your organization's management philosophy concerning communication?

……

……

2) Is this philosophy communicated to the rest of the organization, if yes, how is it communicated to rest of the organization?

……

……

3) What type of communication channels does your organization use to communicate to the stakeholders / audiences?

……

……

4) Does your intended audience prefer to receive messages visually or through auditory channels, please explain?

……

……

5) Which are the most effective channels when communicating with your audience? And why?

……

……

6) Does your organization experience any communication barriers/challenges when communicating with your stakeholders?

……

……

7) If answer is yes to question 6, what types of communication challenges does your organization experience?

....

....

8) Does your company engage on a formal dialogue between the community and the organization, before implementing a CSI project in the community?

....

....

9) If yes to question 8, please describe the type of dialogue and context between your organization and the community?

....

....

10) Are you aware of any attitude, beliefs, stereotypes, perceptions that your intended audience has toward you as an organization? *Please elaborate*

....

....

11) Are you aware of the level of literacy in your CSI stakeholders? *Please elaborate*

....

....

12) What is the level of the infrastructure development in the geographic location of your CSI communities? *Please elaborate*

....

....

Thank you

Appendix 3

List of respondents

- Adcock Ingram
- Annoraq Resources
- Arcelor Mittal
- Tshikululu CSI
- Tiger Brands
- Sun International
- Stanlib (Liberty Life)
- Pick n Pay
- Nampak
- Murray and Roberts
- Mondi Paper
- Merafo Resources
- City Lodge