



Built-in
or
bolted-on

Corporate Social Responsibility in sub-Saharan Africa

A survey on promoting and hindering factors

Disclaimer

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Foreword

This publication is a vital contribution to understanding companies' motivation and potential to incorporate CSR into their regular businesses in Africa, a continent where there is an incredible need for social and environmental improvement.

Governments in general need the support and cooperation of the private sector – as driving force of development – to improve and maintain the living conditions of people and societies. We believe that private companies have untapped potential and the willingness to contribute to environmentally and socially sustainable living conditions, and are able to take on and do justice to their role as corporate citizens.

Corporate citizenship or corporate social responsibility is featuring more and more in Africa, but still its full potential is far from being realised. In this context, the GTZ Centre for Cooperation with the Private Sector (CCPS) on the behalf of the German Ministry for Economic Cooperation and Development (BMZ) aspires to integrate global, normative principles of CSR and corporate citizenship in the decision-making processes of the private sector in sub-Saharan Africa.

Within a second phase co-funded by the UK Foreign & Commonwealth Office (FCO) this research was focused on obtaining a closer look at CSR concepts in Africa. The main questions concerned the promoting and hindering factors for companies' CSR engagement and required enabling instruments. Companies in Ghana, Kenya, South Africa, Mozambique, Namibia and Malawi were interviewed. Our deep gratitude goes to the 85 companies that have demonstrated a great willingness to answer the questions about their CSR activities.

We are proud of the findings, as the report gives a broad overview on CSR profiles, required frameworks and policies, rationales for CSR and its implementation, successes, challenges, monitoring, reporting and learning.

It is our sincere hope that this publication will be used by the private sector, governments, labour organisations and civil society with the objective to continue working together on CSR and corporate citizenship concepts and improve the impact the related activities should have.

We also hope that it will contribute to more endorsement of the already existing and the future efforts of private companies to enhance their corporate citizenship.

Doris Popp
GTZ South Africa
June 2009

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Abbreviations

- **SADC:** Southern African Development Community
- **LDC:** Least developed countries
- **GDP:** Gross domestic product
- **ODA:** Official development assistance
- **FDI:** Foreign direct investment
- **SSA:** Sub-Saharan Africa
- **NEPAD:** New Economic Partnership for Africa's Development
- **MNC:** Multinational company/corporation
- **LC:** Local company
- **SA:** South Africa
- **EU:** European Union
- **US:** United States of America
- **SAIIA:** South African Institute of International Affairs
- **SOE:** State owned enterprises
- **DBSA:** Development Bank of Southern Africa
- **IDC:** Industrial Development Corporation

Definitions

Corporate social responsibility (CSR)

CSR refers to the accountability of companies, to both share-holders and stakeholders, for their utilisation of resources, for their means of production, for their treatment of workers and consumers, for their impact on the social and ecological environment in which they operate and for the way in which they exercise their legislative and fiduciary duties.

Corporate social investment (CSI)

CSI refers to the way in which companies care for the well-being of the social and ecological environment of the communities in which they operate. To this end they invest, in a variety of ways, in the advancement of certain socially and/or environmentally defined needs, projects or causes extraneous to their regular business activities.



Corporate Social Responsibility Survey in sub-Saharan Africa

Executive summary

The objective was to identify and gain deeper insight into factors that promote or hinder success in CSR project management and delivery, and on the basis thereof to arrive at conclusions and recommendations about enabling instruments that will benefit, strengthen and expand CSR impact in the region.

In this survey it was found that CSR concepts were for example enhanced through collaboration with Global Compact local networks, but that CSR in sub-Saharan Africa is still in its infancy. Social and environmental activities of individual companies remain scattered.

Definitions of CSR abound, but for the purposes of this survey it is understood as a comprehensive concept referring to the way in which companies exercise responsibility and accountability for the economic, social and environmental impact of their business decisions and behaviours.

Given the purpose and scope of this survey, the spotlight was to fall on both the internal and external CSR environment of companies. The former refers to policies, structures, resources and project management capabilities, as well as perceptions held by the company of the social and environmental impact of their CSR initiatives. The latter refers to the role of governmental institutions and their responsibility for providing a CSR enabling environment.

A total of 85 diverse companies from South Africa, Ghana, Kenya, Malawi, Mozambique and Namibia were selected for the survey. The survey architecture was influenced by a theoretical and methodological model called The CSR Value Chain¹. The questionnaire was the cornerstone of the survey and consisted of the following sections:

- **Section 1:** CSR positioning and structure
- **Section 2:** CSR values and policy framework
- **Section 3:** CSR practice and projects
- **Section 4:** CSR future trends and development needs with reference to the future course of CSR

¹ The CSR Value Chain[©] was developed and made available by Dr Arnold Smit, CSR advisor to Imani Development, the project manager of the survey.

Key findings

A rich source of data was generated and will be reported on in more detail in the chapters to follow. Regarding the focus of the survey, namely to identify supporting and hindering factors towards achieving CSR impact in and through companies, the following themes were identified:

- **Leadership and governance:** the extent or not to which executives and senior managers have a vision for, take the lead and are themselves committed and supportive of the CSR cause in a company
- **Policy framework:** the extent or not to which CSR policies are available and aligned with corporate objectives, value systems and core business considerations
- **Project management:** the extent or not to which CSR practitioners have effective structures and they and their support staff are skilled enough to understand and effectively manage the development and implementation of CSR initiatives
- **Monitoring, evaluation and reporting:** the extent or not to which systems for monitoring, evaluation and reporting are available and CSR practitioners and their stakeholders/partners and beneficiaries are committed to do it and utilise the benefits thereof
- **Stakeholder engagement:** the extent or not to which CSR practitioners and their support structures are able to involve and constructively engage with relevant stakeholders and/or partners in the process of CSR intervention development and implementation
- **Staff engagement:** the extent or not to which staff are committed to, supportive of and participate in CSR relevant initiatives
- **Government:** the extent to which governments create conducive environments for CSR development and implementation, or do not
- **Beneficiation:** the extent or not to which beneficiaries' needs are properly identified, the alignment thereof with company CSR policy is justified and beneficiary ownership and cooperation with corporate CSR initiatives can be maintained
- **Funding:** the extent or not to which and the manner in which funding is made available and well managed

The analysis of the supporting and hindering factors was initially done separately, and after careful review of the data received it was concluded that the two categories were almost identical. Consequently, the two categories were merged to form the nine factors as reported in the preceding paragraph. These factors were then further subjected to deeper analysis per type of company and per country. The company-related aspect raises questions about whether the patterns of supporting or hindering factors for multi- or transnational companies (mostly originating and managed from within developed countries) may be different from that of local companies (originating and managed within developing countries). The country-related aspect, on the other hand, has to do with the impact of national business contexts and systems on the specific character and shape of these factors. Although such considerations will always have to be reckoned with, the defining factor eventually seemed to be the socio-economic context and prevailing needs in communities that companies operate in and do business with.

Much care was exercised to position this survey within the context of a broad-based understanding of corporate social responsibility. Despite the definition of CSR underlying the survey and despite the consistent reference to it in all dimensions of the survey, the operational understanding of CSR in the sub-Saharan region seems

to lean towards corporate social investment (CSI). Herein lay both a challenge and an opportunity: What needs to be done to shift this trend and create a more holistic understanding of CSR and transform business philosophy and practice to align with it?

Table 1 (p. 12) contains the key findings of the survey in response to this question.

The journey for CSR in sub-Saharan Africa has just started and the future cannot be stated with certainty, but some basic pointers can be noted. The way in which companies interpret the social realities of the environment within which they will be conducting their business, will be a defining aspect of their future success. The global pressure for sustainable development, especially in the third world, will significantly influence the growth from corporate social investment to corporate social responsibility.

CSR development interventions to increase knowledge and develop new skills are needed, but most important will be to change people's values and attitudes. The survey has shown that the key to addressing CSR hindering and promoting factors in sub-Saharan Africa lies in a systemic and context-sensitive approach that relies on the potential of people, organisations and communities to design and implement their own solutions within global frameworks.

Critical CSR success factors for CSR in sub-Saharan companies	Key questions	Key core recommended actions
Leadership and governance	How can boards, executives, senior management and CSR officers be helped to develop a comprehensive understanding of the meaning, development and implementation of CSR?	<ul style="list-style-type: none"> • A vision and business case for CSR at executive and board level • Business chambers to provide leadership and guidance • A national agenda for CSR
Policy framework	<ul style="list-style-type: none"> • How can companies best be helped to develop and implement CSR policies? • How can currently CSI dominant policies be transformed to CSR policies? 	<ul style="list-style-type: none"> • Policy development workshops • Industry based protocols or agreements • CSR auditing
Project management	<ul style="list-style-type: none"> • What knowledge and skills do CSR officers need to be more effective in project management? • How can CSR structures be optimised to be more supportive of project execution? 	<ul style="list-style-type: none"> • Skills building in project management for CSR staff and NGO partners • Case studies and best practice
Monitoring, evaluation and reporting	<ul style="list-style-type: none"> • What kind of instruments need to be developed to enable companies to monitor, evaluate and report on their CSR initiatives? • How can CSR officers be helped to apply such instruments effectively for improved CSR impact and return on investment? 	<ul style="list-style-type: none"> • Development of guidelines and instruments • Capacity and skills building for CSR staff and external stakeholders
Stakeholder engagement	What knowledge, skills and attitudes are necessary to equip CSR practitioners for successful and sustained external stakeholder engagement in CSR development and implementation?	<ul style="list-style-type: none"> • Skills development workshops for company staff • Case studies and best practice
Staff engagement	What instruments are needed and feasible to develop drivers for staff engagement in the CSR initiatives of companies?	<ul style="list-style-type: none"> • CSR training • Volunteer programmes • Workplace empowerment
Government	How can a public-private discourse be initiated that will enhance the development of CSR in sub-Saharan companies and governments?	<ul style="list-style-type: none"> • Incentives for CSR initiatives • Allocation of government resources • Improvement of government's CSR
Beneficiation	What competencies need to be developed in sub-Saharan companies to manage the whole beneficiation process more effectively and also bring it in line with core business?	Skills building for CSR staff regarding project selection, management, assessment, reporting and organisational learning
Funding	How can companies be assisted to improve the financial accountability and transparency of their CSR initiatives and to calculate the return on their socially responsible investments?	Skills building in CSR budgeting, accounting and auditing across all business units

Table 1: Key findings in response to the question of what needs to be done to create a better understanding and implementation of CSR

Chapter 1: Background and survey overview

1.1 Introduction

The Centre of Cooperation with the Private Sector, CCPS, which is a sector project of the Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ), commissioned Imani Development to do a survey on the status of CSR initiatives in sub-Saharan Africa.

This survey is linked to the objectives, processes and structures of the UN Global Compact local networks as well as the UN Millennium Development Goals and other voluntary initiatives for the promotion of CSR in sub-Saharan Africa. In fact, it follows in the footsteps of a previous survey, completed in 2007, the focus of which was to investigate the status of the CSR landscape in Ghana, Malawi, Mozambique and South Africa, as well as the activities of the respective Global Compact local networks and the UN Global Compact Regional Learning Forum. In this previous survey it was found that CSR concepts were indeed enhanced through collaboration with Global Compact networks, but that CSR in sub-Saharan Africa is still in its infancy. The report of 2007 concluded that social and environmental activities of individual companies remain scattered, are merely sector related, or are often a simple consequence of legal requirements. The following question was therefore posed: What factors hinder or support companies to integrate CSR?

The objective of this 2009 survey was to identify and gain deeper insight into these factors, and on the basis thereof to arrive at conclusions and recommendations about enabling instruments that will benefit, strengthen and expand CSR impact in the region.

1.2 Definition and scope

Definitions of CSR abound, but for the purposes of this survey it refers to the accountability of companies, to both shareholders and stakeholders, for their utilisation of resources, for their means of production, for their treatment of workers and consumers, for their impact on the social and ecological environment in which they operate and for the way in which they exercise their legislative and fiduciary duties. It is thus treated as a comprehensive concept referring to the way in which companies exercise responsibility and accountability for the economic, social and environmental impact of their business decisions and behaviours. Such awareness and responsiveness become evident in how companies, in addition to their economic rationale, launch relevant initiatives or invest in the advancement of certain socially

and/or environmentally defined needs in the communities that they operate in.

Given the purpose and scope of this survey, the spotlight fell on both the internal and external CSR environment of companies. The former refers to policies, structures, resources and project management capabilities, as well as perceptions held by the company of the social and environmental impact of their CSR initiatives. The latter refers to the role of governmental institutions and their responsibility for providing a CSR enabling environment. The survey brief also included reference to companies' expected return on investment of their CSR concepts and how it is or can be better measured in future.

1.3 Context

This survey happened within the context of a very specific global landscape. On the financial front, the world is in the grip of a dire financial crisis. Markets are in turmoil, businesses lose value, investors are cautious and trade figures slump. Alongside runs the increasing awareness of the impact of global warming on economic, social and environmental sustainability. Although these forces are of a global nature, they impact on local economies and communities and demand that business enterprises rethink their underlying assumptions and operational practices. Within this context, corporate social responsibility (CSR) cannot be regarded as a by-product of business. It has to be considered as an essential ingredient of the core motif in business. This is as much relevant and urgent for sub-Saharan Africa as for

the rest of the world.

There is also another side to the picture. Mention is more frequently made nowadays of Africa and the sub-Saharan region as an area for growth and investment. Luiz (2006:3) states that "Africa is opening up to international business on an unprecedented scale. In many respects it represents a frontier to global capital which is seeking out new, growing and emerging markets". If this trend is going to continue, it will also increase the demand for responsible and well developed CSR practices in companies that do business in the region.

These considerations underline the necessity and timeliness of this study.

1.4 Scope and methodology

A total of 85 companies from South Africa, Ghana, Kenya, Malawi, Mozambique and Namibia were selected for the survey. The survey architecture was influenced by a theoretical and methodological model called The CSR Value Chain² (see Addendum B). Based on the model, data collection aimed to achieve a blend between contextually relevant and company specific information and originated from four sources, namely

- **desktop studies** to gather relevant information about the CSR context in each of the target countries;
- **company documents** relevant for building a holistic CSR profile of each participating company, e.g. policy documents, reports and brochures;
- a **questionnaire** that was completed by the identified CSR officer in each of the participating companies, and
- an **interview** with the respondent CSR officer to gain deeper insight into his/her company's CSR practice, with specific reference to helping and hindering factors in CSR development.

The questionnaire (see Addendum C) was divided into the following four sections:

- **Section 1:** The positioning of companies' CSR initiatives and the structures mandated to implement it.
- **Section 2:** CSR values and policy framework, with reference to the global, national, industry and internal business factors and values that shape companies' CSR policy.
- **Section 3:** CSR practice and projects, with reference to the operational dimensions of companies' CSR practices and projects, with a specific interest in the supporting and hindering factors that determine the effectiveness and long term success thereof.

- **Section 4:** CSR future trends and development needs, with reference to the future course of CSR as an aspect of companies' business operations and the extent to which CSR practitioners may be in need of training, policy dialogue, information and other relevant support measures to lead the cause.

The interview with each company's respondent was intended to probe for a deeper understanding of the supporting and hindering factors at work in companies' CSR structures, policies and projects and to determine priorities for continued CSR development.

The country survey partners had to deal with a number of challenges and constraints in the project:

- For many companies, the survey coincided with their financial and annual reporting year-end and officials had very little time, if any, available for in-depth interviews.
- Southern Africa survey fatigue - some companies simply said they have previously regularly participated in a number of similar surveys without getting any benefit from it or feedback of final results.
- There were companies willing to complete the questionnaire, but not available to be interviewed, with the result that no deeper probing could happen.
- In each section of the questionnaire, some aspects of the required information were difficult to obtain, e.g. financial information (Section 1), CSR policies (Section 2), disappointing CSR initiatives and hindering factors (Section 3) and obstacles for CSR development in countries (Section 4). Despite the confidential nature of the survey, respondents seemed to be reluctant to share any information that could be potentially harmful for the public reputation of their companies.

² The CSR Value Chain[©] was developed and made available by Dr Arnold Smit, CSR advisor to Imani Development, the project manager of the survey.

1.5 Key factors influencing CSR in sub-Saharan Africa

Despite constraints and challenges, a rich source of data was generated through the survey. One of the most prominent observations forthcoming from the data relates to the way in which CSR is understood and practised in the majority of the companies that participated.

Great care was exercised to define CSR for the respondents and the terminology used throughout the questionnaire and interviews were consistent with the chosen definition. However, closer analysis and interpretation of the responses received, as well as examples of documents submitted and projects cited, point towards an understanding of CSR that is predominantly philanthropy oriented. In other words, the CSR that the majority of companies proclaim they practise is in essence nothing more than corporate social investment (CSI). This will be elaborated on in more detail in Chapter 2.

The identification of supporting and hindering factors was based on two open-ended questions that invited respondents to report from their own experience. These questions were:

- “Having now assessed your CSR practice in the light of three projects as quoted in question 33, what do you regard as five

key factors that contribute to making your company’s CSR initiatives effective and successful?” (Section 3, question 41)

- “As the opposite of the previous question, what do you regard as the five key factors that hinder the achievement of success in your company’s CSR initiatives?” (Section 3, question 42)

The responses to the two questions were analysed and categorised in a group of supporting factors and a group of hindering factors. Careful review of the two categories revealed that they were almost identical. Consequently, the two categories were merged to form nine critical success factors influencing CSR impact in and through companies in sub-Saharan Africa, namely

- **Leadership and governance**
- **Policy framework**
- **Project management**
- **Monitoring, evaluation and reporting**
- **Stakeholder engagement**
- **Staff engagement**
- **Government**
- **Beneficiation**
- **Funding**

1.6 Structure of the report

The report consists of the following components:

- **Chapter 1:** Provides contextual background and key findings
- **Chapter 2:** Explicates the survey profile, data and trends. Six countries and 85 companies of which some are multi-nationals and some of local breed and scope provided a rich pool of data to be interpreted and to be translated into improved CSR action
- **Chapter 3:** Delves more deeply into the helping and hindering factors impacting on CSR project success. Having identified these factors, they need to be better understood within the variety of contexts that they appear.
- **Chapter 4:** Serves to make recommendations about processes, programmes and instruments that will enhance the cause of CSR in the sub-Sahara region.
- **Addendums:**
 - **A1 to A6:** The country report per participating country is added to provide context and background to the companies and countries that participated in the survey.
 - **B:** The CSR-Value Chain[®]
 - **C:** The survey questionnaire is added as an addendum and completes the report.

Chapter 2: Survey profile, data and trends

2.1 The countries and selected companies

The six countries GTZ identified for the survey were: Ghana, Kenya, Malawi, Mozambique, Namibia and South Africa. The 85 selected companies spanned a range of ownership stretching from private liability (25%), to private limited liability (50%) and public (25%) companies. They furthermore differed in their business scope between what can be broadly referred to as multinational companies (MNCs), comprising 34% of the profile, and local companies (LCs) comprising 66%, as portrayed in Figure 1.

A distinction was made between multinational companies (MNC), i.e. companies with international corporate headquarters outside the relevant survey country and local companies (LC), those which have their origin and headquarters within the relevant survey country.

The companies were also chosen to represent different industry sectors: manufacturing, mining and extraction, retail, services, information and communication technology (ICT), financial and others (e.g. parastatals such as development banks, etc.). Some companies are active in more than one sector. Table 2 (p. 18) gives an overview of respondents per industry sector.

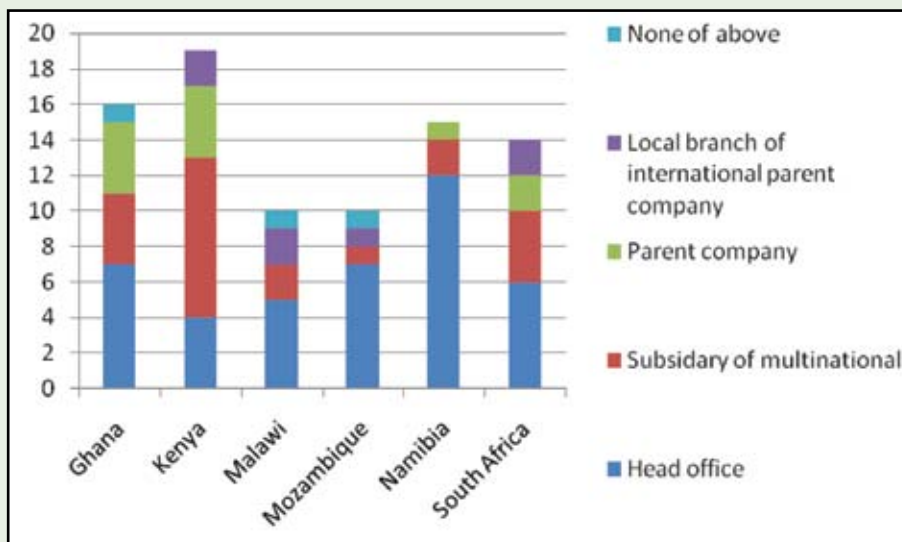


Figure 1: Company structure – multinational (MNC) and local companies (LC) (Question 3)

	Ghana	Kenya	Malawi	Mozambique	Namibia	South Africa	Total
Financial	2	4	1	3	6	4	22%
Manufacturing	5	5	5	1	2	4	20%
Services	3	6	1	4	1	1	14%
Other	3	1	3	2	2	5	14%
Retail	4	1	3	1	1	3	12%
ICT	3	1	1	4	2	1	12%
Mining and extraction	0	2	0	1	1	3	6%

Table 2: Respondents per business sector (Question 5)

2.2 CSR positioning and structure

Section 1 of the survey questionnaire explored the positioning and structure of CSR within each company. The reason for including this section was firstly to build a profile of the participating companies within their respective country and business contexts, and secondly to utilise such data of a more biographic nature to do comparative analyses with regard to results reported in the other three sections of the questionnaire. It was necessary to construct a composite profile of the CSR functions of the participating companies from the data, as future interventions to address supporting and hindering factors will mainly be aimed at this position within companies.

2.2.1 Structure of CSR functions

The reference to “department” in Figure 2 does not necessarily mean that such companies all have dedicated CSR departments. The data rather shows that a specific individual, and in the majority of cases a senior manager, from a

department thereto mandated by the company’s executive, takes responsibility for CSR related functions. The department within which the CSR function is located seems to be more significant, as will be shown in other graphs to follow.

According to the survey data, CSR officers represent a variety of fields: marketing, communications and corporate affairs, human resources and training, finance, CSR/CSI and in some instances directors or chief executives officers take personal responsibility for CSR. Figure 3 shows, however, that by far the majority of CSR officers come from the field of marketing, communications and/or corporate affairs. This observation in itself carries a specific message, namely that CSR is perceived to be closely linked to the marketing, branding, public relations and stakeholder considerations of business. No evidence was found that CSR was understood or practiced differently in those companies where reference was made of business disciplines such as finance, legal and operations as implementing agents for CSR.

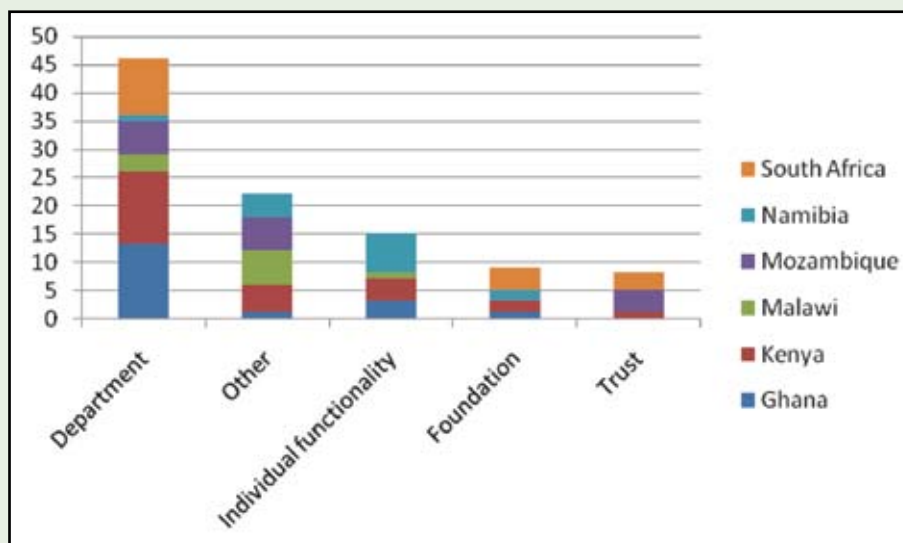


Figure 2: CSR function structure (Question 10)

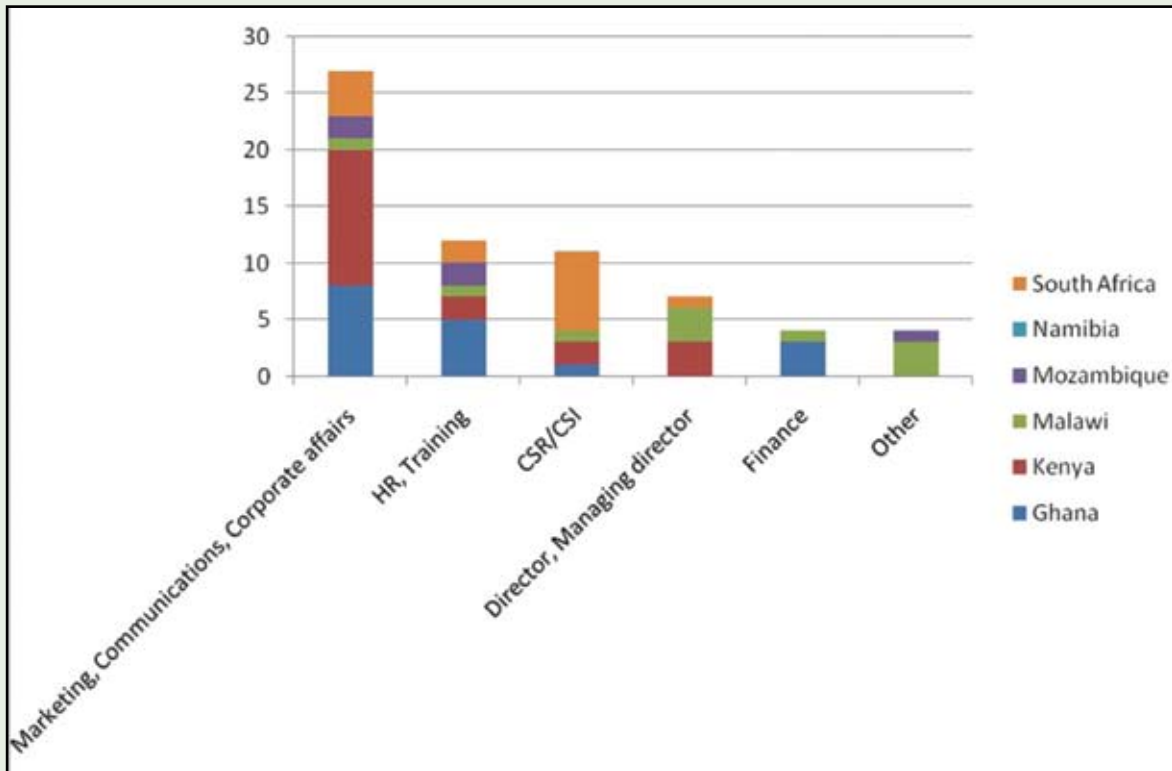


Figure 3: Location of CSR function within company structure (Question 16)

The relatively low incidence of dedicated CSR/CSI staff in the overall profile can be explained in a number of ways: companies, especially the smaller ones, may regard it as too costly to afford a position dedicated to CSR alone, or it may not yet occur to companies that CSR can be regarded as an essential and integrated aspect of business and therefore deserves dedicated staff, or CSR as a professional occupation is still a relatively new idea and such talent is scarce to find.

The higher incidence of CSR officers for South Africa in particular can possibly be ascribed to the country's Broad-Based Black Economic

Empowerment Act (BB-BEE) of 2003. The act combines a set of Codes of Good Practice (CoGP) and scorecards for measuring progress in a variety of BB-BEE related categories specifically including contributions towards socio-economic development. To an extent, the BB-BEE Act and its derivatives can be described as South Africa's national CSR charter. Not only is the environment therefore highly regulated, the results are also audited and hence the observation that many companies have created dedicated functions to take care of and manage their socio-economic obligations to ensure compliance with the act.

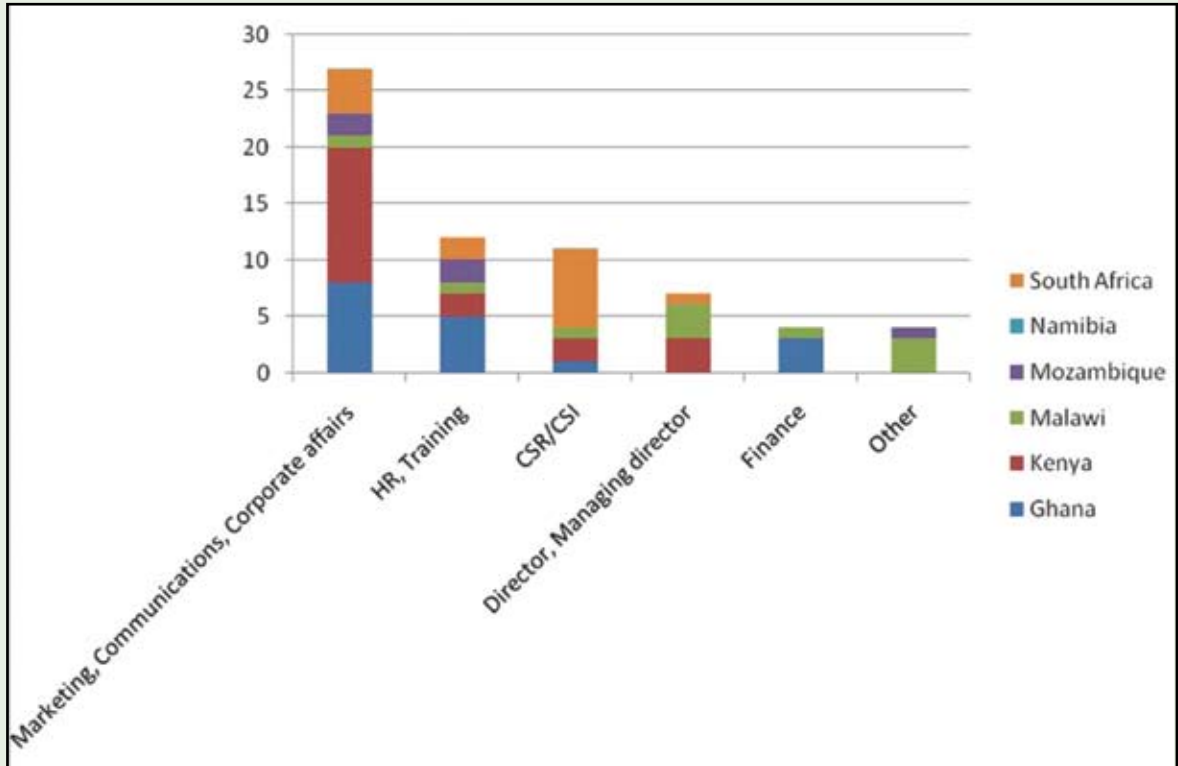


Figure 4: Job title of CSR functionary within company structure – multinational companies (Question 16)

Whereas Figure 3 showed the CSR functionary picture for all companies in the survey, Figure 4 describes this aspect in just MNCs. Again South Africa tops the graph with regard to the number of dedicated CSR/CSI functionaries.

Figure 5 correlates strongly with the foregoing observations. It was already established that the majority of CSR officers do not engage with CSR as a singular responsibility, hence the observation that most of them spend 20% or less of their time on CSR related issues and initiatives. Again South Africa seems to be the

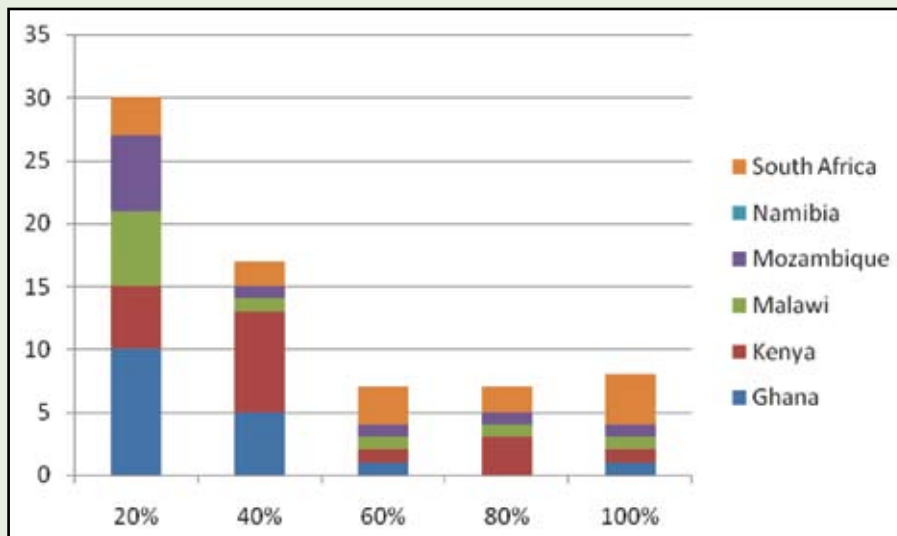


Figure 5: Time spent on CSR as part of job function - all companies (Question 19)

exception: proportionally more CSR officers from South African companies seem to be able to dedicate larger portions of their time to CSR related activities, as indicated by the 100% dedication, ranking higher than the 60% and 80% CSR function time allocations.

The pattern for MNCs regarding the amount of time dedicated to the CSR function is different from the overall picture. In these companies, CSR officers seem able to allocate up to 40% of their time to CSR specific responsibilities, as depicted in Figure 6. This seems to be true especially for Kenya. The responses from Namibia and Mozambique were disappointing in this regard. South Africa seems to be the country with the highest incidence of CSR officers able to spend 100% of their time on CSR related activities.

2.2.2 CSR focus areas

Definitions of corporate social responsibility abound, and since the inception of the idea many derivatives were also conceptualised. A recent publication, *The A-Z of Corporate Social Responsibility* (Visser, Matten, Pohl & Tolhurst, 2007) contains more than 450 inscriptions covering CSR related concepts, definitions, topics, key role-players and institutions in the field.

Definitions are meant to describe both the substance and scope of concepts, and in the case of CSR it is important to note the emphasis on responsibilities that go beyond the economic rationale for business to include philanthropic, legal and ethical obligations (see Visser, 2006:489, with reference to the CSR Pyramid developed by Carroll).

Nevertheless, despite the comprehensive substance and scope of CSR as described in various definitions, companies in the survey profile tend to focus on the social and environmental aspects thereof. There seems to be an “operational definition” at work that interfaces with societal and environmental needs to create a profile of CSR focus areas and corresponding projects. It is significant to note the three top priorities for CSR involvement in the six countries: education and training, health and environment, with welfare, sport and cultural events shortly on the heels thereof.

In this survey context economic development and downstream enterprise development, two terms that are often misunderstood, refer to support for and participation in local economic and community development initiatives, strategies and management systems.

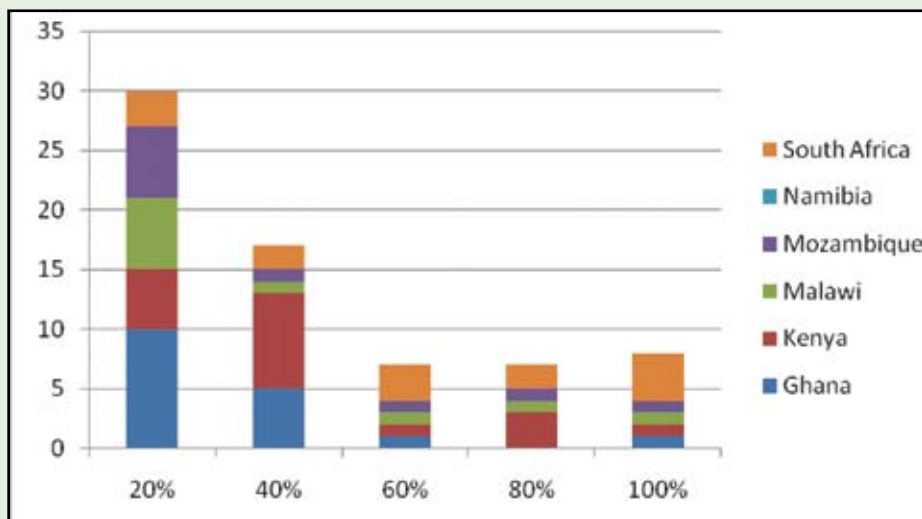


Figure 6: Time spent on CSR as part of job function - multinational companies (Question 19)

In section 3 of the questionnaire, enquiry is made about specific projects that companies are involved in - and it is worth mentioning here that the pattern concurs almost exactly with the one in Figure 7.

2.3 CSR values and policy framework

A company's CSR is developed and implemented within a specific context of time and place. What then shapes the focus, contents and processes of a company's CSR practice?

In this section of the survey a number of considerations were taken into account:

- The presence and influence of global normative principles as contained in various agreements or protocols
- The presence and influence of directives or guidelines of a national origin, either demanded by governments or agreed upon by industry stakeholders
- The presence and application of company specific CSR and other policies
- Internal company values and preferences, and the way these impact on the rationale for CSR initiatives
- Engagement patterns with external CSR stakeholders, such as communities, beneficiaries and partners

- The role and influence of senior leadership
- Market perceptions and feedback

The responses were analysed to determine the influence of these factors on the CSR practices of companies surveyed. The next section provides a brief and graphic overview of these influences.

2.3.1 The presence and influence of external normative agreements and guidelines

It was mentioned in Chapter 1 that this survey happens within the context of the global application of the UN Global Compact and other voluntary initiatives in the field of CSR and corporate citizenship. It then follows to ask whether sub-Saharan companies pay heed to these external normative agreements and guideline initiatives, as well as whether active support for them are on the increase or whether it just remains a matter of lip service.

It is furthermore important to enquire about the influence of these voluntary external initiatives on internal company CSR policy development. If such influence indeed exists, it will not only be important to investigate it further from a formal policy point of view, but also in terms of real economic, social and environmental impact.

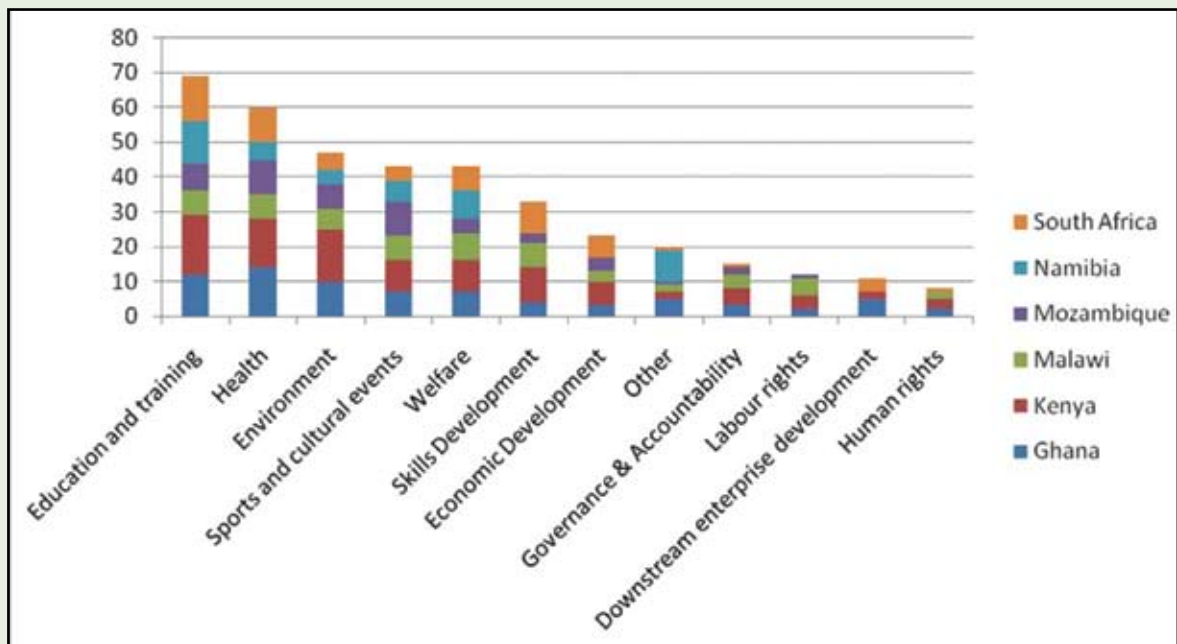


Figure 7: CSR focus areas (Question 14)

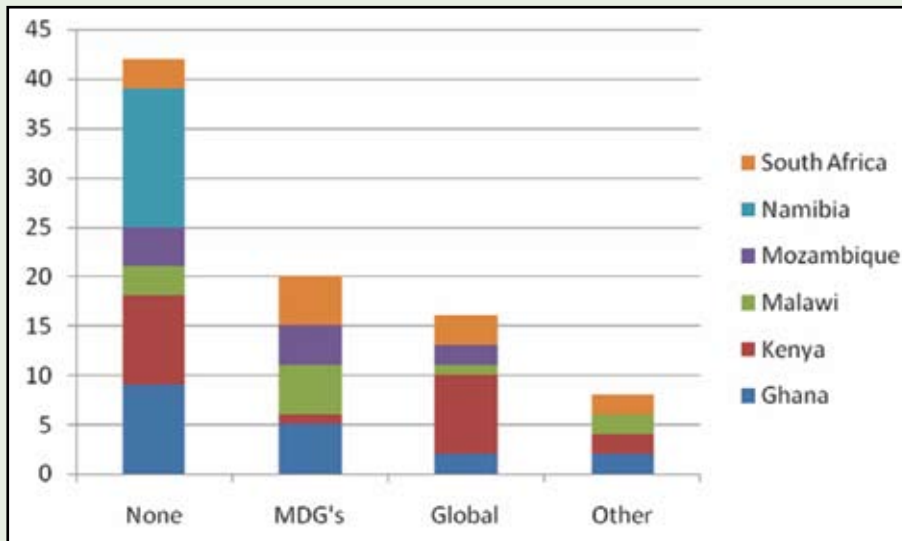


Figure 8: CSR practice alignment with global agreements (Question 25)

The latter is beyond the scope of this survey, but what is important here is to identify the extent to which these global initiatives have a positive and supportive impact on companies' understanding and practical application of CSR principles and practices.

Figure 8 illustrates the extent to which initiatives such as the MDGs and UN Global Compact are exerting an influence upon CSR strategies, policies and practices. Almost 50% of respondents admitted that they play no role, whilst the other half attuned to the UN Global Compact, the Millennium Development Goals or other similar initiatives.

2.3.2 The presence and influence of national directives or guidelines

Companies were asked about any directives or guidelines of a national origin, either demanded by their governments or agreed upon by industry stakeholders, that impact on their companies' CSR strategies, policies and practices. In cases where the answer was positive, respondents were further requested to cite examples of such

directives, agreements or guidelines. Some examples mentioned:

- **Ghana:** Ghana Business Code and the Ghana Standards Board
- **Kenya:** Kenya National Environment Action Plan; National Environment Management Authority and Vision 2030
- **South Africa:** The Broad-Based Black Economic Empowerment Act (BB-BEE) and its various derivatives, such as the Codes of Good Practice and the Generic Scorecard, and industry charters such as in financial services and mining
- **Malawi:** Business Action Against Corruption (BAAC)

These examples were not evaluated by the project team to ensure that they were indeed CSR related. The purpose was rather to assess participating CSR practitioners' perceptions and awareness of initiatives in their larger national or industry context, which may have relevance to the ways in which they understand, formulate and practice CSR.

Although Figure 9 shows that a minority of companies cited such initiatives, the evidence points towards what is possibly a growing awareness about the importance of CSR related developments on a broader scale. This is something that needs to be monitored in the years to come.

Companies were asked about how they go about incorporating global, national and/or industry agreements into their own policies and strategies and some of them responded as follows:

- ***“We create our own adapted version...”***
- ***“The code has guidelines that are followed where relevant to CSR strategy”***
- ***“We try to meet the spirit of the codes”***
- ***“We determine how well a directive/guideline fits with our own values and beliefs”***
- ***“We try to include every aspect where applicable”***

2.3.3 Existence and influence of company CSR policies

Respondents were asked the following (Section 2, question 28): “Does your company have a CSR policy mandated by your corporate governance structures?”

Figure 10 highlights that companies that have a policy in one form or another represented 66% of the total. Companies with policies were further requested to provide a copy to the survey team. Although there were some good examples of CSR policies, closer examination revealed that the majority of these policy statements were explicitly titled as CSI documents. In one particular case where the title referred to “CSR Strategy” the contents was of a CSI nature, with the projects aimed at philanthropic initiatives with no direct relationship to the company’s core business. A company ethics charter, with no explicit reference to CSR, was also presented as evidence of existence of CSR policy in the company.

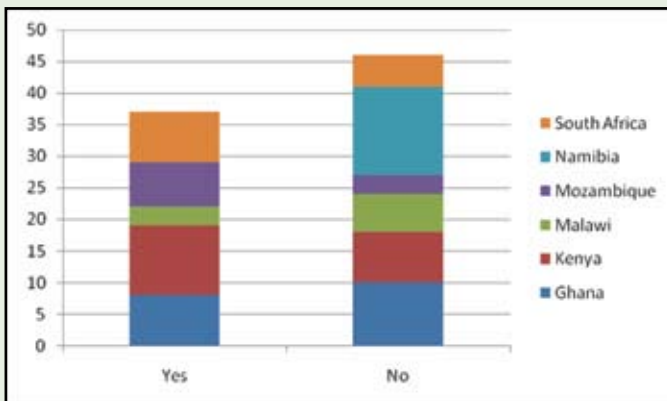


Figure 9: Influence of external CSR guidelines or directives on company CSR (Question 26)

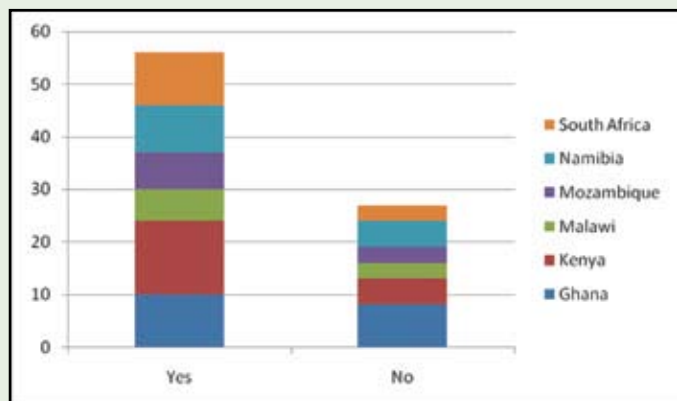


Figure 10: Existence of official company CSR policies (Question 28)

Closer examination of the contents of these policies leads to caution about any premature judgements about their character as CSR documents. What is described as CSI by some may be more akin to CSR, whilst some that claim to be CSR clearly veer towards philanthropy.

Without making harsh judgements, one should probably look at two perspectives, namely that of a continuum of understanding and progression in terms development over time. In a “continuum of understanding” definitions and practices will range from CSI on the one end to CSR on the other. Instead of casting a negative judgement on what is non-CSR, from a purist point of view, it will therefore be more productive to take a company’s current position, even if it is pure CSI, and see how that can be helped to progress to CSR. This is a topic for Chapter 4.

2.3.4 Rationale for doing CSR

Respondents were asked to identify their companies’ rationale for doing CSR. Figure 11 highlights two considerations: to improve the image of the business and to engage in socio-economic development.

It is especially the latter that catches the attention here. Socio-economic development has to do with providing the means for sustainable access to the mainstream economy of a country for poor and marginalised communities. For a business to engage in socio-economic development, it requires the development of core business related initiatives of the kind that the CEO of the multinational De Beers³ Ltd, Mr Gareth Penny, speaks of with reference to his company’s activities in Botswana: *“Botswana’s citizens need roads - but so does De Beers, to transport its diamonds. De Beers needs a healthy work force, so its emphasis on HIV awareness and treatment is clearly in its self interest. Indeed, a more prosperous Botswana helps De Beers in every way imaginable, not least by providing a stable environment in which it can do business.”*

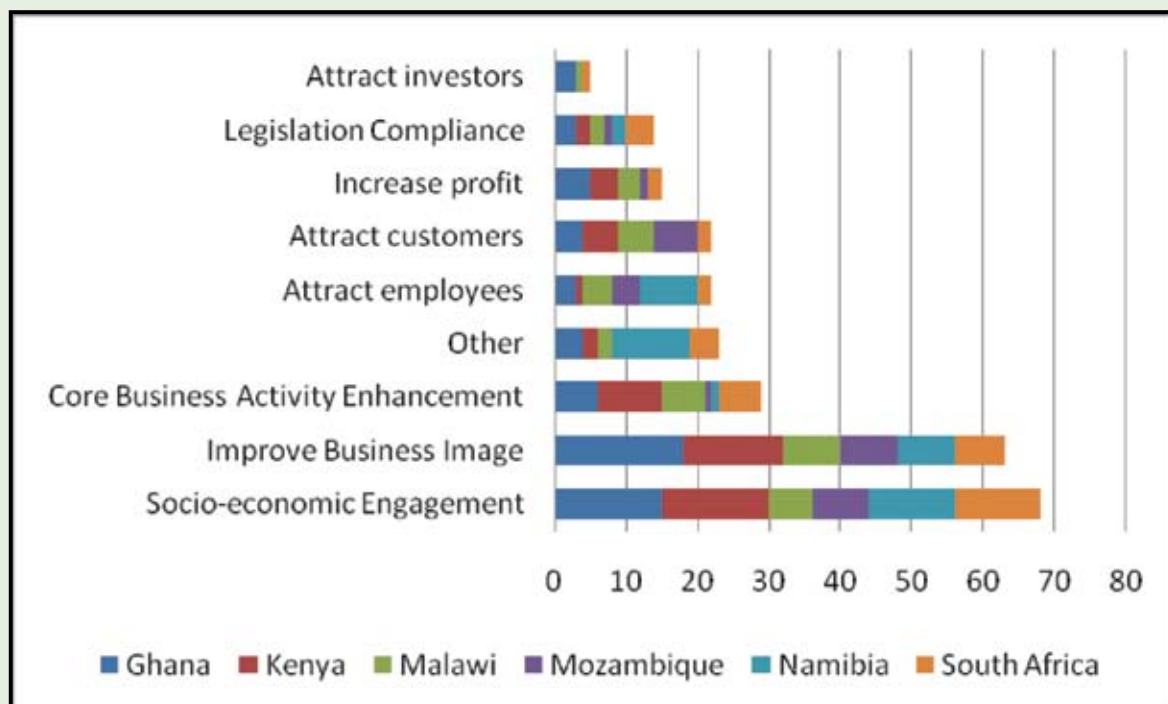


Figure 11: Rationale for doing CSR (Question 29)

³ Quoted in the New York Times, 9 August 2008

What will the operating definition of socio-economic development in the surveyed companies be? The answer may be found in the projects that companies have listed (see Figure 12, question 33), namely education, health, environment and poverty alleviation and some others. If these projects are more characteristic of philanthropic endeavours, as the data tells us, can they then really be regarded as socio-economic development or not? Further comments on this will follow as the picture gets clearer.

2.3.5 Engagement patterns with communities, beneficiaries and partners

The data was rather one sided in this regard and presented a repetitive pattern: companies primarily engage with their beneficiaries, communities and partners by means of meetings and consultations as often as needed, clearly stemming from the prevalent CSI focus, as opposed to a CSR focus. The necessity of this is self-evident, but when other aspects of the survey are brought to bear on this aspect, it also becomes evident that this is an area for improvement. More about this will be said in Chapter 3.

2.3.6 The role and influence of senior leadership

It is in the nature of leadership to provide the framework of assumptions and to ensure the resources for business realisation. It can therefore be accepted that leadership will also set the tone and trend for CSR. To test this in the survey, respondents were asked the following open-ended question: "In which way has your company's leadership understood and showed commitment towards CSR as an essential and integrated aspect of business?"

The statements made by respondents were analysed and grouped in the following categories: initiate CSR policy; advance on CSR issues; presence at community projects and activities; staff welfare; moral support for CSR activities; assure resource for CSR and "senior management doesn't care." Figure 13 shows the results.

The high acclaim for leadership visibility at and involvement in community projects and activities underlines the assumption that CSR has a strong social inclination, marketing and public relations focus in sub-Saharan companies. It may also be that this is what beneficiaries and communities expect from business leaders and

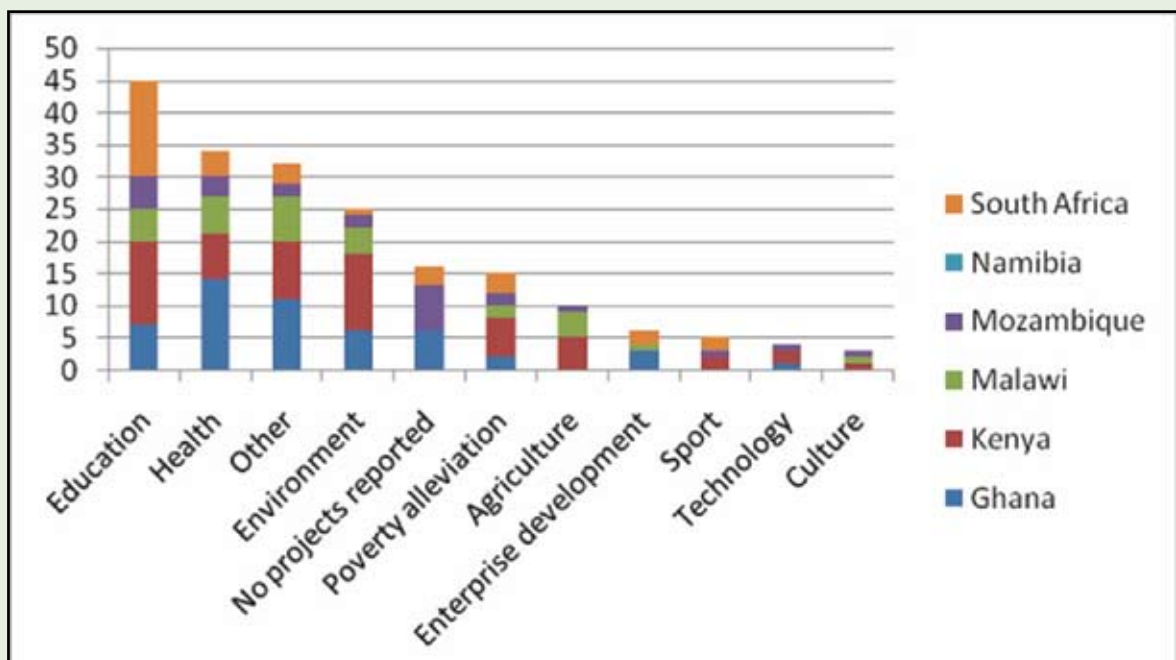


Figure 12: CSR project sector analysis (Question 33)

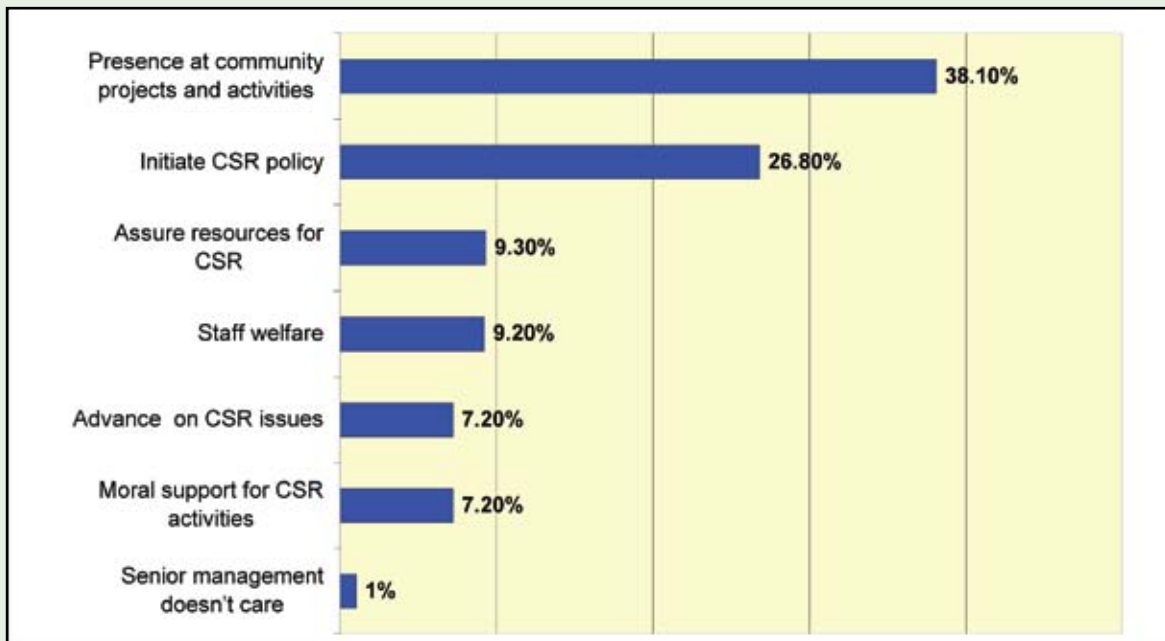


Figure 13: Role and influence of senior company leadership in CSR (Question 31)

therefore also appreciate when it happens. This is a rather clear indication that many companies' understanding of CSR is still cast in a CSI paradigm.

2.3.7 Market perceptions and feedback

Business activities happen within the context of a given time and place, and impact on society and its members. There is also reciprocity in this process: communities respond and businesses interpret that as feedback about how they are perceived and valued. The companies in the survey were therefore asked about what they believe the public's perceptions of them are. These companies were overwhelmingly positive and responded with remarks such as the following:

- ***"We have a lot of requests from schools"***
- ***"The awards received a lot of publicity"***
- ***"We are perceived as a good company"***
- ***"When we are unable to meet requests people are disappointed"***
- ***"We are well known and acknowledged for our contribution"***
- ***"Lots of requests for aid keep coming, because we often respond positively"***
- ***"Our company is a household brand"***
- ***"Community members often talk positively about the company"***

Citing feedback like this gives an indication of the extent to which respondents measured their public impact in terms of socially inclined feedback.

2.4 CSR practices and projects

The survey started with enquiry about CSR positioning and structure and went from there to values and policy frameworks. Eventually, all of the aforementioned comes to bear on what happens in actual CSR practice and projects. Naturally the following questions present themselves:

- What kind of projects do companies engage in and why?
- How do they go about selecting these projects?
- How do they go about managing the projects?
- Once the projects are running, do they do impact assessment to ensure that the intended goals are achieved?
- Are the results of these activities reported and who gets to know about it?
- Do they learn anything of value through these initiatives and how are the results of such learning utilised?
- In the process of developing and managing these often complex initiatives, what do they experience as supporting and hindering factors on the way towards the achievement of their intended objectives?

2.4.1 Types of projects

Respondents were requested to spontaneously list and provide information about three CSR initiatives that their companies are currently involved in. The approach here was therefore different from Section 1, question 14, where respondents were asked to select three arenas of CSR activity that they are most active in from a list. A comparison between the two sets of data delivered a rather surprising conclusion (Figure 12): the end results of both exercises were the same. In both cases education, health and environment topped the list, followed by welfare in the case of Question 14 and poverty alleviation in the case of Question 33.

To search for evidence of a broader or more comprehensive understanding of CSR, the same project profile was subjected to a somewhat different approach. Crane, Matten & Spencer (2008) identify four key arenas for the meaningful application of CSR, namely CSR in the marketplace, the workplace, the community and the ecological environment. These four

applications can briefly be described as in Figure 14.

Utilising this framework, the projects listed by companies were categorised according to **Marketplace**, **Workplace**, **Community** and **Environment**. Instead of superimposing the data by country, the distinction between MNCs and LCs was used as a further differentiator. This approach was first applied to Section 1, question 14, "Please indicate which arenas of CSR you are most active in" and the pattern depicted in Figure 15 resulted.

The same approach was then applied to Section 3, question 33, "Please provide three brief examples of CSR projects in the development and implementation of which the company has been involved in" and linked to the profile of actual projects. The data revealed an interesting shift, as the focus on community and environment became even more prominent. Figure 16 shows the shift for MNCs and LCs.

<p style="text-align: center;">Marketplace</p> <p>This arena refers to the kinds and quality of products that a company produces, how and from where the resources for these products were procured and the impact of these products in terms of health and safety on consumers and society. Markets include consumer markets, financial markets and business-to-business markets. (Crane, Matten & Spence, 2008:177-179)</p>	<p style="text-align: center;">Workplace</p> <p>This arena refers more to the internal functioning of companies with reference to workforce issues such as working conditions, health and safety, equal opportunity, remuneration and benefits, off-shoring and HIV/AIDS. (Crane, Matten & Spence, 2008:229-231)</p>
<p style="text-align: center;">Environment</p> <p>Responsibilities in this category refer to the prevention of pollution, waste management, energy conservation and recycling, and also deal with corporate strategies towards climate change, biodiversity and resource security. (Crane, Matten & Spence, 2008:306)</p>	<p style="text-align: center;">Community</p> <p>In this arena initiatives such as donations to good causes, e.g. community groups, educational initiatives, sporting associations, youth groups, health programmes and the arts, as well as involvement in local development initiatives will be found. These kinds of corporate giving are often linked to marketing and branding. (Crane, Matten & Spence, 2008:265-267)</p>

Figure 14: CSR key elements (Crane, Matten & Spencer, 2008)

CSR Focus

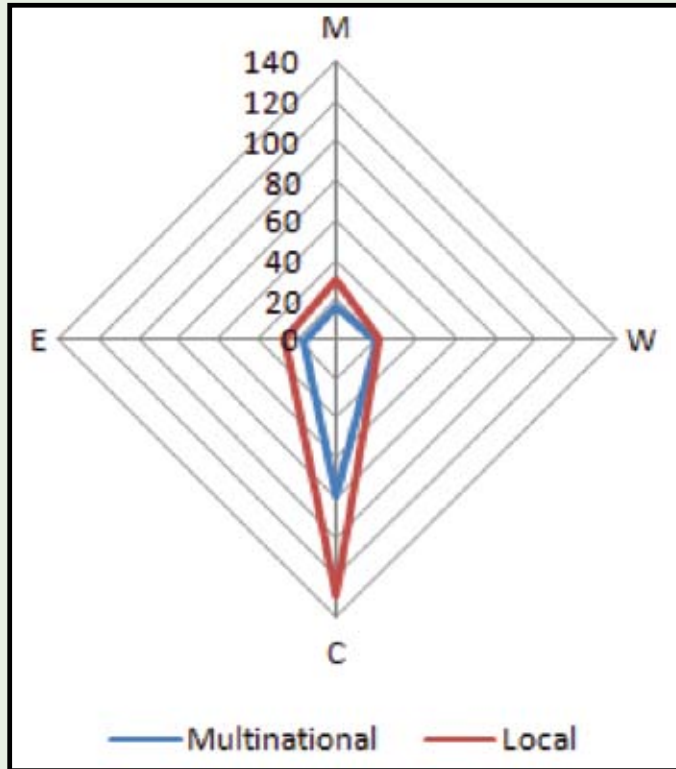


Figure 15: Four-dimensional analysis of CSR focus areas - MNCs and LCs (Question 14)

CSR Projects

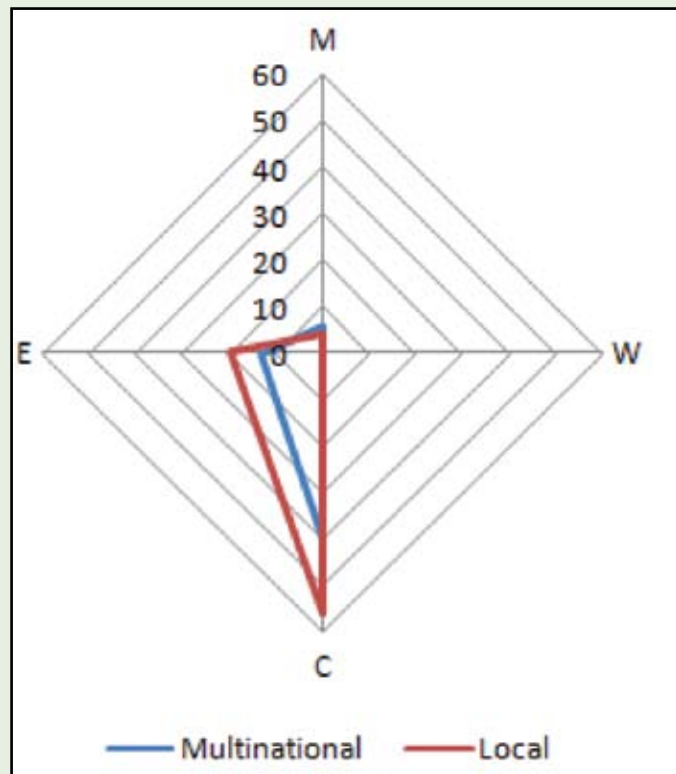


Figure 16: Four-dimensional analysis of actual CSR projects - MNCs and LCs (Question 33)

(RED = Projects and BLUE = CSR focus)

In addition, the data suggests that the MNCs and LCs in this survey, and from a CSR point of view, seem to be very similar in their focus on community and environmental considerations, as well as the kind of initiatives they predominantly select to engage in, namely education, health and environment.

The data highlights, therefore, that the social and environmental context of business operations plays a significant role in CSR implementation within sub-Saharan countries. This is in line with the general under-development context of the region as described in the MDGs and UNDP Develop Reports, as well as challenges faced by communities in each of the participating countries, which governments cannot fully address.

Finally, the data was analysed for companies within each business sector to search for the degree of alignment between core business (Section 1, question 5), main areas of CSR policy focus (Section 1, question 14) and CSR practice in terms of project selection (Section 3, question 33). The patterns that emerged are depicted in Figures 17 to 23.

The manufacturing sector has a strong community focus in CSR intentions, but the

actual project implementation is overly focused towards community-environment and totally lacking in workplace applications.

The retail sector has a very strong community focus in CSR intentions, but the actual project implementation lacks significantly from intentions and is mainly towards community with a slight environment focus, and totally lacking on workplace aspects.

The financial sector has a very strong community focus in CSR intentions, but the actual project implementation is more aligned towards a community-environment focus, and totally lacking on workplace aspects.

The mining sector provides a very alarming profile: a very strong community focus in CSR intentions, but the actual project implementation lacks significantly from intentions and is mainly towards community, with a low environmental focus and totally lacking on workplace aspects.

The services sector also has a very strong community focus in CSR intentions, but the actual project implementation is aligned towards a very balanced community-environment focus, and totally lacking on market and workplace aspects.

Manufacturing

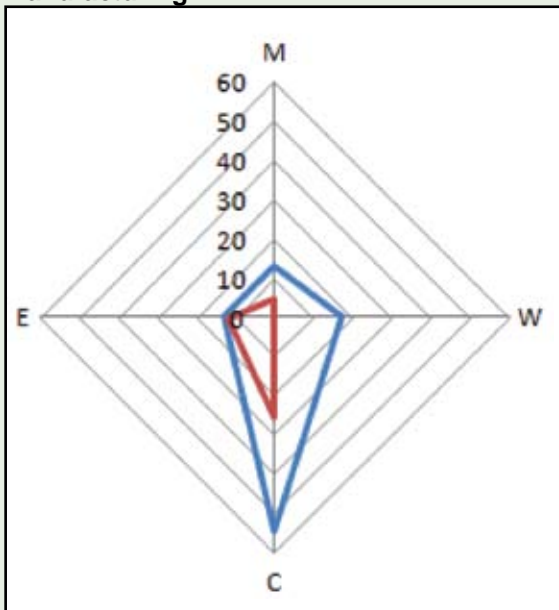


Figure 17: Core business, CSR focus and projects – manufacturing sector

Retail

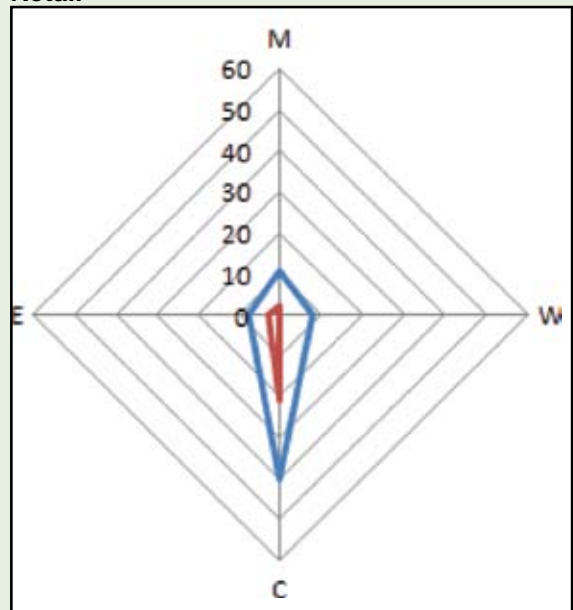


Figure 18: Core business, CSR focus and projects – retail sector

The ICT sector has the most aligned profile of intentions and activities of all sectors surveyed: a very strong community focus in CSR intentions with fair alignment of the actual project implementation, but also lacking on workplace implementation.

The category “other sectors” included parastatal institutions and shows a strong community focus in CSR intentions, but as with most of the other sectors, actual project implementation is more aligned towards community-environment focus. The predominantly public sector captive audience environment within which parastatals function strongly influences their lack of workplace as well as marketplace focus.

Finance

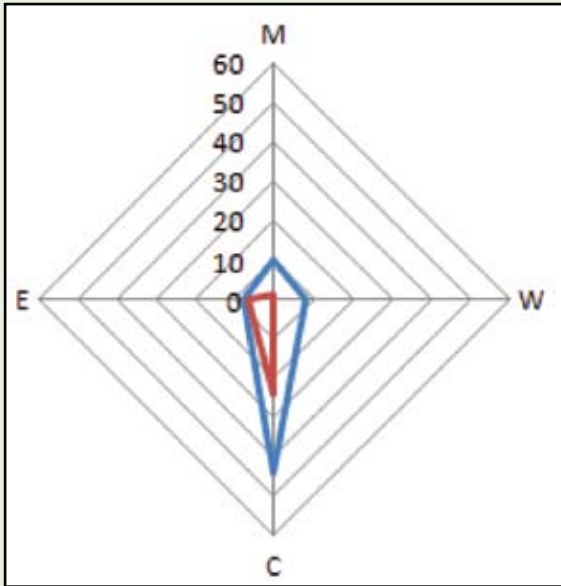


Figure 19: Core business, CSR focus and projects – financial sector

Mining

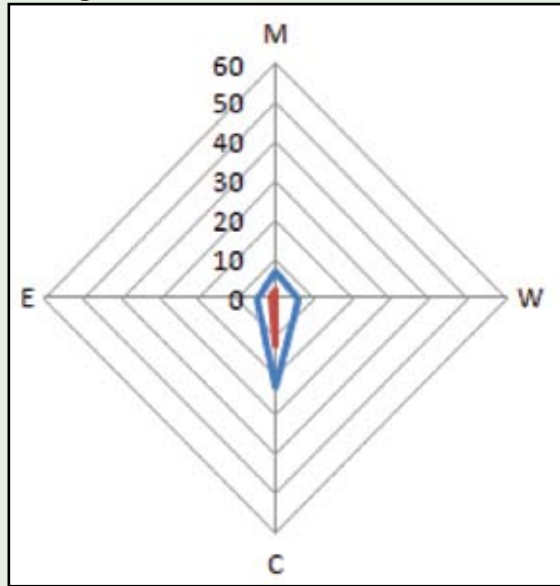


Figure 20: Core business, CSR focus and projects – mining sector

Services

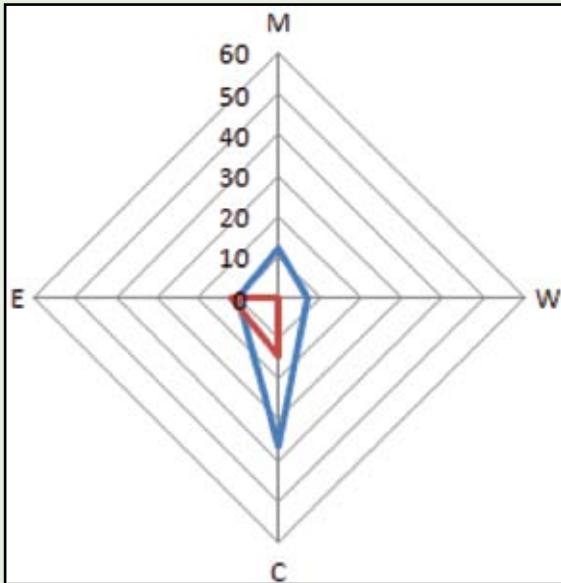


Figure 21: Core business, CSR focus and projects – services sector

ICT

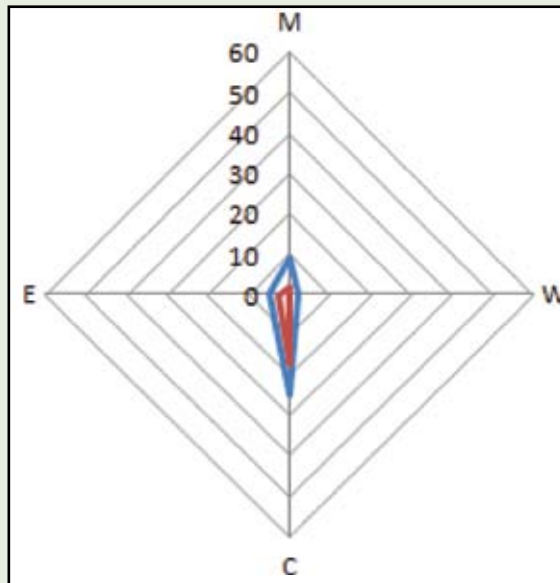


Figure 22: Core business, CSR focus and projects – ICT sector

(RED = Projects and BLUE = CSR focus)

The conclusion to be drawn from the above is that there is limited alignment between the sectors the surveyed companies operate in, the arenas of CSR that they profess to be active in and the CSR projects they profess to be involved in. This observation strengthens the view that CSR is predominantly cast in philanthropic terms in the companies surveyed. Crane, Matten and Spence (2008:265) declare that “community initiatives are typically the first manifestation of CSR to become evident in countries and cultures relatively new to CSR”.

The consistent lack of workplace and marketplace focussed CSR projects/activities across all sectors should be further investigated in future studies. As to implications for this study, it provides opportunities for more active labour organisation CSR engagement with companies, as will be explored in recommendations in Chapter 4.

The aforementioned observations serve to further emphasise and illustrate a particular pattern: CSR seems to be predominantly understood and practised in philanthropic terms. Although this cannot pass the scrutiny of the CSR definition, it is the shape of current reality and the challenge will be to break this paradigm. A number of companies, however, were indeed found to beat the trend and have progressed towards a more comprehensive expression of CSR. The following method was followed to identify these companies:

- The approach of Crane, Matten & Spence (2008) was followed to identify companies that have developed their CSR concepts beyond the arenas of community and environment to also include one or both of the other two arenas, namely marketplace and workplace.
- The link in the questionnaire between industry, core business, arenas of CSR activity and reported projects was subjected to further scrutiny and checked against their CSR policies, published sustainability reports and other documentation where applicable or made available.

Table 3 lists examples of companies that also participated in this survey that have published information on their CSR policies and activities.

Examples such as those in Table 3 are positive and bode well for the future of CSR development

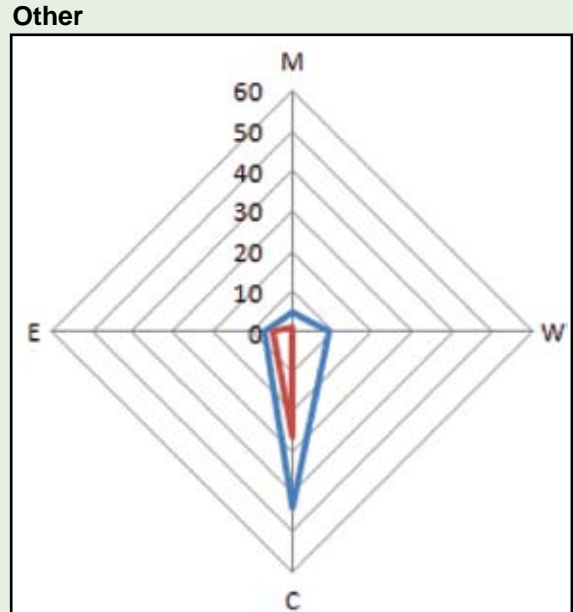


Figure 23: Core business, CSR focus and projects – other sectors

and implementation. Case studies such as these may be helpful to other companies. It is furthermore important to note that there are multi-national as well as local companies on the list. These companies are worthy of further investigation to learn more from the factors that contributed to their CSR profile.

2.4.2 Project selection and design

What are the considerations that count when companies select opportunities for CSR engagement? The data suggests that two factors play a dominant role, namely the needs, interests and expectations of beneficiary communities on the one hand and core business (products, service and markets) on the other. This is congruent with the trend that we identified in the early stages of analysing the data of this survey: companies want to be perceived as benefactors of the communities that they operate in or do business with, and they want to expand market share and create opportunities for their products and services.

In Figure 24 the prominence of the two aforementioned factors are illustrated. The chart indicates the prominence of the needs of the beneficiary communities and the perception of companies that their CSR activities are related to core business, as deciding factors for project selection. It is also noteworthy that CSR policy considerations is third in line as criterion for project selection.

Company	Documentation	Arenas of CSR application
Unique Trust (Ghana)	Corporate Responsibility Charter	Marketplace, workplace and community
Millicom (Ghana)	Code of Ethics	Whilst the company's reported projects are in the community arena, the Code of Ethics clearly stretches towards marketplace and workplace practices as well
Accra Breweries (Ghana)	CSI Policy, SABMiller Enterprise Development Report 2008, SABMiller Sustainability Report 2008	Marketplace, workplace, community and environment
Press Corporation (Malawi)	UN Global Compact: Communication on Progress 2008	The company's reported projects are in the community arena and the communication on progress to the UNGC includes reference to marketplace, workplace and environment.
TreeCrops (Malawi)	Policy documents and Code of Conduct	Marketplace, workplace, community and environment
Satemwa (Malawi)	UN Global Compact: Communication on Progress 2007	Marketplace, workplace, community and environment
De Beers (South Africa)	Policy statements	Marketplace, workplace, community and environment
BMW (South Africa)	Broad-Based Black Economic Empowerment Policy, 2007	It is explicitly stated that this policy replaces the company's previous CSR guideline. The policy covers the marketplace, workplace and community dimensions of CSR. In the workplace dimension, BMW South Africa for example implemented a three-year project on employee financial wellness to combat their over-indebtedness ⁴
DHL (Kenya)	Sustainability Report 2008	Workplace, community and environment

Table 3: Examples of companies with a broad CSR footprint

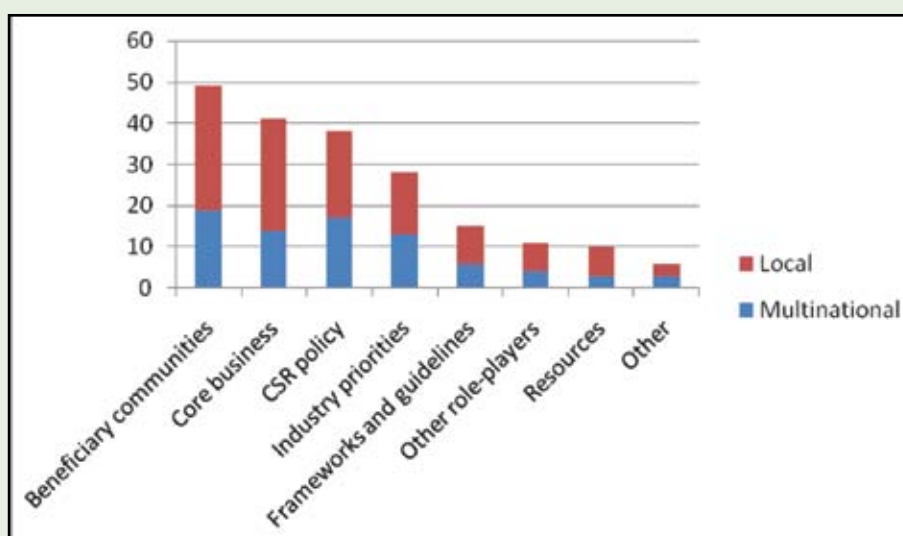


Figure 24: CSR project selection and design criteria (Question 34)

⁴ GTZ 2008: *Employee financial wellness: A corporate social responsibility*

The reference to “products” and “services,” as a factor of core business should be further explained here. Although the products and services of a company may be involved in the projects referred to by the surveyed companies, it is not necessarily an expression of core business. For a CSR project to be an expression of core business, there should be a direct correlation between what a company produces and how it takes responsibility for the marketplace, workplace, community and ecological environment implications thereof.

There are only a few instances in the survey data where such a relationship can be confirmed.

2.4.3 Successes and challenges in implementation

From this point onwards in the data analysis, the kinds of beneficiaries influenced by chosen projects will have to be kept in mind. It was established that beneficiaries fall predominantly in the community and environment arenas of

companies’ CSR impact and that the nature of corporate contributions are more CSI dominant.

Project management is a complex and daunting task. For the majority of respondents in this survey it brings together the contrasting worlds of profitable enterprise and non-profit community based organisations. For those companies that have broadened the arenas of their CSR impact, it also includes organisations combating corruption, saving energy, labour rights, or working in the space of market related consumer activism. Organisational cultures, structures and capacities differ, and the bridge between two such different partners requires much skill, patience and effort to build.

When asked about successes and challenges with regard to project management requirements, respondents gave record of their observations and experiences as portrayed in Table 4. (The most significant responses are highlighted and the number of responses for each indicated.)

Factors of CSR Project Management	Successes	Challenges
The provision and effective utilisation of financial resources by the company	30	5
Clearly documented and well managed goals, objectives and timelines	28	16
Regular communication and consultation between all stakeholders	24	14
The involvement and empowerment of beneficiaries in terms of project design and implementation	22	11
Proper and written agreements between all stakeholders (e.g. company, beneficiaries, specialist service providers, partners, etc.)	21	18
Sound governance, management and accounting practices on the side of beneficiaries	9	19
The provision and effective utilisation of human resources provided by the company	19	7
The availability and effective utilisation of service providers in specialist areas of your projects	14	8
The provision and effective utilisation of volunteer staff involvement by the company	12	11
Assurance of ownership and commitment towards the agreed objectives and outcomes of the project on the side of beneficiaries	9	13
Assurance of sufficient capacity and competence for project resource delivery on the side of beneficiaries	6	13
Other (Please specify)	1	7

Table 4: CSR project management successes and challenges (Question 35)

From the data it is clear that CSR officers regard the natural capacities of their companies as positive and supportive factors in project management. These include the ability to plan and manage, to write and document agreements, provide and manage financial resources, to help beneficiaries with project implementation and manage communication. The challenges are often hidden in the opposite, namely that their non-profit counterparts do not excel in the same areas and tend to be less diligent when it comes to governance, management and accounting practices.

2.4.4 Impact assessment

The majority of companies seem not to conduct impact assessments and the position for MNCs appears only marginally better than for LCs, as illustrated in Figure 25. The reasons for this could be attributed to the lack of skills within companies, the complexity of measuring community impact in developmental states, the philanthropic nature of activities - and these not being core business there is no need to measure anything more than public relations benefits accrued through CSR/CSI.

The companies that do impact assessments spontaneously identified the factors they take into consideration, as depicted in Figure 26 (p. 36).

The high incidence of “impact on beneficiaries” is noteworthy in this regard, and so is also the low incidence of “return on investment”. This

is of special importance in view of the strong preference for CSR initiatives that serve the needs of social beneficiaries and align with and create opportunities for core business. Do companies know what the returns on their investments are for both themselves and their beneficiaries? The answer seems to be “no” - this is substantiated by the significant lack of transparency in financial information that was encountered, as well as the low level of external reporting done by companies, detailed below. The result of the low incidence of “return on investment” again indicates the presumably rather low relation between the two rationales, namely addressing needs of beneficiary communities on the one hand and the core business of the company on the other hand. A stronger relation of the companies’ activities to their core business would probably result in higher knowledge of the return on investment (including non-monetary aspects), reporting about these items, learning and evaluations in risk management.

In particular the lack of information about return on investment regarding CSR-related activities offers an opportunity for future studies on how these factors can be measured, if measurable at all, given the significance of the developmental challenges faced by communities in each of these countries.

It is therefore also not surprising that the need for impact assessment improvement tops the list under the requests for future support in

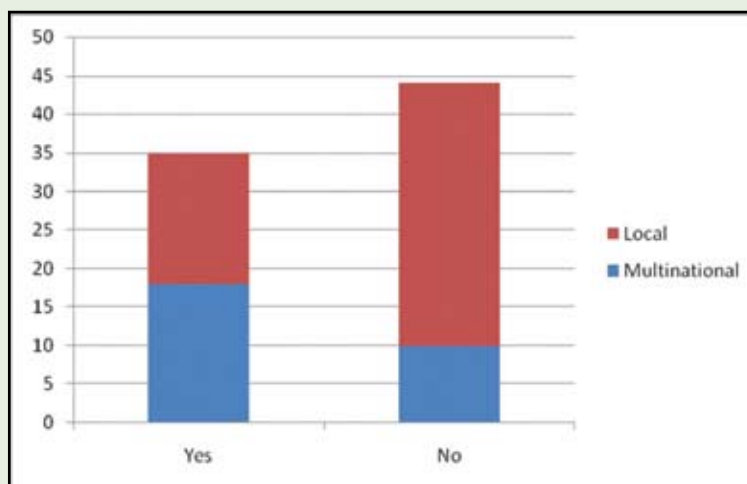


Figure 25: CSR projects impact assessment (Question 36)

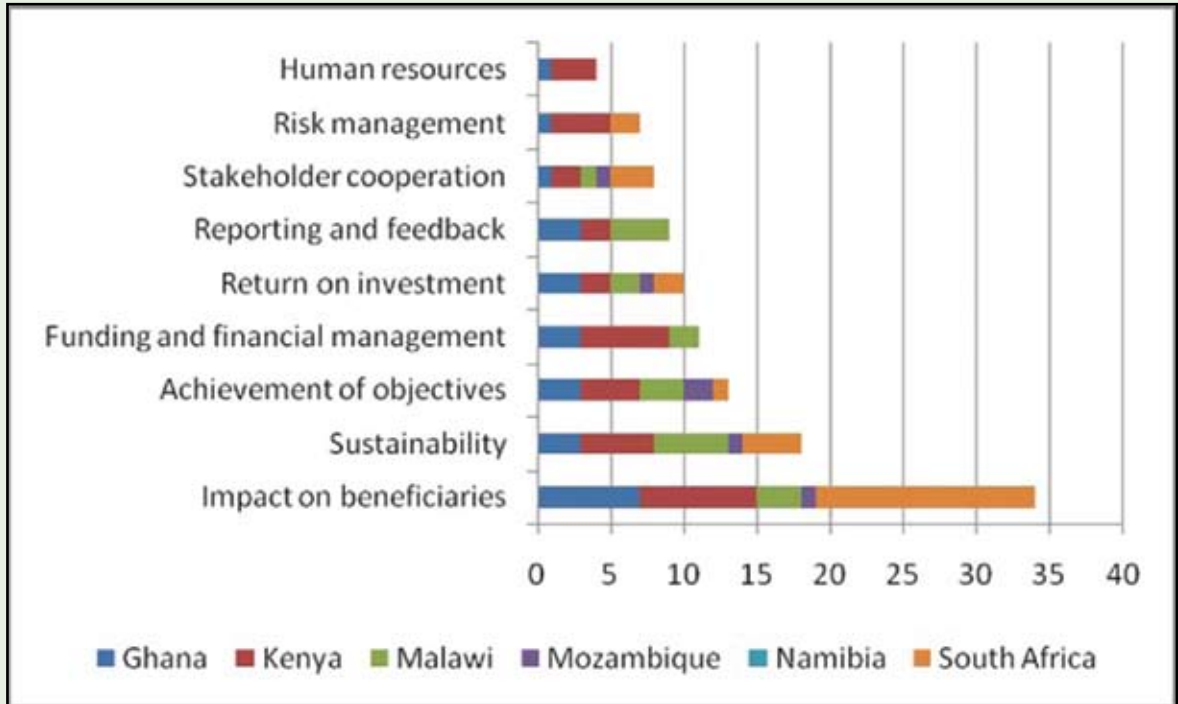


Figure 26: CSR project impact assessment criteria (Question 36.10)

Section 4, question 45 (see also Figure 34). One example, and presumably an exception to the rule, is MultiChoice Africa from Ghana. MultiChoice developed a monitoring process for its “MultiChoice Resource Centre Programme 2007” in all of the countries where it was implemented. The purpose of the ongoing monitoring was stated as “MultiChoice needs to prioritise monitoring of all its projects in the various countries so that key learning from this exercise can be used to enrich the project.”⁵

The case of Unilever and the extensive impact assessment studies this company had commissioned, first in 2005 in Indonesia by Oxfam and then in 2008 in South Africa by INSEAD, serve as international best practice case studies of impact assessment. These reports are available at www.unilever.com for reference.

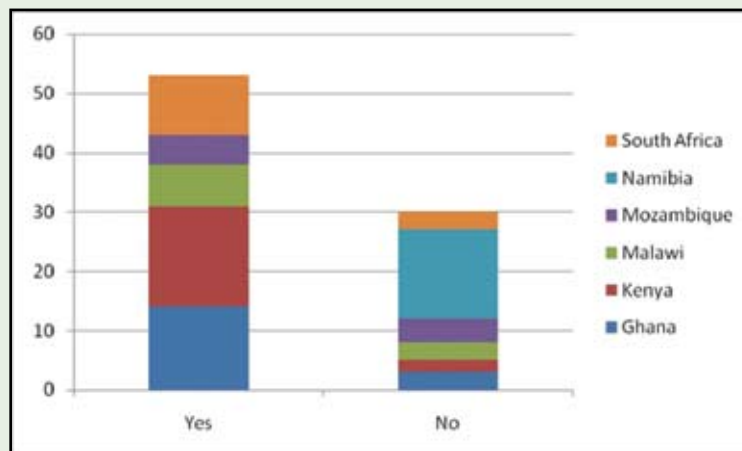


Figure 27: CSR Reporting (Question 37)

⁵ Hofmeyr, R. 2007. *Monitoring the MultiChoice Resource Centre Programme 2007*

2.4.5 Reporting

The overall picture for reporting is somewhat better than for impact assessment. The majority of companies do some form of reporting, as illustrated in Figure 27. Larger companies, especially MNCs, are generally required to incorporate CSR into their sustainability reports. Documented evidence for reporting in smaller companies seems to be limited or happens in a less formal way than in larger companies.

A strange discrepancy was observed during the course of the survey: some companies indicated that they do reporting and when asked for a copy they declined. The reasons given varied between “reports being confidential and not for public consumption” on the one hand and “reporting being fragmented and irregular and therefore not available in a single report” on the other.

Reporting is said to be done to a variety of constituencies, but predominantly to management, the board and staff of companies, as detailed in Figure 28.

Figure 29 (p. 38) indicates that of all the factors that can be included in CSR reports, the projects receive most attention and return on investment the least.

2.4.6 Learning and the application thereof

The position with learning is similar to that of impact assessment: the value thereof seems to be underestimated and the practicing underdeveloped.

The intention with this aspect of CSR project execution is really to utilise the learning dimensions inherent to CSR initiatives for practice improvement purposes. Although there appears to be an almost even balance of positive and negative responses in this aspect (see Figure 30 on p. 38), it is the deeper analysis of the survey data that causes reason for concern: CSR practitioners utilise forms of learning, e.g. debriefing discussions, for CSR project improvement, but seldom go beyond that to also ask about the overall organisational development dimensions and benefits thereof.

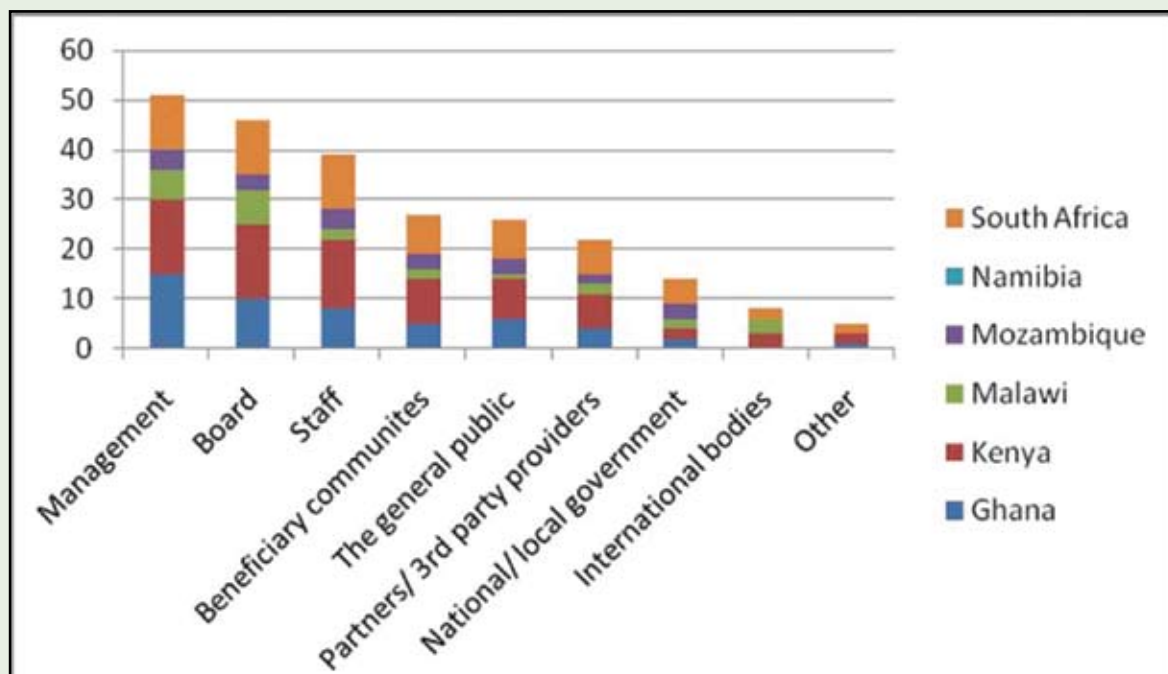


Figure 28: CSR reporting constituencies

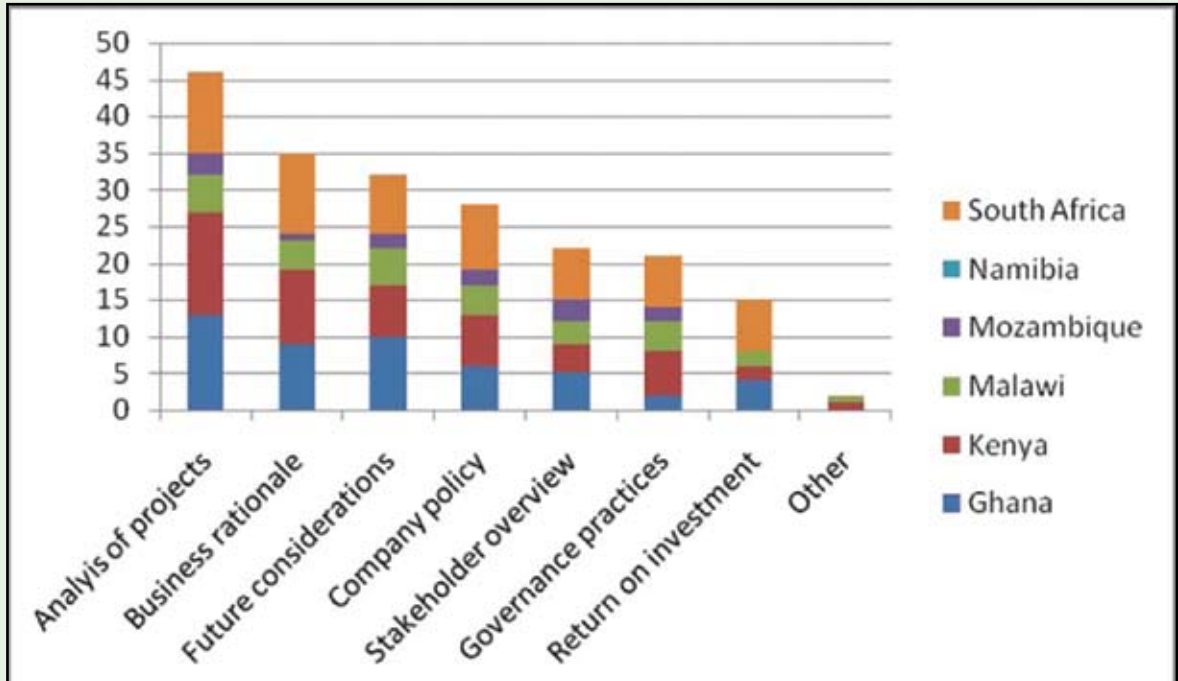


Figure 29: CSR reporting content (Question 37.14)

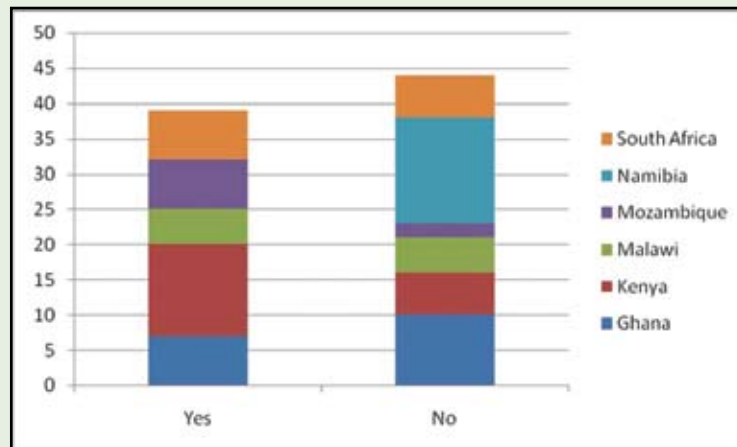


Figure 30: CSR practice learning (Question 38)

2.4.7 Factors that support or hinder CSR integration and impact

Having looked at companies' CSR practices and concrete initiatives from various points of view, the questionnaire finally arrives at the driving question behind this survey: What factors support or hinder companies on their way towards achieving CSR integration and impact?

Two open-ended questions (Section 3, question 41 and 42) were asked in this regard, one

referring to supporting and the other to hindering factors. Respondents were invited to list five key factors for each. They were generally more willing to respond the former of the two questions and reluctant to do so with the latter. The responses were documented and after careful analysis eight categories were created for responses to question 41 and nine for responses to question 42, as listed in Table 5.

Question 41: Supporting factors	Question 42: Hindering factors
Executive management commitment and support	Low executive management commitment and support
Availability and management of funding	Lack of sufficient financial resources
Ownership and cooperation of beneficiaries	Low ownership and cooperation of beneficiaries
Project management skills and efficiencies	Limited project management skills and efficiencies
Stakeholder/partnership involvement and management	Stakeholder/partnership involvement and management
Company objectives and CSR policy alignment	Absence of CSR policy
Monitoring and evaluation	Barriers to monitoring and evaluation
Staff commitment, support and participation	Low staff commitment, support and participation
	Insufficient support structures for CSR activities
Other	Other

Table 5: Summary of supporting and hindering factors

The frequency of occurrence of these factors are portrayed in Figures 31 and 32 (p. 40).

Although fewer responses were offered to question 42 than to question 41, the categories created from them resulted in almost exact mirror images of each other, except for the one extra denominator for question 42, namely insufficient support structures for CSR.

Given the importance of these factors for the end results of the study, different lenses were applied to achieve closer scrutiny of the weight of these factors for different companies under different circumstances. There seems to be very little, if any, indicative or conclusive differences in terms of other descriptors that need to be mentioned, e.g. type of company, decision-making structures or the position of CSR officers.

These factors spark many other questions. When or under what conditions and circumstances can these success factors be reached? What makes for CEO commitment and support? When do companies fund, how do they fund and why? Under what circumstances is good beneficiary cooperation achieved? What is needed for high levels of stakeholder/partnership involvement and management? The questions can continue - the fact is that the survey results did not achieve these deeper levels of reflection

as was hoped for in the design stages of the project.

It was not possible to determine the motivation for responses due to the following inhibiting factors experienced during the survey: restricted access to high level decision-makers within companies and lower levels of management not willing to comment on senior management motivation or lack thereof; the CSR designated officials' limited time dedicated to their CSR functions lead to situations where policy adherence, management cooperation and commitment and successful implementation are not evaluated, nor reviewed – the objectives are focussed on getting the job done with minimum CSR activity risk to officials' actual core functional focus area and future career. Therefore examples of documented good monitoring and evaluation practice, analysis of funding/no funding motivations, lessons learned, etc. are neither available nor recorded for future use, except for the MultiChoice example previously referred to.

These factors will be revisited in Chapter 3, where the responses to questions 41 and 42 will be combined into one list of nine factors that, depending on their presence or absence, will play either a positive and supportive role or negative and hindering role in CSR integration and impact.

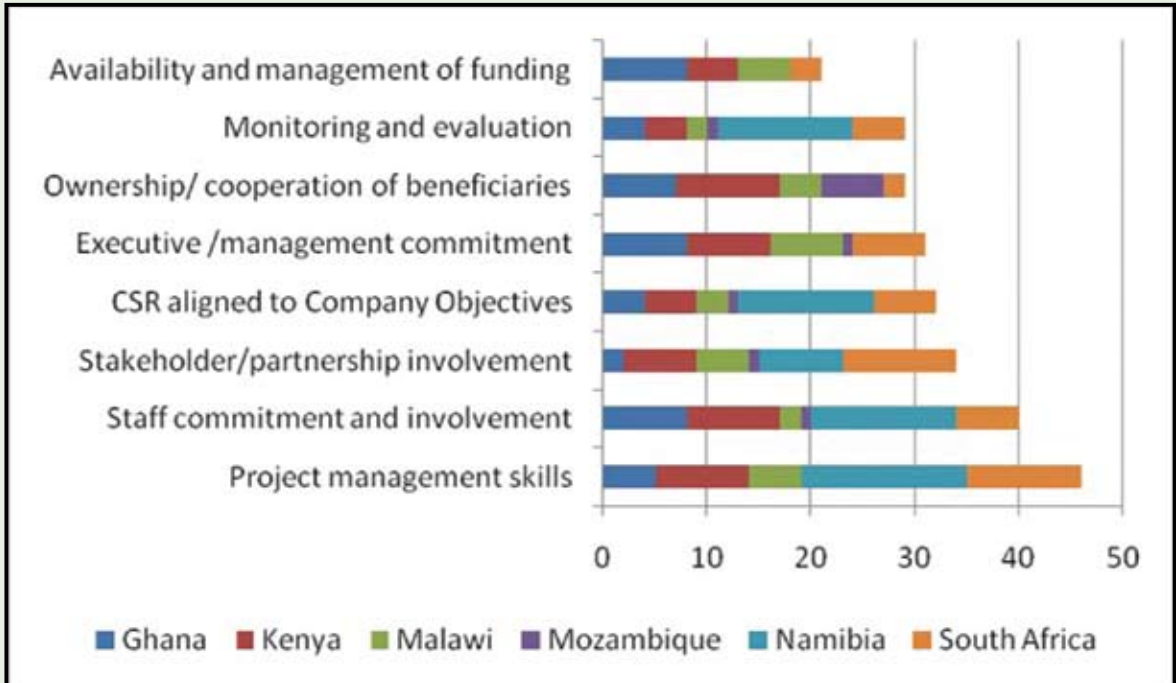


Figure 31: Key CSR promoting factors (Question 41)

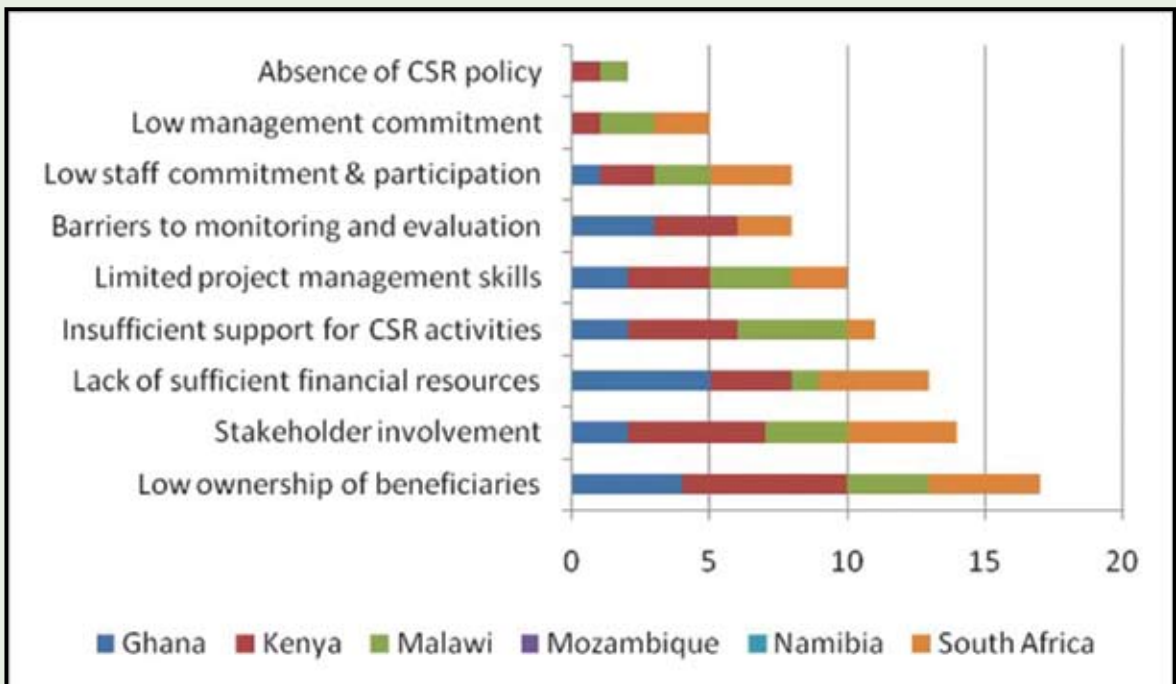


Figure 32: Key CSR hindering factors (Question 42)

2.5 CSR future trends and development needs

Having analysed current CSR practice with reference to its structure, positioning, strategic drivers, values, policy framework and project efficiencies in order to identify supporting and hindering factors, the natural inclination is to ask about the future.

The enquiry in this category focused on the following aspects:

- What anticipations CSR officers have regarding CSR developments in their companies over the next five years
- CSR officers' rating of themselves with respect to their capacity to deal with these anticipated developments
- Instruments that may enhance CSR development and effectiveness in the years to come

- The role of governments in fostering CSR development in the six countries under investigation

2.5.1 Anticipations about the future

In response to question 43, "What do you anticipate the focus of CSR in your company to be five years from now," respondents offered a total of 108 ideas. These responses were grouped in six broad categories reflected in Table 6.

What is significant from this information is the apparently strong desire to increase the scope of CSR impact and to improve the CSR function within company structures. This desire bodes well for efforts towards an improved understanding of the meaning and scope of CSR on the one hand and the alignment of policies, processes, structures and activities on the other.

Category	Number of responses	Some quotations
Do not know	10	Don't know; cannot tell; difficult to say; not too sure; it will depend...
Stay the same	15	Same as it is now; keep the focus; maintain three core areas; continue concentrating on the four thematic areas; remains as submitted; we will still be focusing on education; remain in improving housing...
Maintain focus areas	15	Single words like the following, and assumedly closer in meaning to the category "stay the same," were repeatedly mentioned: education, health, environment...
New scope	40	More health oriented; more affordable technology; tied into our business and its sustainability; broaden the scope of our CSR portfolio; might adopt a huge project; more CSR projects as the company grows; focus on areas that will be more beneficial to society; offering long term/permanent solutions; achieved all the necessary global standards; job creation and income generation projects; climate change has to be a major consideration...
Improved effectiveness	26	Make volunteering part of staff performance review; definite annual targets for CSR; more resources through budget allocations; create a foundation; CSR policy; more structured approach; a department; aligning CSR with core business processes; an evaluation system for CSR; guided by government's priorities and business objectives...
Other	2	Divorce from giving out funds and only provide service as CSR; currently community initiatives are not a priority... trying to comply with ever changing directives from the government...

Table 6: CSR future trends and development needs (Question 43)

2.5.2 Level of experience and expertise of CSR officers

CSR officers were asked about their proficiency for their task. Those who indicated that they see themselves as highly equipped (see Figure 33), cited reasons such as experience, training or specialist knowledge. The other half cited inexperience or lack of training or the fact that they are new to the role as reasons.

Given the trend in the data thus far, it will be interesting to know what the understanding of CSR is that these practitioners apply. Will their understanding support the broad view of CSR or will they veer towards CSI?

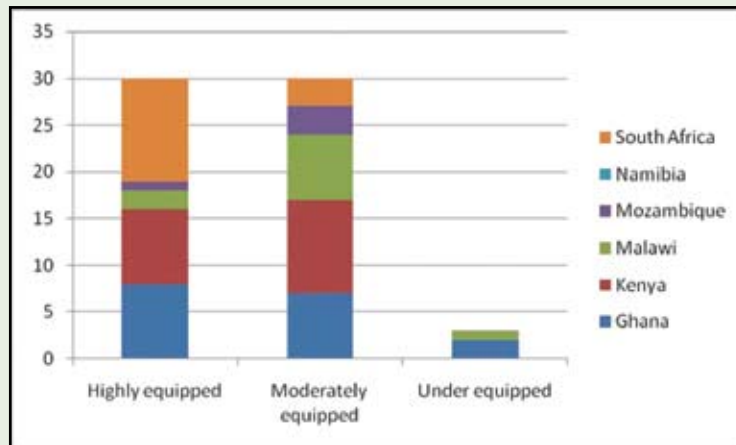


Figure 33: Practitioners proficiency for their function (Question 44)

2.5.3 Preferred instruments for continued learning and development

Having analysed their practices, CSR officers seem to indicate a high level of need for further development and support in a variety of aspects, as illustrated in their responses to question 45, depicted in Figure 34. From their selection of options two categories of need can be differentiated:

- Support with regard to strategy formulation and impact assessment development
- Instruments such as specific training, workshops, peer exchange and case studies

These preferences should be taken into account when development initiatives around supporting and hindering factors for CSR enhancement in sub-Saharan Africa are considered.

2.5.4 Government as role-player

Finally, respondents were asked to reflect on their experiences and expectations of government in the CSR space. From the responses it is evident that from across the board companies want their governments to play a more facilitating role regarding CSR endorsement and development. From the results it is interesting to note the high demand for incentives in the form of tax rebates, the need for public endorsement of companies' efforts and achievement and the expectation that governments should themselves be examples of CSR advancement. This point will be elaborated on again in Chapter 3, where government will be added as a dimension of supporting and hindering factors in CSR integration.

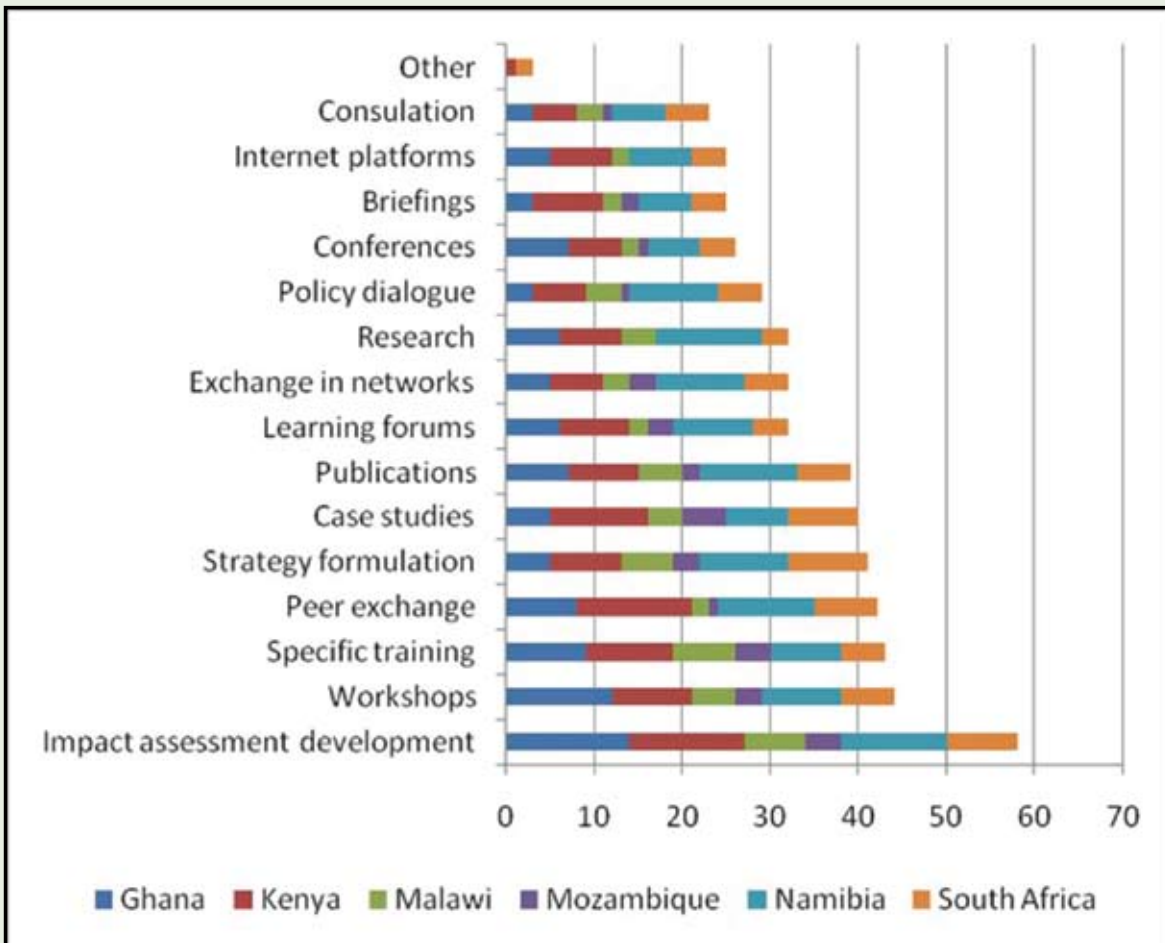


Figure 34: Instruments and services required for CSR development (Question 45)

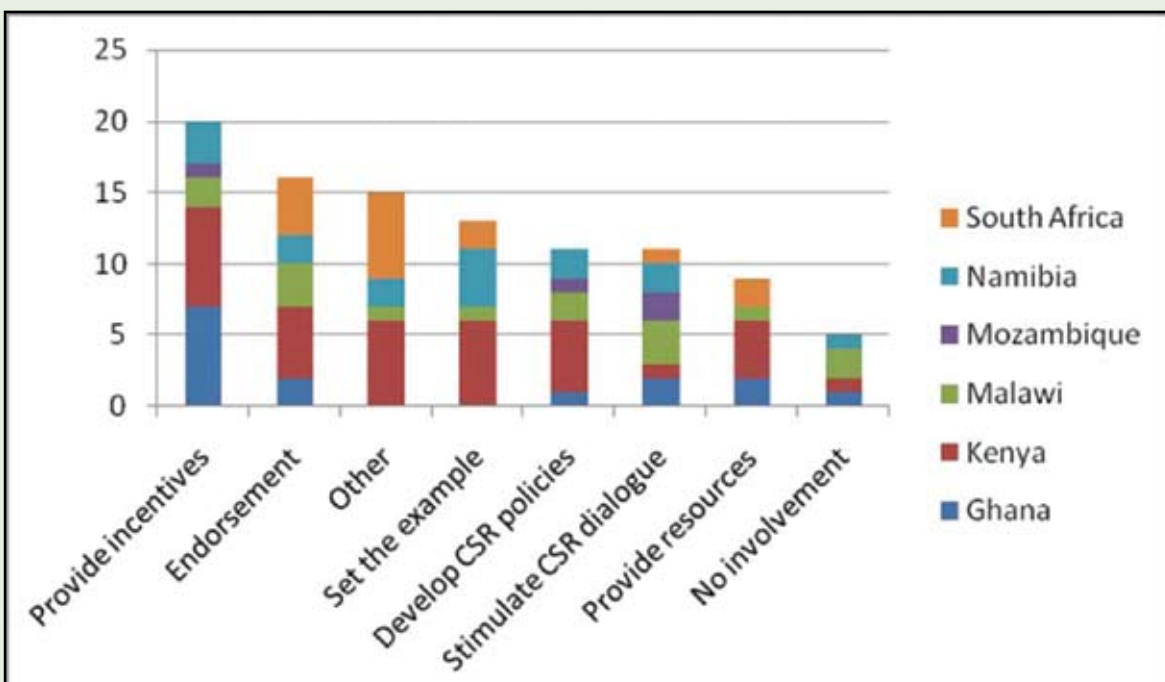


Figure 35: Government role in fostering CSR development (Question 48)



Chapter 3: Supporting and hindering factors in CSR implementation

3.1 Introduction

From the introduction to this report it was clear that this particular project fits into a longer term strategy for the development of CSR in sub-Saharan Africa. Whereas surveys in the past were more focused on the understanding and awareness of CSR as an aspect of business and corporate accountability, this survey is more interested in what supports or hinders the continued and successful development thereof. The underlying assumption is therefore that the identification and proper understanding of such factors will facilitate the development and implementation of enabling instruments in the CSR space.

A second observation, also referred to in the introduction to the report, is that CSR in sub-Saharan Africa resembles more the characteristics of corporate philanthropy and less that of CSR. Our findings in this survey, with reference to the previous, confirmed that this is still the case. However, if tied to the underlying assumptions of this survey, there is a reasonable expectation that the identification of supporting and hindering factors will contribute in moving predominantly philanthropic expressions of CSR towards a developed and more responsible and accountable version thereof.

3.2 A second look at supporting and hindering factors

3.2.1 Overview

In the process, and searching for the relevant supporting and hindering factors in CSR development, four different angles of enquiry were applied and specifically built into the structure of the four sections of the questionnaire, namely

- The positioning of companies' CSR initiatives and the structures mandated to implement it
- CSR values and policy framework with reference to the global, national, industry and internal business factors and values that shape companies' CSR policy
- CSR practice and projects with reference to the operational dimensions of companies' CSR practices and projects, with a specific interest in the supporting and hindering factors that determine the effectiveness and long term success thereof
- CSR future trends and development needs, with reference to the future course of CSR as an aspect of companies' business operations and the extent to which CSR practitioners may be in need of training, policy dialogue, information and other relevant support measures to lead the cause

3.2.2 Key conclusions

Through all of the above, a range of nine key factors were distilled that, according to respondents, impact either positively or negatively on the success of their CSR initiatives, namely:

- **Leadership and governance:** the extent or not to which executives and senior managers have a vision for, take the lead and are themselves committed and supportive of the CSR cause in a company
- **Policy framework:** the extent or not to which CSR policies are available and aligned with corporate objectives, value systems and core business considerations
- **Project management:** the extent or not to which CSR practitioners have effective structures and they and their support staff are skilled enough to understand and effectively manage the development and implementation of CSR initiatives
- **Monitoring, evaluation and reporting:** the extent or not to which systems for monitoring, evaluation and reporting are available and CSR practitioners and their stakeholders/partners and beneficiaries are committed to do it and utilise the benefits thereof
- **Stakeholder engagement:** the extent or not to which CSR practitioners and their support structures are able to involve and constructively engage with relevant stakeholders and/or partners in the process of CSR intervention development and implementation
- **Staff engagement:** the extent or not to which staff are committed to, supportive of and participate in CSR relevant initiatives
- **Government:** the extent to which governments create conducive environments for CSR development and implementation, or do not
- **Beneficiation:** the extent or not to which beneficiaries' needs are properly identified, the alignment thereof with company CSR policy is justified and beneficiary ownership and cooperation with corporate CSR initiatives can be maintained
- **Funding:** the extent or not to which and the manner in which funding is made available and well managed

These nine factors represent a combination of the following four perspectives:

- The list of supporting factors from the data in Section 3, question 41
- The list of hindering factors from the data in Section 3, question 42
- The observations reported by country survey partners and documented in their summary reports
- The reference to the role of government with regard to CSR in Section 4, question 48, combined with perspectives forthcoming from the country survey reports

The list of nine factors becomes even more significant when compared to The EU Multi Stakeholder Forum on CSR, in which 12 critical success factors for CSR were identified. The two lists compare as in Table 7 (overleaf).

Factors 9 and 10 from the EU list refer more to what this survey is all about, namely to develop enhancing instruments for future CSR improvement. The next chapter is committed to this aspect of the survey.

What is remarkably different from the sub-Saharan list, though, is the addition of two factors, namely beneficiation and funding in the field of CSR projects within a social and environmental context, which seem to dominate the CSR landscape in sub-Saharan Africa. The identification of these two factors seem to bear specific contextual relevance in the regional context, where the socio-economic and environmental conditions of beneficiaries and the availability of funding to make a sustainable difference play a major role in corporate social engagement.

EU's 12 Critical Success Factors	Sub-Saharan Survey's 9 Success Factors
1. Commitment from key people – directors, owners, senior managers	Leadership and governance: executives and senior managers that have a vision for, take the lead and are themselves committed and supportive of the CSR cause in a company
2. Ensuring that the values and vision of the CSR approach are integrated into the business and its culture	
3. Integrating the CSR approach and any associated practices and tools with the company strategy, core business, mainstream management processes and policies, and everyday operational practice	Policy framework: the extent or not to which CSR policies are available and aligned with corporate objectives, value systems and core business considerations
4. Setting appropriate goals or targets, related to the core business, developing a staged plan for achieving them (including some quick wins), evaluating progress towards them and communicating this appropriately	Project management: the extent or not to which CSR practitioners have effective structures and they and their support staff are skilled enough to understand and effectively manage the development and implementation of CSR initiatives
5. Communicating about the approach, strategy, aims or activities in a transparent and meaningful way	Monitoring, evaluation and reporting: the extent or not to which systems for monitoring, evaluation and reporting are available and CSR practitioners and their stakeholders/ partners and beneficiaries are committed to do it and utilise the benefits thereof
6. Openness to learning, improvement and innovation	
7. Engagement with external stakeholders - understanding their views and expectations, being open to learning from them, communicating well with them about issues, goals and progress, being open about areas of agreement and disagreement and thus building a trusting relationship where the company and its stakeholders are willing to co-operate in good faith in efforts to achieve its CSR goals, including to the extent of working in partnership together	Stakeholder engagement: the extent or not to which CSR practitioners and their support structures are able to involve and constructively engage with relevant stakeholders and/or partners in the process of CSR intervention development and implementation
8. Involving employees and their representatives in developing and implementing CSR, programmes, activities and initiatives	Staff engagement: the extent or not to which staff are committed to, supportive of and participate in CSR relevant initiatives
9. Sharing experience, learning from and with peers, in sector and multi-stakeholder initiatives or through networks, good practice examples, initiatives and benchmarking, and being willing to solve problems, innovate and improve as a result of this learning	
10. The availability of easily accessible and specific advice, and appropriate, effective and credible tools and initiatives which the company can learn from when developing its own approach, use or join in with, which are suitable to its circumstances or are flexible enough to enable the company to learn over time, innovate and respond to circumstances	
11. Particularly for developing countries, the existence of an appropriate legal environment that reinforces compliance with fundamental standards, and the presence of strong civil society organisations, such as trade unions and NGOs, as stakeholders and potential partners	Government: the extent to which governments create conducive environments for CSR development and implementation or do not
12. A high level of awareness among consumers and investors, of the issues and companies' options in responding to them	
	Beneficiation: the extent or not to which beneficiaries' needs are properly identified, the alignment thereof with company CSR policy is justified and beneficiary ownership and cooperation with corporate CSR initiatives can be maintained
	Funding: the extent or not to which and the manner in which funding is made available and well managed

Table 7: Critical success factors in CSR – EU and sub-Saharan Africa

3.2.3 Ranking of promoting and hindering factors

On closer examination of the data the positive presence of and leverage available in these nine factors, as opposed to the absence or limited development thereof, appeared in the survey data as illustrated in Figures 36 and 37.

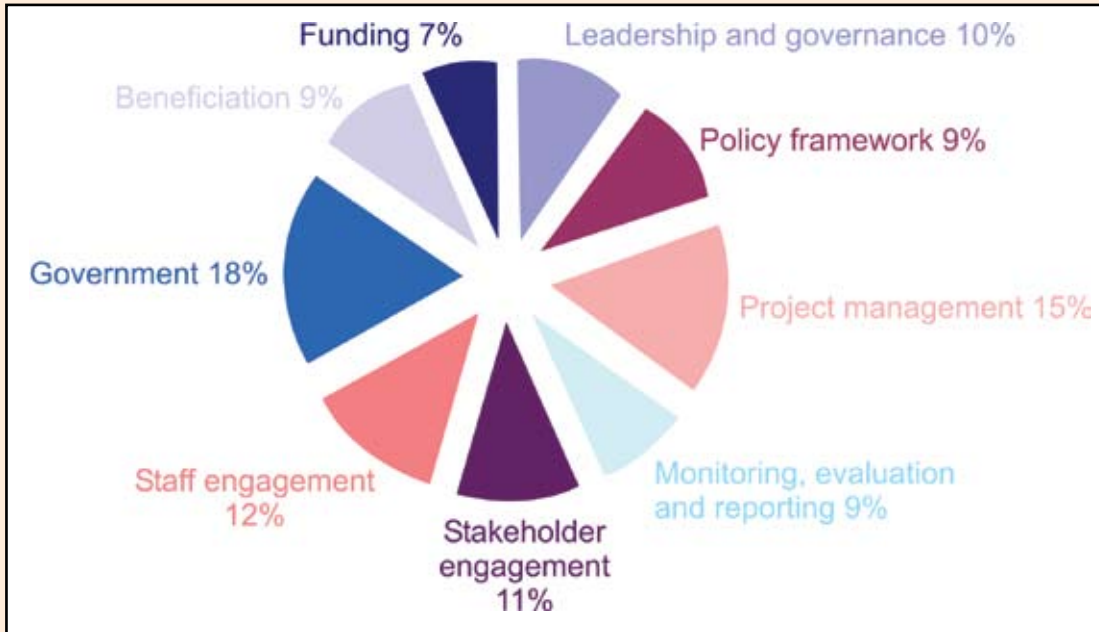


Figure 36: CSR promoting factors (Question 41 and 44)

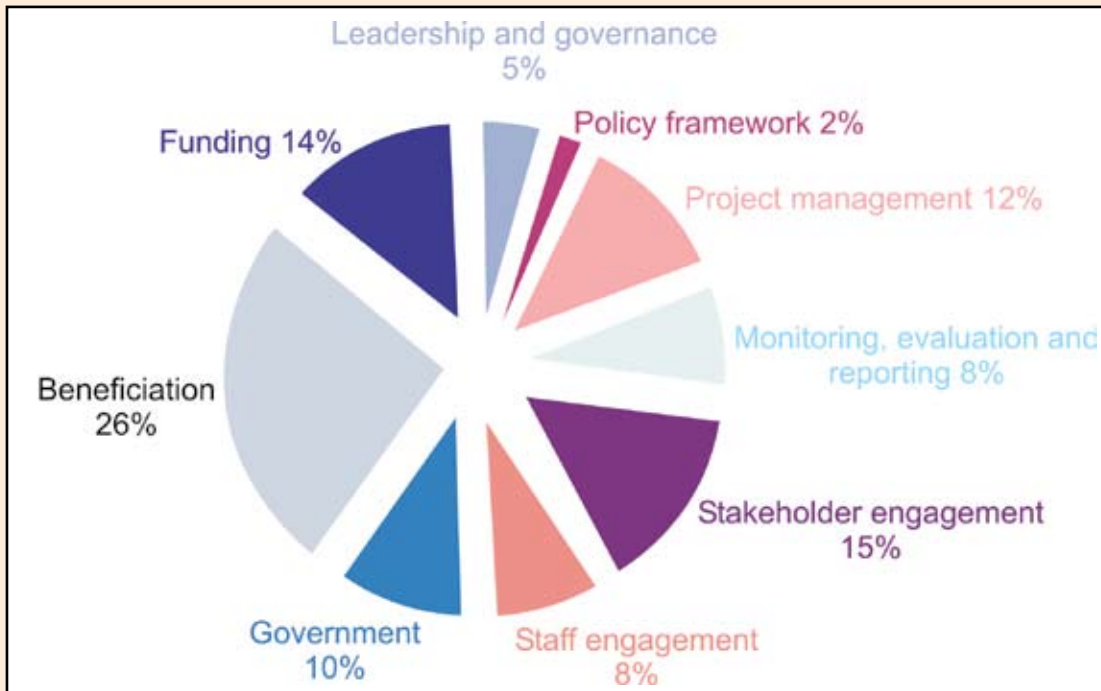


Figure 37: CSR hindering factors (Question 42 and 44)

3.2.4 Closer examination and interpretation

Interpreting the data as reflected in the above charts, it should be kept in mind that respondents were generally more inclined to list what they regarded as factors inherent to their CSR practices that contribute to success, and less so to list factors that stand in the way of it. However, to acknowledge that something is essential for success does not automatically proclaim that a particular respondent has mastered and achieved success with it. It may merely be the recognition of the importance of it.

This correlates with another dimension of the survey, namely that respondents were more comfortable to cite successful projects whilst they shied away from acknowledging and discussing unsuccessful ones.

When the general pattern in the data is linked with the detail of the survey, a number of significant observations around each of the nine factors deserve further exploration.

3.2.4.1 Leadership and governance

The interview contained questions about the CSR structures, decision making forums of companies, and the management levels and job titles of the relevant CSR officers. Only one question referred specifically to company leadership, asking about the extent to which they understand and show commitment towards CSR as an essential and integrated aspect of business (see Figure 13). The responses to the latter were broadly speaking very positive and pointed towards company leaders that seem to understand the importance of CSR, provide guidance, ensure resources and are visibly involved in CSR initiatives. What is remarkable, however, is the frequency of spontaneous references to leadership and governance factors in open questions about supporting and hindering factors in CSR development. CSR officers seem to be more empowered when they are assured of being mandated and supported by the leadership and governance structures of their companies. There was also evidence of the opposite: CSR officers that experience a lack of guidance and endorsement. The latter

often results in lacklustre CSR initiatives with low impact and little sustainability.

Leadership, however, does not only refer to board, executive and senior management structures. The empowerment of responsible staff in the field of CSR is also a matter of leadership. This factor therefore also includes those individuals responsible for the development of a company's CSR practice and its various structures, procedures and initiatives. Whilst the knowledge, skills and level of empowerment of CSR managers are of critical importance for the development of CSR in a company, they were often not able to offer the information required for the survey. CSR officers who are appropriately qualified and fill a position dedicated to CSR alone were also scarce to find. The CSR function is predominantly assigned to the field of marketing, communications and corporate affairs (see Figures 2 to 6 for comparative information).

Going forward, the driving question for the development of CSR in sub-Saharan Africa around leadership and governance will therefore be:

If corporate leadership and governance are important for the optimisation of CSR impact in companies, how should boards, executives, senior management and CSR officers be helped to develop a comprehensive understanding of the meaning, development and implementation thereof as an integral aspect of business?

3.2.4.2 Policy framework

A company's understanding of, vision for and commitment to CSR are expressed in decisions, budgets, staffing and in structures. When factors such as these are present, they are normally integrated into a policy statement that ideally consists of elements such as the following: a definition of CSR, the link between CSR and the business case, a CSR strategy, mandates for development and implementation, the rules of stakeholder engagement, funding regulations and reporting requirements (Njenga & Smit, 2007). Such policies may also be influenced and informed by global agreements or instruments such as the Millennium Development Goals, the UN Global Compact and the Global Reporting Initiative and/or national directives or guidelines either demanded by government or agreed upon by industry stakeholders

Respondents spontaneously attributed high value to the existence and implementation of such policies in their consideration of supporting and hindering factors, especially when compared to the relative uncertainty with which explicit questions about it were treated in Section 2 (questions 25 to 28) of the survey. There seems to be almost a contradiction in the data between the low keyed approach to policy considerations in the formal sense of the word and the high appreciation thereof when policies are indeed available to drive CSR action (as forthcoming from question 41).

From the data it seems that multi-national companies tend to define, structure and practice CSR differently from companies of local origin. They seem to be more informed about the global CSR discourse, agreements and codes, and take care to incorporate that into their local CSR policies, strategies and practices. Local companies, on the other hand, seem to take their cue for CSR responsiveness mainly from the emerging realities of the various communities and markets that they transact

with, and are less inclined to submit it to the guidance and directives inherent to formal policies. Matten & Moon (2008) refer to this difference as "implicit and explicit CSR".

Local companies may tend to practice implicit CSR. They are embedded in national and local frameworks of social, cultural and legal assumptions about what business is all about. These assumptions go together with beliefs of how the relationship between business and community should be understood and negotiated. It also determines the exchange of resources, services and products, and the nature of stakeholder networks. Finally they govern the spoken and unspoken expectations about the ability of business to alleviate the needs in communities. For such companies the encounter with socio-economic needs tends to be very direct, almost in the face, with the result that beneficiation tends to depend on relational networks and is executed with little formalisation.

On the other hand, multinational companies, listed entities and subsidiaries of any of these, may tend to practice explicit CSR. The mere increase in size and complexity of a business entity already brings more formalisation and demands more regulated and goal oriented practice, even in the field of CSR. However, when this is combined with a multinational business footprint or with the listing and reporting requirements of stock exchanges, the complexion of CSR changes completely. In such environments CSR is significantly influenced by global paradigms of socio-economic and environmental beneficiation. In such companies, CSR development needs to take the contextual and country specific socio-economic realities and development priorities into account. They are expected to respect the social, cultural and legal assumptions inherent to national and local business systems. At the same time, they must stay aligned with global protocols and codes of conduct as determined from their headquarters.

The following questions emanate from the foregoing considerations:

If the assumption is that having a formally mandated CSR policy is beneficial for CSR implementation, how can companies in sub-Saharan Africa without it best be helped to develop and implement such policies?

How can currently dominant CSI policies be transformed to reflect the tenets of CSR?

3.2.4.3 Project management

From the research data it is clear that CSR officers both appreciate the importance of project management requirements for CSR effectiveness and acknowledge their challenges and shortcomings in this area. Not only was it spontaneously identified as both a supporting and hindering factor in CSR implementation, it was also acknowledged in a variety of questionnaire items that related to project management factors (see Section 3, questions 35, 41 and 42).

Project management should take into account the extent to which projects are

- guided by clear goals, objectives and timelines;
- governed by proper agreements between all the parties involved;
- well resourced in terms of financial and human resources; as well as
- specialist skills where required.

It must also take care that

- beneficiaries are incorporated and empowered in terms of project planning and roll-out;
- provision is made for staff involvement;
- sound management and accounting practices are put in place;
- service level agreements with third party providers are properly managed; and
- regular communication and consultation between all parties are maintained.

The fact that most CSR officials have only 20% or less of their time available (see Figures 5 and 6) for these initiatives and regard themselves as only moderately equipped (see Figure 33) offers insight into the amount of skills development and infrastructural improvement that could help companies in the sub-Saharan region to advance their CSR initiatives to a more sophisticated level.

An important consideration for improvement in the area of CSR project management will be:

What knowledge and skills do CSR officers need to be more effective in project management?

How can CSR structures be optimised to be more supportive of project execution?

3.2.4.4 Monitoring, evaluation and reporting

How will companies know that their CSR concepts achieve the intended objectives and are relevant to the priorities and needs of designated target groups? How can they ensure that CSR approaches are true expressions of the CSR objectives and policies of the company, and are ethical in terms of financial stewardship and management practices? Are initiatives well integrated with the activities and priorities of other agencies and organisations? Are initiatives sustainable over the long run?

Part of the answer lies in the ability to assess these initiatives regularly and systematically, and to make adjustments accordingly.

The survey respondents, in identifying supporting and hindering factors, linked feedback and reporting closely with monitoring and evaluation. Reporting is about the extent to which and how regularly feedback happens to stakeholders, such as staff, management, the board, beneficiary communities, organisations, partners and/or third party providers, the general public, local government and international bodies. It is also about the extent to which such feedback incorporates and accounts for the business case for CSR, company policy, a description of and analysis of projects, stakeholder overview, governance practices and results, the value gained for both business and beneficiaries, and future considerations and plans.

In response to an open-ended question, survey respondents mentioned the following factors

they take into account for the purposes of monitoring and evaluation:

- Impact on beneficiaries
- The sustainability of projects
- The achievement of intended objectives
- Funding and financial management
- Reporting and feedback
- Risk management
- Stakeholder cooperation
- Return on investment
- The availability of human resources for implementation purposes

However, despite the recognition of the importance of these disciplines, monitoring, evaluation and reporting seem to be the least developed areas of CSR in the survey pool. There seems to be a pattern behind the data: the companies surveyed are eager to engage in CSR. They then engage with the social and environmental needs of the context in which they operate and do business with, but they do not select beneficiaries in proper alignment with their core business. Nor do they do a proper assessment of the capacities and weaknesses of these beneficiaries. In the end, they spend money and other resources on projects, but fail to account properly for the return on the investment that they have made (see Figure 25).

It is to be appreciated that CSR officers recognise their lack of knowledge and skill in terms of impact assessment (see Figure 34). The driving questions for improvement in this area are therefore the following:

***What kind of instruments need to be developed to enable companies in sub-Saharan Africa to monitor, evaluate and report on their CSR initiatives?
How can CSR officers be helped to apply such instruments effectively for the benefit of improved CSR impact and return on investment?***

3.2.4.5 Stakeholder engagement

The survey data testifies to a general recognition from the side of companies that CSR is not practised in isolation, but in partnership with various external stakeholders. On the positive side of this factor, mention was made of the following:

- The value of cooperation with government, NGO's, other companies and expert service providers
- The importance of continued consultations and communications
- The nature of stakeholder attitudes with reference to commitment, mutual support and shared responsibilities

However, from the data it is also evident that this is an area for great disappointment. Respondents cited issues such as:

- The misappropriation of funds

- Competing interests amongst partners
- Insincerity or unreliability on the side of partners
- Low levels of commitment to mutually agreed upon objectives
- Insufficient management capacity in stakeholder networks
- Divided attention from stakeholders also involved in many other initiatives

External stakeholder engagement is no easy matter and the relationships involved are often very complex to manage. Companies and CSR officers frequently encounter challenges and disappointments, but the reverse is also true, as noted by Marsden (1997): "There remains much suspicion among the non-business community of business motivation and value when it comes to addressing social issues."

The following question refers to the improvement of this factor in CSR implementation:

What knowledge, skills and attitudes are necessary to equip CSR practitioners with for successful and sustained external stakeholder engagement in CSR development and implementation?

3.2.4.6 Staff engagement

For CSR to be authentic and effective from a company point of view, besides the guidance of senior management, it depends on the competence of CSR officers to translate it into practice and it depends on the commitment, support and participation of ordinary staff. Staff have the opportunity to own up to CSR as an essential and integral aspect of a good business, align with it in terms of values and behaviours and support the ways in which the boundary between business and community is crossed through various initiatives.

From the survey data it is evident that there are CSR officials who are grateful for the inner circle of their immediate support staff or committees and staff involvement in projects, especially staff who are delighted to volunteer

in social initiatives. On the contrary, there is also the frustration when there is no provision for sufficient human resources to staff the CSR function and the disappointment when staff seem to lack CSR awareness or are unavailable or unwilling for project involvement (see Figures 25 and 26).

A broader view on the issue of staff engagement should also include consideration for the position of general staff. Whilst CSR specific staff exercise their duties, general staff are pulled from other departments and responsibilities to be involved in cross-section CSR initiatives. The prevailing value system and culture in a company will determine the ease or effort with which such involvement is going to be facilitated.

Staff engagement requires more than just a general appeal for participation. It relies on a variety of contributing factors. Therefore the question:

What instruments are needed and feasible to develop drivers for staff engagement in the CSR initiatives of companies in sub-Saharan Africa?

3.2.4.7 Government

Government was identified as an important factor for the critical role that companies desire it to play in creating an enabling environment, but was not mentioned spontaneously in those questions (41 and 42) that dealt specifically with supporting and/or hindering factors. However, examination of the comments received about government's role resulted in suggestions about how government can create a more conducive environment through the development of policy frameworks, tax rebates, stimulation of CSR dialogue, the provision of supportive resources and the public endorsement of companies that are examples of CSR involvement (see Figure 29). These remarks were positive in nature, but in essence pointed to what companies experience as a lack of positive government involvement in CSR. The other side of the coin were those remarks that explicitly identified government as a hindering factor, with particular reference to aspects such as restrictive policies, bureaucratic practices and lack of exemplary leadership in the CSR space.

It is therefore clear that reflections on government's role in CSR are met with ambiguity. In as much as governments in the six countries are expected to be enablers of the efforts of companies, they are also experienced as barriers. It can however not be denied that governments across the globe, and in sub-Saharan Africa in particular, have an immensely important role to play for CSR evolution. If fact, there is overwhelming evidence that, with the challenges the globe is facing, governments are also pressed to develop a CSR agenda of their own. Crane, Matten & Spence (2008:10) state that "the same claims laid upon corporations to conduct their operations in a socially responsible fashion are increasingly laid upon public sector organisations as well... We increasingly find public sector organisations adopting CSR policies, practices and tools very similar to those of the private sector".

Herein lies a great opportunity for CSR development in sub-Saharan Africa, namely for corporations and governments to take hands and together build a roadmap for economic, social and environmental sustainability in their respective countries. The question is:

How to initiate a public-private discourse that will enhance the development of CSR in sub-Saharan companies and governments, as a result of which the total context and its role-players will progress into the next phase of CSR evolution?

3.2.4.8 Beneficiation

How should the relationship between business entities and the social and environmental contexts within which they operate be understood, constructed and managed? In as much as a business wants to obtain benefits from the communities in which it operates, its presence and activities should in turn be beneficial to these very communities in terms of their social and economic well-being (Njenga & Smit, 2007:4). On the platform of this very process of exchange between companies and their surrounding communities, needs of a social or environmental nature are identified and companies are confronted with the question of whether to oblige the expectations or not.

In this survey, beneficiation took on many shapes. Education, health and environment topped the list, followed by poverty alleviation, agriculture, enterprise development, sport, technology, culture and others. The important point here is, however, not the composition of the list, but the prominence of beneficiary related factors throughout the survey. The following occurrences deserve mention:

- The needs, interests and expectations of beneficiary communities in project selection and design (Section 3, question 34.5)
- The involvement and empowerment of beneficiaries in terms of project design and implementation (Section 3, question 35.6)
- Sound governance, management and accounting practices on the side of beneficiaries (Section 3, question 35.8)

- Assurance of ownership and commitment towards the agreed objectives and outcomes of the project on the side of beneficiaries (Section 3, question 35.9)
- Assurance of sufficient capacity and competence for project resource delivery on the side of beneficiaries (Section 3, question 35.10)

Regarding the CSR dimension of the social and economic context, beneficiaries were spontaneously mentioned

- 32 times when respondents were asked about key factors that they consider in CSR monitoring and evaluation,
- 27 times when references were made about supporting factors in CSR implementation and
- 27 times under hindering factors.

The company-beneficiary relationship is therefore a very prominent factor in this CSR dimension. Success in managing it will impact positively on beneficiaries in terms of social and environmental benefits, and on companies in terms of reputation and brand affinity. There is, however, reason to believe that CSR officers very often experience frustration and disappointment in this area. Mention was made earlier of the differences in approach between business enterprises and non-profit entities and the impact thereof on the relationships involved.

CSR beneficiation is a complex matter (Njenga and Smit, 2007:42-45). The question for further consideration is:

What competencies need to be developed in sub-Saharan companies to manage the whole beneficiation process more effectively and to also bring it in line with core business?

3.2.4.9 Funding

Of the various sets of data, the financials were the most difficult to obtain. Many companies simply refused to provide financial information (Section 1, questions 7 to 9). Some ignored the request to provide such information, others pleaded confidentiality. Some provided financial information without including CSR budget or expense detail. However, companies that include sustainability or corporate social responsibility spending in their publicised annual reports were more willing to provide the required information.

Despite the reluctance to share or provide financial information, return on investment proved to be an important consideration for companies. A question about whether CSR

initiatives have a positive influence on the overall profitability of business (Section 1, question 22) was met with an overwhelming “yes, absolutely” as illustrated in Figure 38. However, if financial information on CSR activities is difficult to obtain and if budget processes for the same are not formalised, how will the impact of CSR on profitability ever be known?

It will not be unfair to state that financial terminology was often used by respondents in the sub-Saharan survey, but the ability to calculate the real value thereof seems to be limited. This is undoubtedly an area for improvement.

The need for improved financial accountability and transparency seems to be critical and financial prowess is not a natural competency of most CSR practitioners. Therefore the critical question will be the following:

How can sub-Saharan companies be assisted to improve the financial accountability and transparency of their CSR initiatives and to calculate the return on their socially responsible investments?

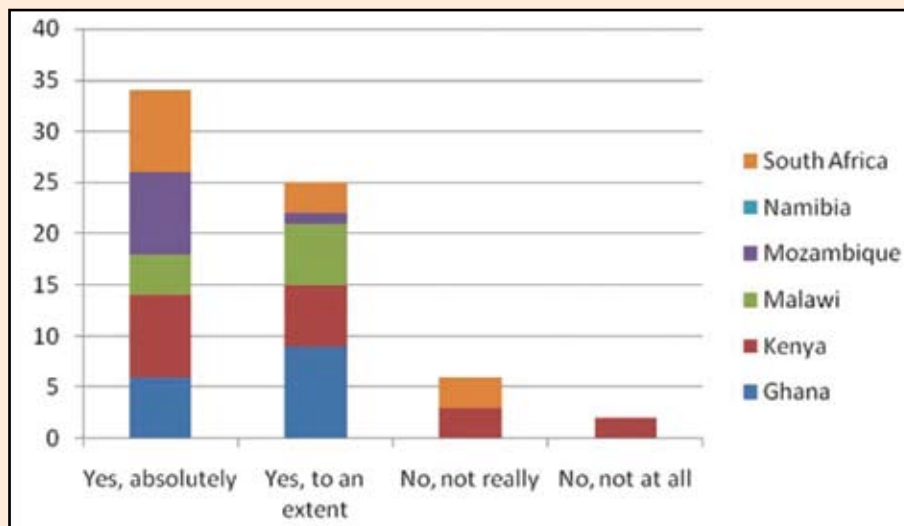


Figure 38: Impact of CSR on profitability (Question 22)

3.3 The interconnectedness of supporting and hindering factors

The risk in dealing with nine such critical success factors is to lose sight of their interconnectedness and deal with them in isolation. Together these factors form a system of which developments in terms of one of them will impact on several of the others. The following statements illustrate the point:

- Leadership and governance: It is the responsibility of board, executive and operational leadership in a company to take care that CSR delivers on **return on investment** and contributes to public reputation through ensuring that initiatives are anchored in a relevant **policy framework** on the one hand and are aligned with core business considerations on the other. Leadership also play a role in the profile of the variety of **stakeholders** that a company selects to engage with, be it communities or beneficiaries to invest in or partners to cooperate with. Finally, leadership and governance have oversight for the quality of **CSR project implementation, including the empowerment of the responsible officers**, and are at the same time the address for reporting on the results thereof.
- Policy framework: Policies shape and guide practice. CSR policies pull together regulatory considerations, express ownership or shareholder preferences, align initiatives with business objectives, prescribe **funding** procedures, determine criteria for **stakeholder selection and engagement** and determine the requirements and accountabilities for **project management**.
- Project management: Good project management ensures that project selection and design align with both **policy requirements** and business objectives, structure and develop **stakeholder engagement**, take care of the full project cycle and stand accountable for delivery in relationship to **board and executive leadership**.
- Monitoring, evaluation and reporting: This factor should incorporate and give account of the effectiveness of **policy requirements, return on investment**, brand reputation, the impact of CSR initiatives on beneficiaries, the quality of **stakeholder relationships** and overall **project management efficiency**.
- Stakeholder engagement: Stakeholders need to be informed about a company's **CSR policies** and understand the reasons why and the purposes for which companies engage in CSR and provide **funding** and other means to make it work. There needs to be a mutual understanding of expectations, roles and responsibilities on both sides of the company - stakeholder relationship. Stakeholders need to be considered and incorporated in relevant decisions and in **monitoring and evaluation**. They deserve as much as others to be reported to as well.
- Staff engagement: Staff are more than just willing supporters and implementers of a company's CSR initiatives. They are the living expressions of a company's values and ideals. It is important that they see, understand and commit to the full CSR picture and understand the **policy framework** and the visionary **objectives**. They are also needed to join the **leadership** in building corporate **reputation**. They engage with **beneficiaries** and other **stakeholders** and they are involved in various dimensions of the **project management cycle**.
- Government: Government defines the CSR environment for companies. Its regulations may impact on the **CSR policy framework**. Government determines the rights and responsibilities of owners and shareholders, it shapes the business conditions through its economic and fiscal **policies** and in some countries it even defines social and environmental policies and expect companies to **assess and report** on their performance.
- **Beneficiation**: Beneficiaries are more than just recipients of corporate goods. They are stewards of **corporate funds**. They are actually partnering with a business enterprise for the sake of creating and increasing social capital in communities. To play their part beneficiaries need to understand a corporate sponsor's **CSR policies**. They are needed to cooperate in the **project management cycle**. Their input in **monitoring, evaluation and reporting** is of vital importance. They are

often needed to help **company staff** to function comfortably in an impoverished environment.

- Funding: Funding CSR is more than just availing money to projects. Funding is the monetary translation of **CSR policy** to create socio-economic value. There is a cost in maintaining every single aspect of a company's CSR initiatives and it is a legitimate and reasonable expectation that return on investment should be **monitored, measured and reported** on.

It is a promising prospect that focusing on these nine factors, not forgetting about their interconnectedness, the importance and impact of CSR in sub-Saharan companies will be strengthened.

Chapter 4: Recommendations for enhancing CSR in sub-Saharan Africa



“If you think you are too small to make a difference, then you have never slept in a room with a mosquito.”

(African proverb)

4.1 Introduction

The analysis of the data revealed that the majority of companies surveyed tend to practice a form of CSR that veers more towards and is more reminiscent of philanthropic giving than the holistic sustainability approach that is increasingly proposed and developed in the global discourse on the topic. Wayne Visser⁶ offers a fine explanation of the complexity of this situation:

“In an African context, such conflict and contradictions [between the levels in Carroll’s CSR pyramid] tend to be the norm, rather than the exception – how to reconcile job creation and environmental protection, short term profitability and AIDS treatment costs, oppressing regimes and transport governance, economic empowerment and social investment? And, in reality, the interconnections are so blurred as [to make these levels] seem artificial or even irrelevant. For example, is the issue of AIDS treatment primarily an economic responsibility (given the medium to long term effects on the workforce and economy), or is it ethical (because AIDS sufferers have basic human rights), or is it philanthropic (it is not an occupational disease, so surely treatment amounts to charity/philanthropy)?”

It can therefore be stated that there is a prevailing paradigm at work about social responsibility in companies in sub-Saharan Africa, which will have to be transformed before CSR will mature into its full impact and potential in the region. The nine critical success factors for CSR as identified and defined in this survey require as basis a shift from a predominant focus on CSI to a full-bodied CSR to positively impact on CSR practice improvement. The question, therefore, is how this change is going to be effected?

The first part of this chapter offers a framework for action towards a more mature expression of CSR in companies in sub-Saharan Africa. The latter part concentrates on concrete action steps.

4.2 A framework for action

4.2.1 What have respondents asked for?

Respondents in the survey have expressed a need for learning and a need for instruments. Despite the predominantly CSI oriented nature of the majority of CSR practices in the companies surveyed, a significant enough number of respondents show an awareness

of a bigger picture that is unfolding for which they are not adequately informed or equipped. They have also provided enough indications of the areas that they are challenged with and the gaps in their own CSR practices.

⁶ Visser in “Revisiting Carroll’s CSR pyramid”, p47

4.2.2 Principles: design of instruments, interventions and key elements for CSR intervention

There are, broadly speaking, two change paradigms that can be applied to this challenge. The one is a linear prescriptive and blueprint driven approach where the solution is predefined and imposed from the top. The other option is a systemic and context-sensitive approach that relies on the potential of people, organisations and communities to design and implement their own solutions.

The latter of the two options is recommended and a sub-Saharan framework in which the following principles are adhered to, proposed:

- ***Development should be context specific***

Economic conditions, socio-cultural value systems and socio-economic challenges differ from country to country. In South Africa for example, the CSR context is largely determined by the socio-economic conditions created by apartheid. In neighbouring Mozambique, CSR develops from a low base in the aftermath of a prolonged civil war and desperate poverty. National business systems therefore differ from one context to the next. For the transformation and expansion of CSR, these realities will have to be incorporated. Although expert knowledge and facilitation may be needed to drive the change process, the people best equipped to define and promote the change needed are those who work within the existing structures and carry the responsibilities for CSR impact on a daily base, even if they come from a low base of understanding of what CSR is all about.

- ***CSR development should connect and work with emergent patterns***

All of the surveyed companies practice CSI in one form or another, while some of them have transitioned to CSR. Many companies that did not have CSR policies before are in the process of developing them. Some companies that primarily engaged in philanthropy before are in the process of expanding their understanding, developing new structures, getting more disciplined with their management processes and desire to learn about monitoring and evaluation techniques. More examples of emergent development

can be offered from the survey data, but the point is clear: connecting and working with existing efforts and expanding from there creates more durable and sustainable change outcomes.

- ***All key business disciplines need to be involved***

If CSR is about a holistic understanding of the way in which companies exercise responsibility and accountability for the economic, social and environmental impact of their business decisions and behaviours, then it is a too limited view to focus only on those people in companies that carry an explicit operational responsibility for CSR initiatives. If CSR is therefore indeed an essential and integrated dimension of business, more key role-players need to be involved in the design and implementation thereof. The profile of CSR agents in a company should include at least all of the following: human resources, marketing, finance, sales and operations, and not be limited to one particular person or division.

- ***Recognise differences between profit and non-profit making entities***

Companies work with a variety of stakeholders whose organisational processes, capacities and cycles differ significantly from their own, e.g. community-based organisations, non-profit organisations, NGOs, academia and public sector organisations. The differences between companies and these other entities are often underestimated and poorly managed. Even our survey data carries evidence of frustrated relationships between companies and non-business entities resulting in the breakdown of communication, negative stereotyping and mistrust. The amount of competence to manage the complexity of relationships at the interface between companies and their external stakeholders should never be underestimated. Recognising their different paradigms, these stakeholders will have to grow in mutual understanding and the development of common objectives.

- ***Create sustainable impact and move away from practices that keep root causes in place***

The positive side of philanthropy is that it creates quick wins, bringing immediate and visible relief to needy places. The

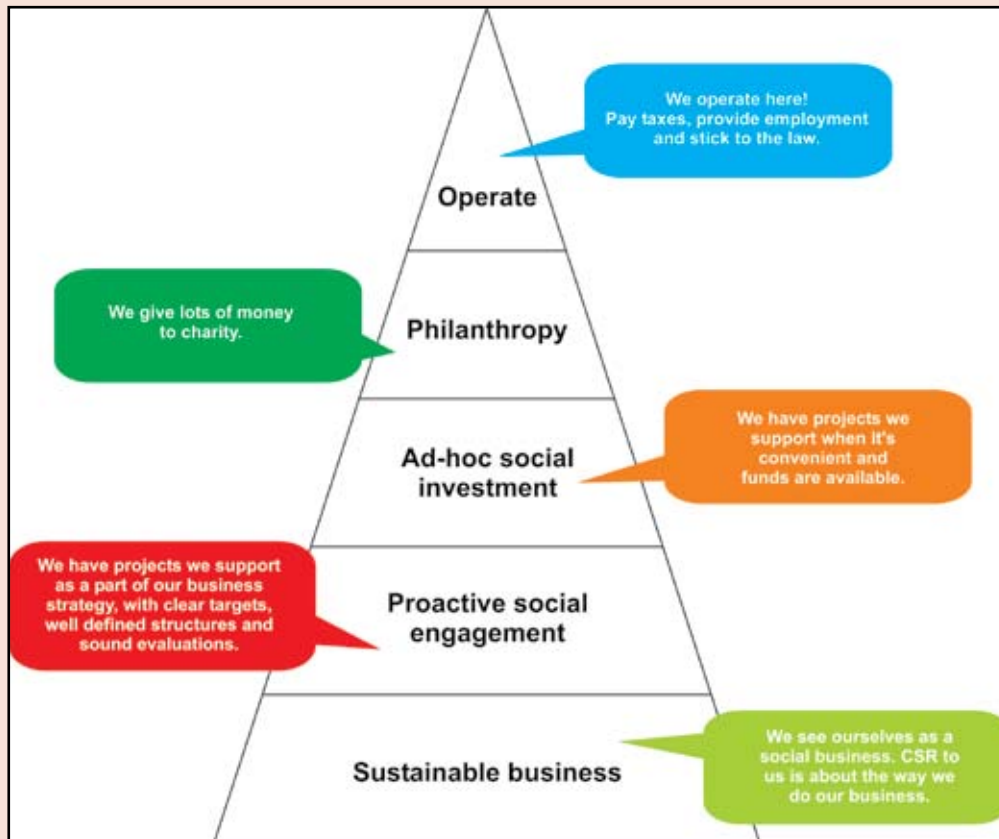


Figure 39: CSR practices in Kenya

negative side of the same is that it often keeps the root causes of need firmly in place and creates dependence instead of empowerment. The fundamentals of CSR point away from short term philanthropy to long term sustainable development.

Figure 39 is an illustration from Kenya depicting CSR views of companies that gives an excellent insight into the required CSR paradigm change required in companies.

The proposed CSR paradigm change is a convergence of new ideas and practices (**behaviours**) that are impacting on management practice. According to this view, CSR is a concept that applies to all the decision-making processes and systems in a business. Hence, developing a CSR competency framework must involve the decisions, actions and behaviours of all people, at all levels throughout an organisation - from senior management to the shop floor - across all functions and in companies in all sectors, as well as external stakeholders, i.e. public sector and NGO communities.

To bring about responsible CSR behaviour, it is advised that interventions and instruments aim at addressing the key elements of knowledge, skills and attitudes, as illustrated in Figure 40 (p. 62).

These three key components complement each other and it is the combination of each that gives rise to key **behaviours** demonstrated by people. One needs to be aware of the interplay amongst the three elements in trying to understand and describe management activity. Worth saying at this stage is that some of these things can be taught, while others can only be learned slowly over time. It is easier to design development interventions to increase knowledge and develop new skills - it is much more difficult to change people's values and attitudes.

However, in order to understand how CSR competencies might be applied in a specific organisation, one must consider both the country and business climate, organisational culture and the nature of the business environment in which it operates. It will also

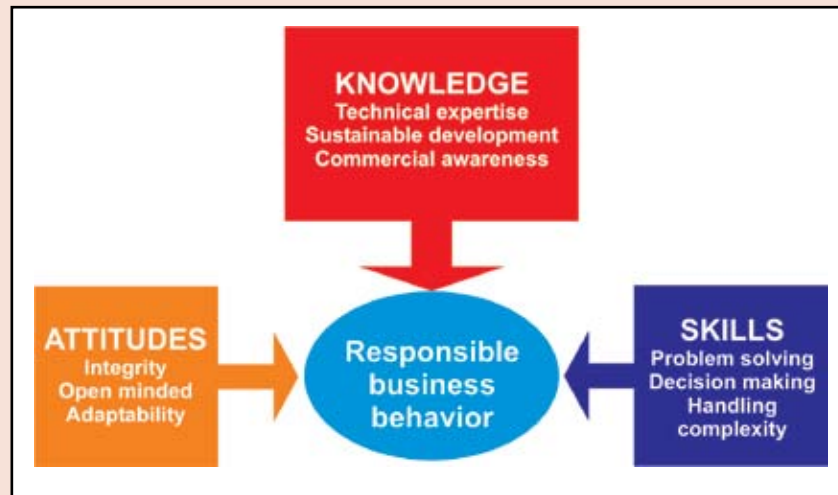


Figure 40: Key elements for CSR interventions

concern the prevailing degree of openness and transparency within a country, which impacts on the company and its ability to involve all workers in the management change process necessary to embrace CSR.

This survey has shown that there is a need for a knowledge management function and portal for sub-Saharan Africa where companies (especially CSR practitioners), governments and communities can access best practice examples, case studies, etc. in their CSR development and growth journey.

Dialogue in South Africa has begun a Social Mapping Project in conjunction with Business Trust and AfricaScope to establish a central database depicting social investment and social needs – but that is still far off from a full bodied CSR knowledge management portal.

4.2.3 Challenges and obstacles

Most current initiatives target companies (like Global Compact local networks), but since CSR is often a function of stakeholder pressure, awareness raising should also target the government, media, NGOs, consumers, etc. CSR in developing countries is a relatively new issue and is viewed differently there than in the developed world corporate citizenship paradigm – this should be noted in the design of instruments and interventions.

Key challenges and constraints to take note of are:

- Getting the interest and attention of companies, which is generally a difficult endeavour due to fragmentation of responsibility of CSR within structures and time constraints of CSR practitioners
- Financial constraints – in companies, community groupings and organisations, as well as the public sector/state these often hinder the implementation of CSR initiatives at all levels
- Co-operation across public sector ministries, business sectors and community interest groups – this is a universal challenge due to different understanding and/or political interests/intentions regarding CSR, within the sectors as well as across these groupings

4.2.4 What is needed to achieve a paradigm shift?

4.2.4.1 Objectives to be achieved

What is proposed here is the integration of two different models in the form of a stratified approach. The first of the two models has already been applied during the course of this report, namely Crane, Matten & Spencer's (2008) identification of four dimensions of CSR application. For CSR in sub-Saharan Africa to be transformed, the identified weak degree of alignment between core business, main

dimensions of CSR policy focus and CSR practice in terms of project selection, the CSR focus and practice of sub-Saharan companies will have to expand to not only cover community (C) and environment (E), but achieve a balanced approach and include workplace (W) and marketplace (M) practices as well, as illustrated in Figure 41.

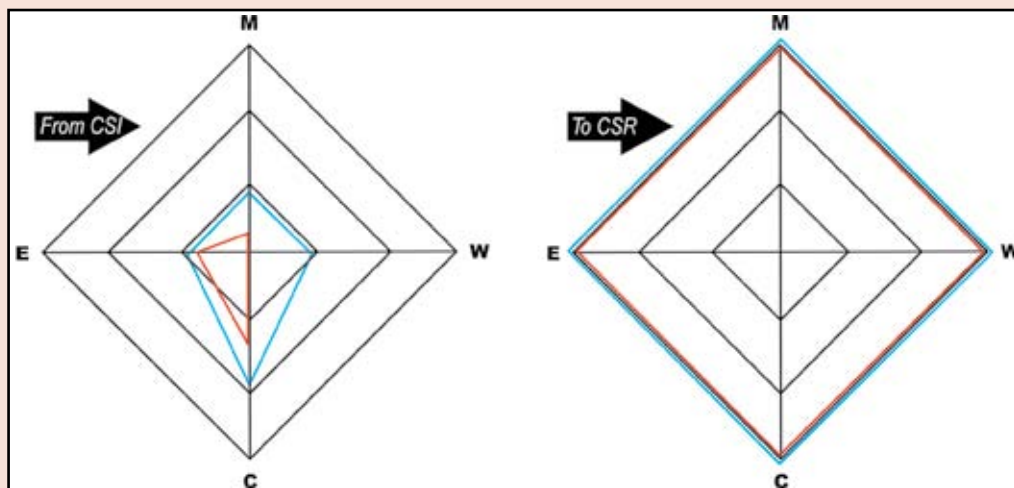


Figure 41: From narrow CSI focus to integrated holistically balanced CSR

The second model is an adapted version of the determinants of systemic competitiveness of Meyer-Stamer of Mesopartners. Four levels of systemic competitiveness are identified:

1. **Micro level:** This level refers to the intra-firm effort to improve efficiency, quality, flexibility, responsiveness and business strategy. In terms of the previously identified leverage points for CSR paradigm change and development, this level aligns to the intra-company components, with reference to executive leadership, senior management and CSR practitioners.
2. **Meso level:** This level refers to “targeted policies to strengthen the competitiveness of industries”. In terms of the leverage points for CSR paradigm change and development, this level aligns with the two dialogue circles identified as “within broader business circles” and “between companies and non-government stakeholders”. It is at this level that CSR practitioners from business and stakeholders from NGOs and academia work together to achieve standardisation and benchmarking for CSR understanding and improvement.
3. **Macro level:** This level refers to “stable, competition-oriented macro-economic, political and legal framework conditions”. It aligns with the public-private dialogue dimension of CSR paradigm change. This is where companies and governments, and other role-players as well, work together to create a conducive legal and fiscal framework for CSR to flourish in.
4. **Meta level:** This level is defined as “development oriented patterns of political and economic organisation”. It is less structurally defined than the others and refers more to the ideals, visions and values that inform sound and accountable practice. However, the global agreements, guidelines and instruments that are currently in sway create an environment for visionary aspiration and hence the impact that the MDG, the UNGC, the GRI and other protocols have on local business operations.

These four levels can be illustrated as in Figure 42 (p. 64).



Figure 42: Systemic competitiveness model (Meyer-Stamer, Mesopartners)

4.2.5 Where are the leverage points for CSR transformation drivers?

This survey resulted in the formulation of nine critical success factors that will have a definitive impact on CSR practice development in sub-Saharan companies and countries. Implementing these factors requires a change strategy that will have to take into account the most promising leverage points in the business systems at stake. Entering the process with the notion that the mere empowerment of official CSR officers will effect the desired change, represents too limited a view of the challenge posed. The requirement is nothing less than a systemic change at various levels of CSR relevant structures.

It is herewith proposed that leverage points within the tri-sector partnerships be identified at five different levels of CSR practice:

1. *Within companies*

As long as CSR is going to stay the primary and operational responsibility of an individual, department, foundation or trust, the risk is that it will stay locked in CSI. Ways will have to be found to instil a comprehensive understanding of CSR and the business integration thereof amongst the ranks of executive leadership.

2. *Within broader business circles*

With the broad scope of business stakeholders in mind, as described in the foregoing paragraph, the stimulation of dialogue and the development of networks or clusters of mutual learning and benchmarking become important leverage mechanisms. The respondents of the surveyed companies already indicated their need for knowledge and instruments with respect to CSR development. Training and workshops offer ideal opportunities to create resource pools for mutual learning and the development of instrumentation. It is in these forums and on the platform of a synergistic approach that the nine critical success factors for CSR development in sub-Saharan companies can be further explored and be subjected to thorough research, benchmarks can be developed and tested, and knowledge and skills can be transferred to potential agents of change within companies.

3. *Between companies and governments*

The research data clearly indicated the necessity of public-private dialogue in the CSR space. Governments seem not to fulfil the expectations of companies with regard to the advancement of CSR in the respective countries. Companies also

offered to share the expertise that they have required with their governments and to be supportive of creating a more conducive environment for CSR.

4. Between companies and non-government stakeholders

It was mentioned earlier that companies and their non-business stakeholders function within different paradigms of thinking and doing. The business-stakeholder discourse intensified in recent years and stakeholder activism has become a factor that many a company has had to come to terms with. However, the measure of economic, social and environmental challenges in the sub-Saharan region is of such a magnitude that companies and other stakeholders will have to optimise their potential synergies for the future of their societies.

5. Between companies and global role-players

Companies acknowledged the existence of voluntary global agreements and in many cases also indicated that they indeed play a role in corporate CSR policy and strategy development. What is at stake here is not only the globalisation of business, but also the realisation that the economic, social and environmental impact of business has become an integral dimension of the global agenda. Multinational companies may be more directly implied and affected by these global agreements, but that does not mean that local companies are excluded from either their importance or impact. Regular meetings between heads of state and/or ministers of finance of various countries offer a clear indication of how definitive these agreements have become for doing business in today's world. This is a level of leverage of which the impact should not be underestimated.

4.3 A design for intervention

The issue at stake here is the optimisation of the identified nine critical success factors for CSR development in sub-Saharan Africa,

using leverage points within each of the sectors. The underlying strategy as proposed up until now is to start not with the nine factors themselves, but to optimise the conditions within which they have to be applied. The challenge now is to bring it all together in a workable model.

4.3.1 Key findings and recommended interventions focus

Taking all the above into account, the Tables 8 and 9 list the different types of instruments and interventions at the different levels and target groups that can be employed to facilitate a paradigm shift from the current predominantly CSI approach to a totally embedded CSR mindset within sub-Saharan companies. The proposed interventions are presented from two perspectives: (1) from the nine critical success factors identified and then (2) from the systemic competitiveness levels, and both looking at the key leverage areas that can be utilised to achieve CSR change.

4.3.2 Critical success factor level proposed interventions

Table 8 (p. 66) offers suggestions for interventions based on the nine critical CSR success factors for sub-Saharan companies identified and the key leverage points within business, government and community stakeholders, as well as at the interface levels between these stakeholders.

4.3.3 Systemic competitive level proposed interventions

Table 9 (p. 67) provides suggested interventions at the systemic competitive (micro, macro, meso and meta) levels and the key leverage points within business, government and community as stakeholders, as well the interface levels between these stakeholders, that could be employed by stakeholders individually or collectively to develop CSR practice and application within sub-Saharan Africa.

	Within companies	Within broader business circles	Between companies and their governments	Between companies and non-government stakeholders	Between companies and global role-players
Critical CSR success factors for sub-Saharan companies					
All interventions should be aimed at knowledge, attitudes and skills improvement to change behaviours					
Leadership and governance	A vision and business case for CSR at executive and board level that spans all arenas of business	Business chambers need to provide leadership and guidance at national and local levels; sharing of case studies and best practice	Develop a national agenda for social responsibility	Board and executive engagement between companies and stakeholders	Larger corporates can set the example and influence their supply chains and downstream enterprises
Policy framework	Policy development workshops for senior management across all departments of a business	Industry-based protocols or agreements; collective activities of companies with regard to CSR	Generally accepted standards and benchmarks, monitored by CSR auditing and scorecards	Business-community developmental pacts	Sharing of case studies and best practice
Project management	Skills building in project management for CSR officials and their staff	Sharing of case studies and best practice	Sharing of case studies and best practice	Sharing of case studies and best practice; capacity and skills building in project management for NGO partners	Sharing of case studies and best practice
Monitoring, evaluation and reporting	Development and implementation of guidelines and instruments, skills development in the application of monitoring, evaluation and reporting	Sharing of case studies and best practice; benchmarking		Capacity and skills building in project management for NGO partners	Sharing of case studies and best practice
Stakeholder engagement	Skills development workshops	Sharing of case studies and best practice		Sharing of case studies and best practice	Sharing of case studies and best practice
Staff engagement	CSR training, volunteer programmes and empowerment to apply CSR principles and practices in the workplace?			NGO staff development - not only project funding - NGO sustainability	
Government			Industry protocols or agreements		Sharing of case studies and best practice benchmarking
Beneficiation	Develop staff social capital for application in community			Development of social capital in communities	
Funding	CSR budgeting across all business units ROI on CSR initiatives	Synergistic utilisation of resources, especially for collective activities and local economic development	Negotiation of tax incentives, public-private partnerships and cross-sector partnerships at local government level	Enhance long-term sustainability in support initiatives	Synergistic utilisation of resources
Supported and further informed by knowledge management portal in the form of newsletters, websites, studies, reports, publications, instruments and awards					

Table 8: Key findings focussed interventions

	Intra-company instruments		Broader business circle instruments		Public-private environment instruments		Business-community environment instruments		Global protocol environment	
Micro level Practice environment	<p>CSR awareness raising instruments: Education activities (conferences, seminars, trainings, etc.)</p> <p>Information resources: Websites, studies, reports, publications, etc.</p> <p>Information/awareness raising campaigns:</p> <p>Multi-stakeholder fora</p> <p>Prizes and awards: CSR audits, labels, etc.</p>	<p>Information/awareness raising campaigns.</p> <p>Multi-stakeholder fora</p> <p>Economic incentives: Loans, grants, subsidies, preferential market access, etc.</p> <p>Establish industry association codes of practice on CSR</p>	<p>Information/awareness raising campaigns.</p> <p>Multi-stakeholder fora</p> <p>Economic incentives: Loans, grants, subsidies, preferential market access, etc.</p>	<p>Information/awareness raising campaigns.</p> <p>Multi-stakeholder fora</p> <p>Economic incentives: Loans, grants, subsidies, preferential market access, etc.</p> <p>CSOs must help firms to define, plan and execute CSR projects in communications affected by firm operations</p>	<p>Information/awareness raising campaigns.</p> <p>Multi-stakeholder fora</p> <p>Economic incentives: Loans, grants, subsidies, preferential market access, etc.</p>	<p>Information/awareness raising campaigns.</p> <p>Multi-stakeholder fora</p> <p>Economic incentives: Loans, grants, subsidies, preferential market access, etc.</p>	<p>Information/awareness raising campaigns.</p> <p>Multi-stakeholder fora</p> <p>Economic incentives: Loans, grants, subsidies, preferential market access, etc.</p>	<p>Information/awareness raising campaigns.</p> <p>Multi-stakeholder fora</p> <p>Economic incentives: Loans, grants, subsidies, preferential market access, etc.</p>	<p>Information/awareness raising campaigns.</p> <p>Multi-stakeholder fora</p> <p>Economic incentives: Loans, grants, subsidies, preferential market access, etc.</p>	
Meso level Policy and bench-marking environment	<p>CSR awareness raising instruments: Education activities (conferences, seminars, trainings, etc.)</p> <p>Information resources: Websites, studies, reports, publications, etc.</p> <p>Information/awareness raising campaigns:</p> <p>Multi-stakeholder fora</p> <p>Creation of interaction systems beyond direct contact</p> <p>Economic incentives: Loans, grants, subsidies, preferential market access, etc.</p> <p>Concise publications on CSR structures in companies locally, highlighting key trends, success, etc.</p>	<p>Partnering instruments: networks, partnerships, dialogues</p> <p>Information and endorsing instruments: Campaigns, guidelines, trainings, best practice models</p> <p>Information/awareness raising campaigns</p> <p>Multi-stakeholder fora</p> <p>Industry association codes of practice on CSR must be benchmarked against international best practice or for MNCs what pertains in their HQ offices in country of origin</p> <p>Need for neutral CSR development facilitation agents</p>	<p>Partnering instruments: networks, partnerships, dialogues</p> <p>CSR awareness raising instruments: Education activities (conferences, seminars, trainings, etc.)</p> <p>Information/awareness raising campaigns</p> <p>Multi-stakeholder fora</p> <p>Periodic open dialogue between stakeholders to assess development and progress</p> <p>Government public recognition pro-active CSR companies (awards, etc.)</p> <p>Public-private combined training and capacity building initiatives</p>	<p>Partnering instruments: networks, partnerships, dialogues</p> <p>CSR awareness raising instruments: Education activities (conferences, seminars, trainings, etc.)</p> <p>Information/awareness raising campaigns</p> <p>Multi-stakeholder fora</p> <p>Creation of interaction systems beyond direct contact</p> <p>Community literacy is a challenge and initiatives must include this constituency in campaigns.</p>	<p>Partnering instruments: networks, partnerships, dialogues</p> <p>CSR awareness raising instruments: Education activities (conferences, seminars, trainings, etc.)</p> <p>Information/awareness raising campaigns</p> <p>Multi-stakeholder fora</p> <p>Economic incentives: Loans, grants, subsidies, preferential market access, etc.</p>	<p>Partnering instruments: networks, partnerships, dialogues</p> <p>CSR awareness raising instruments: Education activities (conferences, seminars, trainings, etc.)</p> <p>Information/awareness raising campaigns</p> <p>Multi-stakeholder fora</p> <p>Economic incentives: Loans, grants, subsidies, preferential market access, etc.</p>	<p>Partnering instruments: networks, partnerships, dialogues</p> <p>CSR awareness raising instruments: Education activities (conferences, seminars, trainings, etc.)</p> <p>Information/awareness raising campaigns</p> <p>Multi-stakeholder fora</p> <p>Economic incentives: Loans, grants, subsidies, preferential market access, etc.</p>	<p>Partnering instruments: networks, partnerships, dialogues</p> <p>CSR awareness raising instruments: Education activities (conferences, seminars, trainings, etc.)</p> <p>Information/awareness raising campaigns</p> <p>Multi-stakeholder fora</p> <p>Economic incentives: Loans, grants, subsidies, preferential market access, etc.</p>	<p>Partnering instruments: networks, partnerships, dialogues</p> <p>CSR awareness raising instruments: Education activities (conferences, seminars, trainings, etc.)</p> <p>Information/awareness raising campaigns</p> <p>Multi-stakeholder fora</p> <p>Economic incentives: Loans, grants, subsidies, preferential market access, etc.</p>	
Macro level Political and legislative environment	<p>CSR awareness raising instruments: Education activities (conferences, seminars, trainings, etc.)</p> <p>Information resources: Websites, studies, reports, publications, etc.</p> <p>Information/awareness raising campaigns:</p> <p>Multi-stakeholder fora</p> <p>Economic incentives: Loans, grants, subsidies, preferential market access, etc.</p>	<p>Financial and economic instruments</p> <p>Mandating instruments: Laws, regulations, decrees</p> <p>Education activities: (conferences, seminars, trainings, etc.)</p> <p>Information resources: Websites, studies, reports, publications, etc.</p> <p>Information/Awareness raising campaigns</p> <p>Multi-stakeholder fora</p>	<p>CSR awareness raising instruments: Education activities (conferences, seminars, trainings, etc.)</p> <p>Information resources: Websites, studies, reports, publications, etc.</p> <p>Public sector institutions must be empowered to perform enforcement duties on CSR.</p> <p>Public-private network development (like BAAC in Malawi)</p>	<p>CSR awareness raising instruments: Education activities (conferences, seminars, trainings, etc.)</p> <p>Information resources: Websites, studies, reports, publications, etc.</p> <p>Multi-stakeholder fora</p> <p>Economic incentives: Loans, grants, subsidies, preferential market access, etc.</p>	<p>CSR awareness raising instruments: Education activities (conferences, seminars, trainings, etc.)</p> <p>Information resources: Websites, studies, reports, publications, etc.</p> <p>Multi-stakeholder fora</p> <p>Economic incentives: Loans, grants, subsidies, preferential market access, etc.</p>	<p>CSR awareness raising instruments: Education activities (conferences, seminars, trainings, etc.)</p> <p>Information resources: Websites, studies, reports, publications, etc.</p> <p>Multi-stakeholder fora</p> <p>Economic incentives: Loans, grants, subsidies, preferential market access, etc.</p>	<p>CSR awareness raising instruments: Education activities (conferences, seminars, trainings, etc.)</p> <p>Information resources: Websites, studies, reports, publications, etc.</p> <p>Multi-stakeholder fora</p> <p>Economic incentives: Loans, grants, subsidies, preferential market access, etc.</p>	<p>CSR awareness raising instruments: Education activities (conferences, seminars, trainings, etc.)</p> <p>Information resources: Websites, studies, reports, publications, etc.</p> <p>Multi-stakeholder fora</p> <p>Economic incentives: Loans, grants, subsidies, preferential market access, etc.</p>	<p>CSR awareness raising instruments: Education activities (conferences, seminars, trainings, etc.)</p> <p>Information resources: Websites, studies, reports, publications, etc.</p> <p>Multi-stakeholder fora</p> <p>Economic incentives: Loans, grants, subsidies, preferential market access, etc.</p>	<p>CSR awareness raising instruments: Education activities (conferences, seminars, trainings, etc.)</p> <p>Information resources: Websites, studies, reports, publications, etc.</p> <p>Multi-stakeholder fora</p> <p>Economic incentives: Loans, grants, subsidies, preferential market access, etc.</p>
Meta level Global visionary and protocol environment	<p>Information resources: Websites, reports, publications, research</p> <p>Information/awareness raising campaigns</p> <p>Business incentives: Carbon credits</p>	<p>CSR awareness raising instruments</p> <p>Education activities: consultations, seminars, trainings, policy dialogue</p> <p>Multi-stakeholder fora</p> <p>Economic incentives: Grants, subsidies, preferential market access</p>	<p>CSR awareness raising instruments</p> <p>Education activities: consultations, seminars, trainings, policy dialogue</p> <p>Multi-stakeholder fora</p> <p>Economic incentives: Grants, subsidies, preferential market access</p>	<p>International partnering instruments: networks, partnerships, dialogues</p> <p>CSR awareness raising instruments</p> <p>Education activities: Conferences, seminars, trainings, impact assessment development</p> <p>Information resources: Case studies, reports, publications, websites</p> <p>Multi-stakeholder fora</p>	<p>International partnering instruments: networks, partnerships, dialogues</p> <p>CSR awareness raising instruments</p> <p>Education activities: Conferences, seminars, trainings</p> <p>Information resources: Websites, studies, reports, publications</p> <p>Multi-stakeholder fora</p>	<p>International partnering instruments: networks, partnerships, dialogues</p> <p>CSR awareness raising instruments</p> <p>Education activities: Conferences, seminars, trainings</p> <p>Information resources: Websites, studies, reports, publications</p> <p>Multi-stakeholder fora</p>	<p>International partnering instruments: networks, partnerships, dialogues</p> <p>CSR awareness raising instruments</p> <p>Education activities: Conferences, seminars, trainings</p> <p>Information resources: Websites, studies, reports, publications</p> <p>Multi-stakeholder fora</p>	<p>International partnering instruments: networks, partnerships, dialogues</p> <p>CSR awareness raising instruments</p> <p>Education activities: Conferences, seminars, trainings</p> <p>Information resources: Websites, studies, reports, publications</p> <p>Multi-stakeholder fora</p>	<p>International partnering instruments: networks, partnerships, dialogues</p> <p>CSR awareness raising instruments</p> <p>Education activities: Conferences, seminars, trainings</p> <p>Information resources: Websites, studies, reports, publications</p> <p>Multi-stakeholder fora</p>	

Table 9: Interventions stemming from systemic competitiveness levels

4.3.4 Country specific instruments and interventions

The country partners in this survey have often been declined participation, because of companies' survey fatigue. Company respondents added that they are not interested, because they have become used to spending time on surveys of which they never get any benefit in return. Taking the outcomes of this survey and translating that into a vehicle for significant and lasting CSR transformation may just be the answer to such indifference.

Survey partners have been asked to identify and recommend areas for future attention. One set of expectations worth noting comes from Malawi, where there is a need for support with the development of CSR structures, the development of impact assessment instrumentation, the development of long-term CSR strategy and CSR personnel training.

From Ghana came the following suggestions:

- a) The development of industry association codes of practice in CSR that are benchmarked against international best practices for MNCs
- b) An idea that public institutions must be empowered to perform enforcement of duties on CSR
- c) The creation of a CSR Index

In Namibia two key issues were raised:

- (a) Government should play a stronger role in promoting CSR by establishing a legislated framework that would require companies operating in Namibia to adhere to responsible business practices
- (b) The lack of a collective dialogue process around CSR in the country

From the South African country report comes the observation that BB-BEE and CSR should be better integrated. The BB-BEE Scorecard for companies offers a holistic CSR framework and provides an excellent opportunity for the advancement of CSR throughout the South African economy, but it suffers from especially two problems:

- 1) It does not incorporate the environmental impact of business on communities
- 2) Its focus on socio-economic development calculated as a factor of profit (1% of net profit after tax) keeps the CSI paradigm firmly in place.

There is a broad base of community focused CSI activity in the country, but locally designed ways and means within each country will have to be found to guide that towards a full-bodied CSR. The South African context is perhaps ready now for a minimum standard covering aspects of all national and international CSR concepts.

4.4 Final conclusions

Allen White said: "Distilled to its basics, the CSR story is a chronicle of gradual redefinition and expansion, ranging from "must do" legal compliance blended with traditional philanthropy, to "should do" based on traditional benefit/cost analysis, to "ought to do" based on emerging global norms of integrity, ethics and justice."

Sub-Saharan Africa is writing its own version of this trajectory of CSR development. Companies' understanding of CSR ranges from classical philanthropy on the one hand to broadly developed expressions of CSR on the other, but most importantly there are vivid signs of movement in the right direction. It is not only multi-national companies that traverse

this journey and stretch for improved CSR development, local companies do as well.

This survey offered a clear picture of the challenges and critical success factors for CSR development in the sub-Saharan region. Nothing less than a committed effort in which companies re-vision their role in CSR and take hands with business partners, governments, external stakeholders and beneficiaries will be needed. Companies furthermore will have to be supported with information, research, skills development, instruments and facilitation services.

Prof Rosabeth Moss Kanter, Harvard Business School, summed it up as follows: "The fact is, many recipients of business largesse often don't need charity; they need change. Not spare change, but real change – sustainable, replicable, institutionalised change that transforms their schools, their job prospects, and their neighbourhoods."

Reciprocity is also at stake here: whilst companies are called upon to be socially responsible entities, other stakeholders, such as governmental institutions, organisations, communities and individuals, are also accountable for what they do in the interest of a sustainable region.

In final conclusion it can be stated that the key to addressing CSR hindering and promoting factors in sub-Saharan Africa lies in a systemic and context-sensitive approach that relies on the potential of people, organisations and communities to design and implement their own solutions within global frameworks.

Allen White said: "Distilled to its basics, the CSR story is a chronicle of gradual redefinition and expansion, ranging from "must do" legal compliance blended with traditional philanthropy, to "should do" based on traditional benefit/cost analysis, to "ought to do" based on emerging global norms of integrity, ethics and justice."



Addendums

- **Addendum A: Country reports**
 - Ghana
 - Kenya
 - Malawi
 - Mozambique,
 - Namibia
 - South Africa
- **Addendum B: The CSR Value Chain[®]**
- **Addendum C: Questions**



1. Summary of key findings

Sixteen companies were interviewed for the survey. They operate in 12 different industrial sectors, are of different sizes, have a dispersed origin and nature of ownership: nine companies originate from Ghana, three from the UK, two from South Africa, and one each from Sweden and Japan. In addition, eight are private companies, whilst six are listed and two public.

The findings suggest some degree of awareness by firms of the rationale for and importance of CSR, as well as an appreciation of the place of CSR in business and society. However, this is tempered by the fact that Ghanaian firms' CSR approaches seem to straddle several divides and sometimes appear to be rather not strategically and haphazardly done¹. In Ghana, 50% of respondents pay heed to global CSR agreements like the UN Global Compact, whilst others follow local Ghanaian initiatives like the Ghana Business Code. Firms' CSR approaches are based on several generalised CSR concepts, with major rationales for CSR being to improve the image of the business and engaging in socio-economic development of key stakeholders².

A majority of Ghanaian top executives take a keen interest in their organisations' CSR concepts, in areas like health, philanthropy (in the form of cash donations and the donation of company products), education, the environment, and capacity building. Factors that have the biggest influence on CSR selection and design in Ghana include the needs, interests and expectations of beneficiary communities, companies' resource requirements, and CSR policy and frameworks and guidelines. However, not all companies carry out some form of impact assessment on their CSR actions and activities, although all companies do some form of reporting on their CSR activities.

The key CSR success factors identified by almost all companies were the commitment shown by management, staff and beneficiaries, as well as effective planning and management of the CSR concepts, whilst inadequate allocation of company funds and inadequate human resources proved to be the bane of CSR in some companies. Additionally, 50% of all respondents regard themselves as being highly equipped for their company's CSR role. However, all respondents indicated at least two areas of various options in the questionnaire in which they would like CSR development and support, especially with workshops, specific training and peer exchange. This seems to suggest a willingness by respondents to keep updating their skills in CSR, not only to bring them up to date on latest trends, but importantly, recognition of the need for developmental help and support dealing with shortfalls within their CSR skill sets.

¹ It is worthy of note that earlier studies (Ofori, 2006; Ofori & Hinson, 2007; Ofori, 2007) show that Ghanaian firms' CSR approaches seem to fall within Carroll's (1979) CSR typology: economic, legal, ethical and discretionary (including philanthropy – donation of company products, cash donations and event sponsorships).

² Socio-economic initiatives are those relating to the provision of educational, health, water and sanitation facilities. They also include alternate livelihood schemes for communities that live/exist on the fringes of particular companies.

2. Country overview

2.1 Demographics

Well endowed with natural resources, Ghana is located on the West African coast, bordered by Côte d'Ivoire to the west, Burkina Faso to the north, Togo to the east and the Gulf of Guinea to the south. The British established a crown colony, Gold Coast, in 1874. Created as a parliamentary democracy at independence in 1957, Ghana was ruled by alternating military and civilian governments until military rule gave way to the Fourth Republic after presidential and parliamentary elections in 1992. In recent parliamentary and presidential elections held in December 2008, Prof J.E.A. Mills was elected president of Ghana., and his party, the NDC won a majority in parliament. The main opposition party is the NPP.

With a population of 22 million, Ghana has twice the per capita output of the poorer West African countries. Although it is the world's second largest cocoa producer and extensively exports significant quantities of gold, timber, diamond, bauxite, and manganese, Ghana remains somewhat dependent on international financial and technical assistance, as well as the activities of the Ghanaian Diaspora. Recent oil finds in 2007 reported to contain up to 3 billion barrels (480,000,000 m³) of light oil has engendered optimism that the country can reach middle income status by 2020. Oil exploration is ongoing and the estimates of oil reserves in the fields continue to increase.

The domestic economy revolves around subsistence agriculture, which accounts for 50% of GDP and employs 85% of the workforce. In addition, public sector wage increases and regional peacekeeping commitments have led to continued inflationary deficit financing, depreciation of the Ghanaian currency (the Cedi), and rising public discontent with Ghana's austerity measures. Even so, Ghana remains one of the more economically sound countries in all of Africa, with twice the per capita output of the poorer countries in West Africa.

2.2 CSR content

The government's involvement in CSR seems to rest mainly with the legal dimension, which enjoins businesses to obey the law. However, there is no comprehensive CSR policy or law in Ghana. There are a variety of policies, laws, practices and initiatives that together provide the CSR framework in Ghana and the government seeks to promote CSR by putting in place legislation that defines minimum standards for business performance. Examples include constitutional provisions, local government laws and requirements for environmental impact assessments contained in an act of parliament. The government also facilitates CSR by providing incentives to companies undertaking activities that promote the CSR agenda and drive social and environmental improvements³. The role of the government here is basically catalytic, secondary or supportive.

In Ghana, firms' CSR concepts are based on several generalised ideas. Ofori (2006) opines that a cursory glance at recent company actions reveals a somewhat haphazard indulgence in corporate good works by local firms. Ofori and Hinson (2007) compared the adoption of social responsibilities by internationally connected firms in Ghana and the indigenous Ghanaian firms with no international connections, finding that the internationally connected companies are more strategic, moral and ethical in their approach to CSR, and that both groups of companies concentrated on a few select areas: education, safety, environmental damage, healthcare and consumer protection. Moreover, some focus on donations. Additionally, Ofori (2007) found that firms quoted on the Ghana Stock Exchange are alive to their societal obligations and respond more to all the concerns of their major stakeholders.

Beyond the individual firm level, three key business associations in Ghana, the Association of Ghana Industries (AGI), Ghana National Chamber of Commerce and Industries (GNCCI) and Ghana Employers

³ The government grants tax incentives to firms that donate for charitable purposes and for sports.

Association (GEA) with support from the Improving Business Practice (IBP) sub-component of the DANIDA-funded Business Sector Programme Support (BSPS), have introduced the Ghana Business Code, which is aligned to the UN Global Compact. Although the Code is not binding, it uses a 10-point format that addresses issues of human rights, labour standards, issues of the environment, anti-corruption and ethical business practices to ensure fair treatment of all business stakeholders.

The Ghana Club (GC) 100 was inceptioned in 1998. It is a ranking of Ghana's best performing companies as drawn up by the Ghana Investment Promotion Centre (GIPC). The GC 100 award system's criteria includes:

- All entrants must be limited liability companies
- Companies with state interest must have Government's shares below 50%
- All competitors must have cumulative net profits that are positive for the three years preceding the entry, and must have engaged in corporate responsibility⁴.

The guidelines for determining social responsibility of companies include: health concerns, education, poverty alleviation, environmental concerns, issues relating to the socially vulnerable and contribution to sports development. Its weighted ranking system comprises: size of business (20%), profitability (25%), growth (30%), employment level (15%) and CSR, including philanthropy (10%) of the ranking.

The African Peer Review Mechanism (APRM) of 2005 notes on CSR: *"It is recommended to clarify the concept of CSR in Ghana and make efforts to bring the full import of the concept to all stakeholders, especially government, corporations, communities and CSOs."*

CSR in Ghana (2006): Report submitted to Friedrich Ebert Foundation (FES)
Ghana: *This is how CSR was treated in the FES report: "It is recommended that a CSR policy be developed for Ghana and that the laws that regulate the various sectors of*

"The African Peer Review Mechanism (APRM) of 2005 notes on CSR: "It is recommended to clarify the concept of CSR in Ghana and make efforts to bring the full import of the concept to all stakeholders, especially government, corporations, communities and CSOs."

the economy (and aspects of social life) in Ghana be amended to include specific CSR provisions"; "It is recommended that modalities be put in place to ensure some measure of enforcement of business and professional codes of ethics by external stakeholders in order to improve CSR in the country"; "It is recommended that regulatory institutions include in their regulatory efforts, definitive efforts at facilitating the formation and supporting of the activities of CSR advocacy groups."

3. Survey findings

3.1 CSR positioning and structure

A combined total of the 37.12% described themselves as only moderately equipped, with 12.5% of respondents describing themselves as under equipped for their CSR role. These statistics are telling when set against the backdrop of the fact that the respondent companies are some of the biggest and best run companies in Ghana. Perhaps, as a mitigating factor, it could also be pointed out that a large percentage of the respondents execute their CSR functions as part of a broader array of roles and responsibilities within their companies. Indeed, job designations range from corporate affairs officer to director of finance, director of marketing and director of strategy. Consequently, if respondents have what they consider to be greater responsibilities, they would undoubtedly spend more time on those other roles. It was also clear that

⁴ Ghana Investment Promotion Centre (GIPC). The GC 100 award system criteria inter alia include: the company must have allocated funds/time/human resources, etc., to the described areas of concern, which must be quantified.

for a large majority of respondents, their CSR roles only took no more than 20% of their time, sometimes less. There is also a recognition of the need to meet and work with others executing similar roles in the same industry, sector or business in peer exchanges.

3.2 CSR values and policy frameworks

Eight companies, representing 50% of respondents indicated that global agreements (UN Global Compact and UN Millennium Development Goals) have had an impact on their CSR policy and practice. In addition, over half (60%) of all respondents indicated the existence of specific own company internal CSR policies. A ranking of the survey responses shows that 87.5% of respondents say their major rationale for CSR is to improve the image of the business. However, a similar 87.5% also indicate that their key rationale for CSR is to engage in socio-economic development of their key stakeholders⁵. Respondents in Ghana identified three separate classes of stakeholders – all of them outside the company. It was quite clear from the survey that a majority of company top executives take a keen interest in their organisations' CSR initiatives.

3.3 CSR projects and practices

In Ghana, companies' CSR concepts revolve around a few major areas: health, 43.75%; cash donations (philanthropy), 25%; education, 25%; environment, 18.75%; capacity building, 18.75%; company products (philanthropy), 12.25%, and events sponsorship (philanthropy), 6.25%⁶.

In ranking the factors that have the biggest influence on CSR selection and design, over three-quarters of all respondents indicate that the primary drivers are the needs, interests and expectations of beneficiary communities, followed by the company's resource requirements, and its CSR policy and frameworks/guidelines.

The three factors with which companies have had the most success regarding their project management of CSR projects of

social and environmental context are:

1. Clearly documented and well managed goals, objectives and timelines
2. Provision and effective utilisation of financial resources by the company
3. The involvement and empowerment of beneficiaries in terms of project design and implementation

Eleven out of the sixteen respondent companies carry out some form of impact assessment on their actions of CSR projects and approaches, but all companies do some form of reporting. The only difference is in relation to whom the reporting is done. However, fewer than half of the respondents indicate any learning from the knowledge and experience gained from their CSR projects. For one multinational company, the benefit is in utilising learning for future strategy and implementation plans.

3.4 Promoting factors

The key CSR success factor of CSR projects of social and environmental context identified by almost all companies was the commitment shown by management, staff and beneficiaries. Coming in close second and identified by over 75% of respondents was effective planning, while other factors that scored equally highly with respondents (over 50%) were effective identification of beneficiary needs, clearly articulated CSR mission, transparency in the CSR initiative and sustainability of the initiative.

3.5 Hindering factors

Inadequate allocation of company funds and inadequate human resources proved to be the bane of CSR in some companies. Additionally, only 50% of all respondents regard themselves as being highly equipped for their companies' CSR role. A further hindering factor is too many requests, which sometimes force companies to split their resources amongst many competing demands, thereby endangering their ability to fully met the needs of beneficiaries, lack of a sufficiently good insight into the need to be met, and lack of a clear fit between the company's CSR policy and the beneficiary request/need.

⁵ Ghana Investment Promotion Centre (GIPC), GC 100 award system criteria.

⁶ Ghana Investment Promotion Centre (GIPC), GC 100 award system criteria.

4. Future trends and CSR development needs

For the sixteen survey respondents, future CSR concepts will have a closer correlation with company business, will be more focused and concentrate on longer term projects that may last over a year and could include other partners. Although half of all respondents regard themselves highly equipped for their companies' CSR role, all respondents indicate at least two of the following areas in which they would like CSR development and support, with the instruments and services that respondents would like to avail themselves of including workshops, 75% (12); specific training, 50% (8); peer exchange, 50% (8); conferences, 43.75% (7); publications, 37.50% (6); learning forums, 37.50% (6); research, 37.50% (6); case studies, 32.25% (5); internet platforms, 32.25% (5), and exchange in networks, 32.25%.

These statistics are telling when set against the backdrop of the fact that the respondent companies are some of the biggest and best run companies in Ghana. The findings also threw up some interesting observations. Considering that more than half of the respondents expressed a wish for government to lead a policy dialogue on CSR in Ghana, it is noteworthy that the 'policy dialogue' option only garnered 25% support from respondents. It is also surprising that only 25% of respondents indicated that they would like developmental help and support in CSR strategy formulation, as well as impact assessment and development, when only 50% of respondents admit to being fully equipped for their role. Furthermore, it is even more instructive to note that at a time when 60% of companies do not convene any learning meetings and about half execute no impact assessments, only a quarter of respondents show any interest in initiatives geared specifically to dealing with shortfalls that they have themselves identified.

The following suggestions regarding CSR development in Ghana were made:

- a) The development of industry association codes of practice in CSR that are benchmarked against international best practices for MNCs

- b) An idea that public institutions must be empowered to perform enforcement of duties on CSR
- c) The creation of a CSR Index

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1. Summary of key findings

Twenty companies were involved in this survey. In terms of mode of ownership, 70% were private limited liability companies, 25% public (stock exchange listed) and 5% private. The majority of the companies were from the service sector (50%), then the manufacturing, financial and retail sectors.

Some clear trends have been observed with regard to the companies that were interviewed. The companies can be designated in the following five categories in terms of their CSR attitudes, structures and practices.

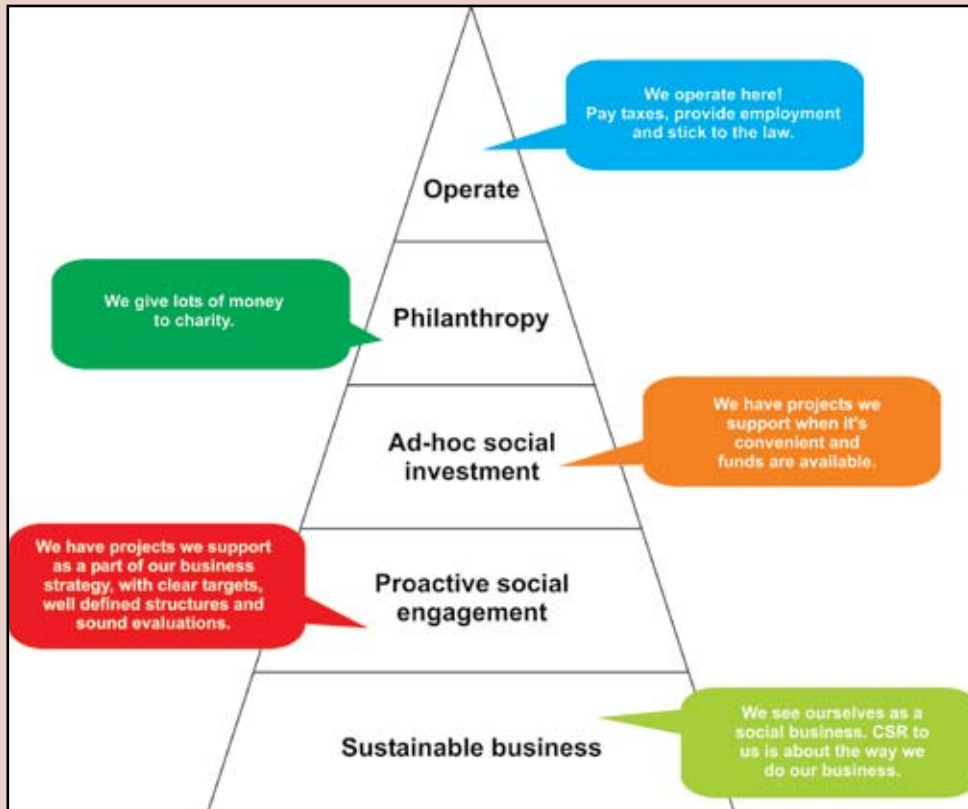


Figure 1: Typical CSR practices in Kenya

2. Country overview

2.1 Demographics

Kenya is a constitutional republic located on the east coast of Africa, with an area of approximately 225,000 sq. miles (583,000 sq. kms) and neighbored by five countries, which are Uganda (west), Tanzania (south), Somalia (east), Ethiopia (north) and Sudan (northwest).

Some key indicators¹ of the country are shown in the Table 1.

Population, total (millions)	36.6
Population growth (annual %)	2.6
Surface area (sq. km) (thousands)	580.4
Life expectancy at birth, total (years)	53.4
Mortality rate, infant (per 1,000 live births)	79.4
Literacy rate, youth female (% of females ages 15 - 24)	80.7
GNI (current US\$) (billions)	22.9
GNI per capita, Atlas method (current US\$)	580.0

Table 1: Key indicators on Kenya

¹ Source: World Development Indicators 2007

The Kenyan economy has experienced a major downturn since the elections of 2007. Before that, the economy recorded five years of consistent growth, peaking off at an economic growth rate of 7% in 2007. The impact of violent protests and killings and the subsequent political compromise that created a coalition government seems to have resulted in a national impasse.

The economic context in which the private sector operates in Kenya is extremely challenging. The cost of business is highly prohibitive due to high energy costs, poor infrastructure and worsening insecurity. This, coupled with the political stalemate, has resulted in a precautionary approach to investments and business. The global financial crisis and a blistering famine have marked the inception of 2009.

2.2 CSR context

The enactment of laws that have an impact on CSR has predominantly involved the ratification and subsequent domestication of international conventions. These conventions are mainly focused on workplace issues and the physical environment. Local legislation on consumer rights and corporate governance are in the parliamentary pipeline.

There have been few studies on CSR in Kenya. Previous studies by Ufadhili Trust complement the findings of this study in terms of enabling and inhibiting factors.

3. Survey findings

3.1 CSR positioning and infrastructures

The major mode of ownership was private limited liability companies, which formed 70% of the participating companies. Additionally, 50% of the companies involved in the survey were in the service sector, while 30% were manufacturers. Most companies (70%) locate their CSR activities within a department or an individual functionary (15%).

The personal attitudes of the CSR officers can be classified in two categories

- CSR is a core value
- CSR is philanthropy

3.2 CSR values and policy frameworks

50% of the companies involved in this survey have a CSR policy. Global agreements and directives or guidelines seem to have a fifty-fifty importance to these companies. The most important agreement was seen in the Millennium Development Goals. The UN Global Compact and Global Reporting Initiative were cited alongside Kenya's National Development Strategy dubbed Vision 2030. On the national front, the majority of the companies (80%) indicated that there are no national directives or local guidelines that impact on their CSR strategy, policies or practices.

The key rationales for engaging in CSR are to improve the company's image, to engage in socio-economic development (for companies, any form of engagement with society is considered socio-economic development). This is as opposed to pure business relationships with society. Whether it is only philanthropic or more substantive social investment, the company managers perceive it as engaging in socio-economic development and even to enhance the implementation of core business activities. Attracting investors or employees was the least significant rationale for engaging in CSR.

The most popular arenas for CSR activities are health, education, training and environment, while the least popular are enterprise development, human rights and labour rights. CSR decision making is predominantly done by senior management (70%), the CSR function within the firm or the company's board of directors. CSR resources range from US\$2,000 to US\$1.5 million.

There are five distinct ways in which the top management and particularly the chief executive officer (CEO) get involved in CSR. These are:

- Directly involved in project activities and events
- Directly involved in conceptualisation of CSR projects
- Encouraging and mobilising staff
- Focuses on internal aspects of CSR
- Non involvement

3.3 CSR projects and practices

There are a variety of stakeholder engagement practices. The most common practice is partnering through NGOs or CBOs (community based organisations) and also holding formal or informal meetings. The other practices seemed to be unique to each company.

Most of the companies engage in long-term community social investment projects (80%) combined with once-off short-term charitable giving. Due to the nature of the demand for charitable giving, companies annually decline to support a large number of projects, particularly in cases where the company receives requests from the public. Policies are thus important for the selection process to provide clear project selection guidelines.

The needs of beneficiaries are by far the most important factor in terms of project selection. This is followed by the dictates of the companies CSR policy and the potential of linking the core business activities of the firm with the CSR initiative. The least important issue is the resource requirements.

There were varied responses to the question on project management. However, it is clear that companies view provision and effective utilisation of financial resources as a distinct key to the successful implementation and management of CSR projects. Other important issues include provision and effective utilisation of human resources, as well as clear documented and well managed goals. The major challenges seemed to revolve around sound planning and documentation of project goals, as well as management and governance practices of beneficiaries.

Most of the companies (75%) practice some form of impact assessment. Added to that, 90% of the companies do report on CSR initiatives while 70% engage in learning forums. Internal learning for staff and management seems to be the most popular form of learning activity, with 70% of respondents indicating involvement of some sort in it.

This information however, only demonstrates that companies are talking internally about their CSR initiatives. There is very limited reporting to external audiences.

3.4 Promoting factors

Companies responded to this open ended question with a total of 35 responses. These were then distilled into six key points. These points are ranked below with the most important factor at the top:

- Management practices of the beneficiaries
- Benefits to the business
- Support of key stakeholders
- Influence of internal processes and procedures
- Support of the top management
- Impact of the project on the beneficiaries

Companies pay special attention to the management practices of the beneficiaries, particularly their financial practices. Also, issues such as the soundness of the entire management structure, discipline in monitoring and evaluation, evidence of achievement of set goals, clarity of policies and future sustainability of the project play a significant role in the choice of projects.

Additionally, most companies are influenced by the benefits that will accrue to them, especially increased publicity and public awareness, linkages to core business² and thus bottom line improvements or improved relations with key stakeholders³. All these are examples that indicate a relation between the CSR approach and the core business of the respective company.

Within a company, it is essential to get the support of top management and the board, as well as staff members. On the other hand, externally, the major concern is to get the support of the key stakeholders of the project. These stakeholders include the beneficiaries, project implementers, general community and partners. Project implementers are the people or organisations that are given the responsibility of implementing the CSR initiatives (often

² For example, one health service company in has focused its CSR agenda on health projects as they have special competencies in the area.

³ A housing company has focused its activities on providing special subsidised loans for houses in collaboration with Habitat for Humanity, a company in the bio-food sector has concentrated on health awareness and an ICT company has created Digital Villages.

NGOs or CBOs). Beneficiaries are those that are directly targeted to benefit from the project. The general public indicates others who are intimate to the project, but not necessarily beneficiaries of the project. Partners are those who are working in collaboration with the project implementers.

The company's internal processes influence the choice of projects in several ways. This includes identifying the key arenas for CSR, amounts of resources available and allocated to a project, types of agreements developed with the project implementers, expectations of the company and modes of partnership. Finally, companies also consider the impact of the project to the beneficiaries.

3.5 Hindering factors

This question was, as the previous one, an open-ended question soliciting 28 different responses in total. These were summarised into key areas, described and ranked below:

- Poor management practices by the project implementers
- Design of the project
- Constraints within the company

Management deficiencies on the part of the project implementers are a major hindering factor. These deficiencies may be caused by lack of knowledge and sound management structures, while lack of financial discipline and lack of clearly documented goals were also regarded as major hindrances. Added to these, issues like the lack of resources, poor community involvement in the project, poor communication and failure to properly identify the community needs were also cited in the interviews. All these issues focus squarely on the credibility and effectiveness of the potential project implementers.

Secondly, the design of the project is important. Projects that are perceived as being unfocused, not meeting the real needs of beneficiaries or seemingly impulsive have a low possibility of being supported. The type of project and the manner in which it is designed is important to companies. There should be an obvious correlation between the project activities and the direct benefits to the beneficiaries. Also, unrealistic expectations by communities, the complexity of working alone or alternatively working with a multiplicity of parties or competing interests from partners create an impediment for CSR and philanthropic concepts.

Additionally, beneficiaries that are unable to attract other resources are seen as unsuitable partners. It is imperative that the project implementers can provide evidence of community involvement in the project otherwise it is viewed as illegitimate and non-representative.

Finally, constraints within the company are a key inhibiting factor. Included are issues like the availability of resources (financial and human), lack of support or passion from the top management within the company, inability to link the project to any realistic benefits for the company. For instance, an insurance company has built sand dams in areas where they have little or potential business - this is an exception to the norm of companies normally wanting to realise some tangible or intangible benefits through CSR/CSI involvement. Other internal constraints listed were fatigue within the company in continuous support of certain projects or communities, lack of a CSR policy and lack of staff involvement and ownership of the projects.

4. Future trends and development

Various issues were raised and there was little convergence in ideas. The ideas are indicated below:

- Maintain the status quo
- Become more structured, for example, develop a CSR policy, establish a CSR department, develop a monitoring and evaluation system or engage in benchmarking with other companies
- Increase the budget for CSR
- Strengthen the sustainability aspects of the CSR programme and also the projects that are supported by the company
- Work more with partners such as NGOs
- Future trends depend on the state of the

economy and also on the performance of the company

- Future trends will be dictated by overseas head office

The majority of the officers believe that they are either moderately equipped (50%) or highly equipped (45%) to deal with CSR.

The major trends flowing from the respondents were peer exchanges, specific training and impact assessment listed as the most important development needs for CSR practitioners, while consultations, internet platforms and policy dialogues were rated as the least important.



1. Summary of findings

Ten companies were incorporated in the survey, selected with the aim of variety of size, sector and ownership. Experience in CSR activity also varies. There is a general awareness of CSR in Malawian business culture.

Though CSR in Malawi is at an early stage, there is evidence of both growth and great promise. Some more sophisticated CSR engagement that goes beyond simple philanthropic donations is emerging. CSR initiatives are most successful when the company can effectively collaborate with third parties: organisations, international NGO's, government or other firms. Companies achieve access to skills they may lack and can provide skills that the third party may lack.

Whether CSR activity is part of standard core business functions has extensive impact on success. Where a socially responsible activity has direct effect on profitability and management time there is incentive to commit resources to that activity. Peripheral activities can suffer, especially due to the general lack of committed CSR personnel. CSR is promoted when there is buy-in from beneficiaries.

CSR in Malawi is hindered by an absence of structure. This affects selection and design, implementation, impact assessment, monitoring and learning. Companies lack policies and guidelines from which they can evaluate their projects and time and or capacity for CSR. Where executives had strong convictions concerning CSR, this was less of an issue.

2. Country overview

2.1 Demographics

In spite of being a small, landlocked country with one of the lowest GDPs in Africa, Malawi has been growing at an average rate of 8% since 2005, reaching 8.7% in 2008. In 2007 the life expectancy was 48.3 years and the illiteracy rate was 34.1%¹.

Malawi has enjoyed relative political stability over the last 14 years. Elections are scheduled for the 19 May 2009, with no candidate obviously in the lead. The continuation of a hung parliament would have an adverse affect on the government's legislative power – during the last five years Dr. Bingu wa Mutharika, the President, has seen little legislative change. This has adversely affected the development of an enabling environment for the private sector. Backing from high levels can still have great impact on the success of a project. President Bingu wa Mutharika's public backing of the Business Action Against Corruption (BAAC) initiative, which has seen remarkable success, is but one example of this phenomenon.

Though Malawi will be affected by the current global economic slowdown, the damage may be limited - GDP growth is only forecast to slow

to 7.6% in 2009². Continued economic growth could have a positive effect on CSR activity, as companies within Malawi remain relatively insulated from external instability. As poverty remains rife in the country, environmental concerns receive little domestic attention. Deforestation, land degradation and water pollution are significant problems.

2.2 CSR context

CSR as a concept is new to Malawi and companies have to define the term as they see fit as per the activities that they engage in. The current private sector definition of CSR and its related activities is mainly motivated by social investment and philanthropy. Corporate giving of items, such as blankets, computers, bore holes, cold or hard cash, support for community development projects, such as construction of markets and school blocks, is perceived as the definition of CSR activities by the majority of the companies and this is reflected in the media reports.

Other initiatives that are seen as key CSR initiatives in Malawi are the Business Action Against Corruption (BAAC), Malawi Business Coalition Against HIV/AIDS (MBCA), Together Ensuring Children's Security (TECS) and

¹ Malawi AEO 2008

² <http://www.imf.org/external/np/sec/pr/2008/pr08309.htm>

Sustainable Agri-Business Initiative (SABI), of which the BAAC and SABI initiative were conceptualised under the UN Global Compact (GC) platform. These three collective action programmes are considered as key programmes in promoting CSR impact in Malawi as they address specific cross cutting issues within industry.

3. Survey findings

3.1 CSR positioning and infrastructures

Two different rationales drive companies' involvement in CSR. The first is business drivers, such as productivity, profitability, growth of the business: in a country such as Malawi where public infrastructure is often deficient or absent, businesses have had to make up the shortfall – e.g. by providing clinics and hospitals, schools and roads. Business cannot function effectively without the provision of these services. The second is genuine philanthropic concerns on the part of management – a desire to alleviate poverty and hardship in the social groups in which the company operates. Involvement driven by the second rationale is wider in scope because it is not constrained by core business considerations. In some instances the two overlap.

Because Malawi has a predominantly agricultural economy, many CSR activities involve housing, education, and healthcare services for employees, their dependents and surrounding communities – things that would in more developed countries be taken care of by national governments or the marketplace. When asked about CSR initiatives, labour standards are commonly identified, for the impact they have on human rights for the large numbers of unskilled agricultural workers.

Company image is another driver, although the fact that most companies could make much more of their projects in terms of marketing and PR indicates this is not a primary driver.

3.2 CSR values and policy frameworks

Four companies are signed up to the GC and another, TreeCrops Ltd, is attempting to join.

The GC has substantially raised awareness with regard to CSR. However, enthusiasm for the project seems to have lulled. The GC is still positively affecting reporting by providing criteria for evaluation. From the Business Action Against Corruption (BAAC) programme a code of conduct has been created, which a significant number of companies have signed up to and subsequently generated their own versions. Other international agreements include Fairtrade (one company is registered), and more specific agreements, e.g. the Union for Ethical BioTrade. Agreements that involve audits by an independent external agent appear to be the most effective and durable.

Companies tend to lack CSR policies per se. CSR policy is often written into other policies (employee, working practices) or do not exist. The majority expressed a desire to create CSR policy documents, but lack the time and/or capacity to do so. Those companies that are answerable to an international parent company tend to both record and monitor their CSR initiatives more closely.

Executive leadership can have a hugely positive impact on CSR. There are two good examples of this:

- TreeCrops, a company built around a CSR concept, is the brain-child of two individuals
- In the case of ARL, it is unlikely that this company would have successfully launched the Business Action Against Corruption initiative without their executive management support.

The converse holds – a lack of dedication and enthusiasm for CSR from some executives holds back progress. Other commitments tend to take priority - particularly damaging in the absence of committed CSR personnel.

3.3 CSR projects and practices

If the beneficiaries are company employees, standard management channels (e.g. supervisors engage line-workers directly) are used. If the beneficiaries are communities in a wider sense, the traditional authority (TA) is consulted. Only two companies directly engage with village-level bodies. Sometimes engagement at the village level is left to a third party, usually an NGO or charity.

Much of the engagement process is direct. Malawi's diminutive size and correspondingly close-knit business community is conducive to this pattern of interaction. Some company directors are more heavily involved in a relevant NGO.

Health-related projects were the most common (HIV/AIDS: clinic/hospital provision, counselling, ARV subsidy, HIV/AIDS policies) followed by education and skills development projects (schools, financial support). Projects in the field of environment and food support, either in the workplace or in the community at large, feature. Companies involved in agri-business often develop small-holder profitability through extension support and skills training.

There are two primary drivers for these projects in the social and environment context. One is production levels and profitability of the business. Thus projects are often designed to help sustain a healthy, productive workforce. The provision of roads, ambulances, transport, hospitals and other health services are examples of means of achieving that end. The other primary driver is the needs of the beneficiaries. CSR policies do not play a role, as companies tend not to have developed them as yet, but company policy resource requirements do.

Companies often experience success in effectively utilising third-party service providers, reflecting an increasingly strong relationship between the NGO and private sector. Success is also seen in provision and utilisation of financial and human resources. Reported difficulties most often concern beneficiaries - in particular effective management and governance, capacity and ownership and commitment on their part. Some areas mean success for some companies and difficulty for others, e.g. documentation and management of goals, the ability to involve the beneficiaries in the process and regular communication with stakeholders.

Monitoring and evaluation (M&E) is generally not conducted under the heading of CSR, but does occur. Projects are first assessed on whether they reach predetermined goals. Second is the viability of the project in terms of budgetary constraints, followed by whether or

not the project is creating dependency on the company.

All the interviewed companies report on their CSR activities. No company has a specific 'CSR' report - rather they report on activities individually on a needs basis to the relevant organisation, or include CSR reporting in annual board reports. Some companies extensively assess their projects, but lack either the time or the motivation to write proper reports. Learning activities are particularly weak. This along with M&E is best achieved when placed under the prerogative of a third-party organisation. Generally, those in charge of CSR have too many other commitments to arrange and conduct learning meetings.

3.4 Promoting factors

A project in the social and environment context is most likely to succeed if beneficiaries buy into/come up with the idea behind it. Buy-in is best achieved when companies use knowledge of cultural issues and use the right channels (e.g. consulting the traditional authority in the area). Other key factors are support from higher levels within the company and the commitment of the CSR practitioner. Where CSR is part of the core functioning of the business CSR activities tend to run smoothly.

3.5 Hindering factors

Factors that hinder CSR are a lack of structure to CSR, and of time and funds for CSR projects. The absence of CSR personnel is a significant hindrance, as these people would enable proper policy, M&E, reporting and learning – problems for all companies surveyed.

Articles covering CSR by the media in the two national daily newspapers, the Nation and the Daily Times, are not readily available on line from the papers' websites. This limitation of available information on CSR is a barrier to companies that could use such material as a reference. The lack of information is also a result of a non-reporting culture, as most organisations do not see the direct benefits of such in initiatives on their bottom line, as the initiatives are not seen to be leading to new investments or business opportunities. Most reporting by companies of their CSR initiatives

is mainly to showcase their brand for public relations and marketing purposes.

In addition to the above factors, the key factors that hinder CSR are as follows:

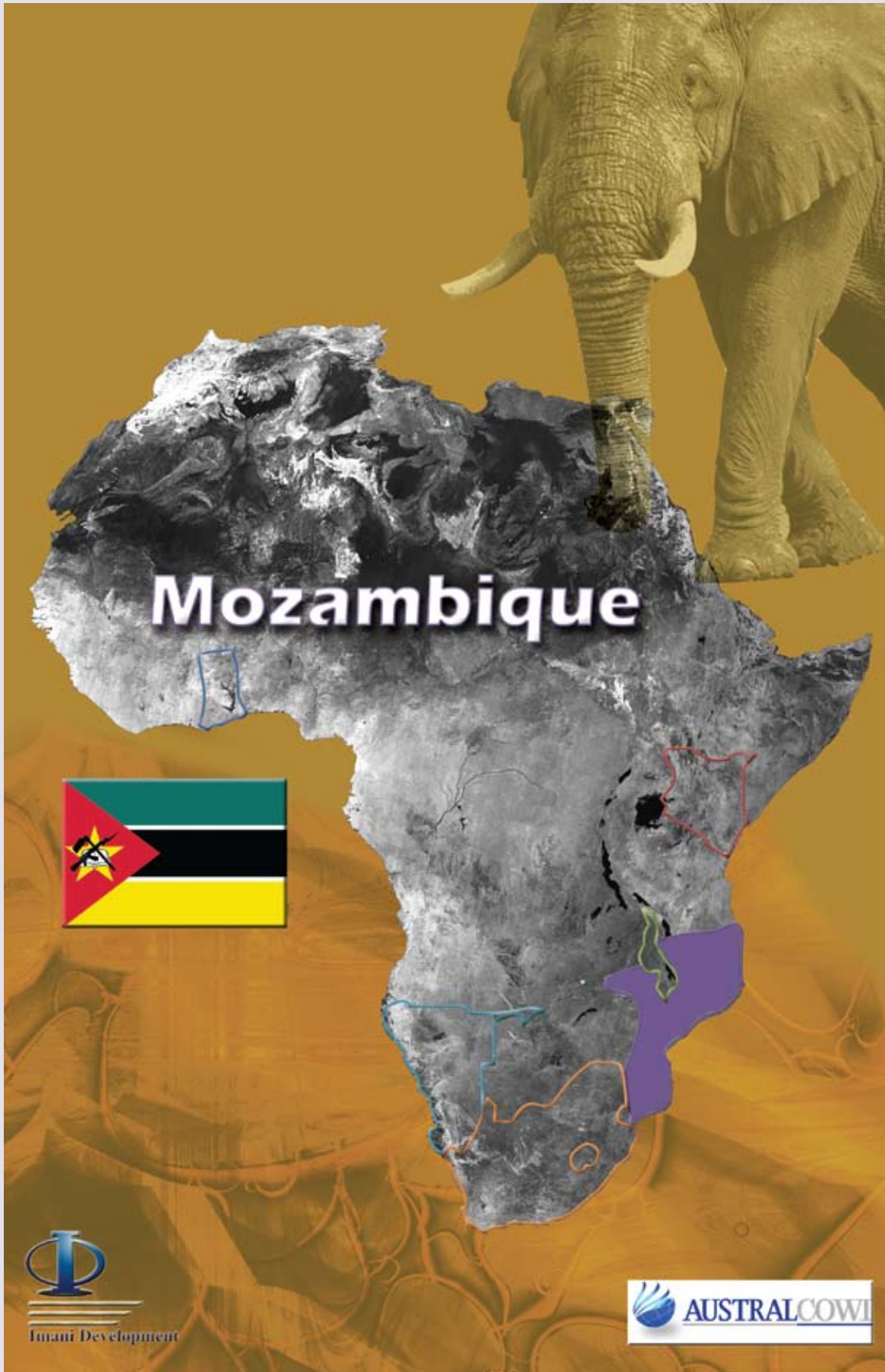
- Lack of infrastructure
- Lack of commitment by the communities and key partners
- Limited funds for the CSR projects
- Absence of qualified CSR personnel to manage the projects, evaluating and reporting on all problems on companies surveyed

4. Future trends and development needs

Every company intends to continue their current projects and most also intend to expand them. Some aim to venture into new areas. Almost all also aim to give their CSR activities more structure, though without appointing committed CSR officers this goal will be difficult

to reach. Almost all of the interviewees see themselves as moderately equipped to give direction to their company's CSR practice. Two of them regarded themselves as highly equipped, one as under-equipped.

Specific training, strategy formulation and impact assessment development are all in strong demand, followed closely by policy dialogue and publications. These preferences reflect the current lack of structure of CSR activity in Malawi. Most interviewees expressed an interest in learning about what was going on in other companies in Malawi, as well as other countries in the region. Whenever this question arose, virtually every respondent stressed that if any of these instruments were to be implemented they would need to be specific, with tangible, practical outcomes. Many interviewees complained of past workshops and conferences where much was said and little achieved.



1. Summary of key findings

Ten companies were selected to obtain information regarding their CSR initiatives and ultimately identify and gain deeper insights into promoting and hindering factors for company CSR engagement and impact.

The survey found that most of the activities in which the companies are engaged are of a philanthropic nature. It was clear that the term CSR and/or CSI was interpreted by respondents in a very restricted sense as being the involvement of the company in acts of charity and/or sponsorship.

The survey also identified some gaps in the CSR initiatives. Very few companies have stakeholder consultations, which indicates that the communities are not involved in the decision-making processes around CSR, reinforcing the conclusion that Mozambique CSR practices are largely philanthropic in nature.

The majority of the respondents felt that the government could play a stronger role in promoting CSR by establishing a conducive framework for responsible business practices. There is also lack of capacity of regulators and inspectorate, hence, compliance with even basic legislation is in effect voluntary. Investing in these institutions would provide a stronger enabling environment for responsible business activities

2. Country overview

2.1 Demographics

Mozambique is located on the eastern coast of Africa and borders with Tanzania, Malawi, Zambia, Zimbabwe, South Africa and Swaziland.

Considered one of the poorest countries in the world, Mozambique is estimated to have over 60% of the population living below the poverty line. After its independence from Portugal in 1975, the country fell into a long and devastating civil war for nearly three decades. It was only in 1992 that a peace accord was signed between rival parties, leading to free and democratic elections in 1994. Since then, the country has been facing major challenges to rebuild its society and economy.

Mozambique's GDP growth per year in the last five years averages 8% and is highly sustained by the industry, energy, construction and transportation sectors. The inflation has fallen to single digit levels, anchored by a prudent monetary stance, standing at

9.5% in 2008. Legal and economic reforms have instilled considerable inflow of foreign investment amounting to US\$7 billion in the last eight years. The country's greatest potential lies within the energy, mining and agricultural sectors.

The population is estimated at 21 million people, with an infant mortality rate of 107.84 deaths/1,000 live births¹ and life expectancy at birth is 41.04 years². The labour force is estimated at 8.8 million, of which 80% work in the agricultural sector. The country has an estimated (2004 est.) labour force of 10,192 million³, of which 79% work in the agricultural sector⁴ (however, only 17% of this total earn regular wages⁵) In urban areas, Mozambique's industrial sector is shrinking, currently employing about 3% of the total labour force.

The tertiary (services) sector, accounts for approximately 48% of GDP, employing approximately 13% of the labour force is engaged in the service sector. This figure does not include people that work in the informal sector⁶.

¹ http://indexmundi.com/mozambique/infant_mortality_rate.html

² http://indexmundi.com/mozambique/life_expectancy_at_birth.html

³ Instituto Nacional de Estatística, 2006. *Inquérito Integrado a Força de Trabalho (IFTRAB) 2004/2005, Maputo, Moçambique*

⁴ Instituto Nacional de Estatística, 2006. *Inquérito ao Sector Informal 2004, Maputo, Moçambique*

⁵ See *National Economies Encyclopedia, Mozambique Working Conditions*. Available at <http://www.nationsencyclopedia.com/economies/Africa/Mozambique-WORKING-CONDITIONS.html>

⁶ See also *National Economies Encyclopedia, Mozambique Working Conditions*. Available at <http://www.nationsencyclopedia.com/economies/Africa/Mozambique-WORKING-CONDITIONS.html>

HIV/AIDS is one of the major challenges facing the country - it has risen from a low of 3.3 % in 1992 to 14.8% in 2004, and projections indicate that the prevalence rate among adults (15 - 49) will reach 16.3% in 2010. The HIV/AIDS impact is especially devastating in the education and health sectors.

Government is implementing a second poverty reduction strategy (PARPA II) for the period 2005-2009. If the country can sustain high growth rates and ensure pro-poor growth, Mozambique can potentially reach the 33.3% level of poverty aimed for by the MDG goal number one.

2.2 CSR context

Corporate social responsibility activities in Mozambique have only in recent years become a topic for discussion. This must be understood within the development context of the country, particularly in relation to the challenges of poverty and the efforts of government and other development partners to promote sustainable economic development.

Apart from some ad hoc legislative and non-regulatory activities, public policy in the area of corporate citizenship is minimal. Other policy and developmental instruments like labels, certification, codes of conduct, partnerships, guidelines, management systems and awards are also absent.

The Ministry for Women and Coordination of Social Affairs (MMAS) is the government institution responsible for all social actions in the country and is also the government focal point for the Global Compact, therefore de facto for CSR leadership. MMAS is given the role of coordinating corporate citizenship activities across all government agencies at central and decentralised levels.

The only current direct governmental support for CSR is the 1994 initiative started by the Foundation for Community Development (FDC), when Government passed a law (No 4/94 of 13 September, and revised by the decree 29/98 of 9 July) that allows for tax exemption for companies that donate money to

social and cultural development initiatives.

3. Survey findings

This report provides a summary of CSR state of play in Mozambique and included a survey of 50 companies of which 10 have replied positively. The survey was conducted over a period of two months. Companies interviewed included all sectors, and different sizes, countrywide geographical distribution and both government and private owned. As CSR in Mozambique is generally associated with large corporations, this survey included five companies ranked within the top 15 of the KPMG Top 100 companies in Mozambique⁷.

3.1 CSR positioning and infrastructures

The majority of the companies surveyed (53%) have their CSR function structured as an individual functionary within a division or department, with most of them having either one or two staff.

The five main reasons as to why companies engage in CSR activities are as follows:

- To engage in socio-economic transformation and development (67%). This was understood as providing services and opportunities for people who were historically deprived of equal political and economic access.
- Contributing to the corporate citizenship⁸ agenda (60%)
- Building stable and empowered communities around the company (47%)
- To attract and retain employees
- To improve the image and reputation of the company

It should be noted that most of the respondents saw business involvement in social responsibility as 'assisting the government'. Given that when asked, all the respondents felt that their company was a good corporate citizen, one can postulate that a good corporate citizen is one who engages in activities that fill in the gaps in the government's delivery of social services.

⁷ KPMG survey and ranking of top 100 Mozambique companies

⁸ Corporate citizenship as a concept is gradually gaining ground in Mozambique and the understanding of it will differ from company to company.

3.2 CSR values and policy frameworks

Most of the companies surveyed, with emphasis to multinational and public owned firms, made reference to the Millennium Development Goals and the UN Global Compact Initiative as their inspiration and most important source of CSR initiatives.

Multi-nationals follow the parent company's CSR policies. All companies however also engage in CSI activities as part of their commitment to the government in order to benefit from special fiscal, customs and administrative incentives.

Of the companies surveyed, the majority have a CSR policy in place (53%), but it was, however, difficult to obtain examples of such policies. Most of them have specific social investment policies, which are typically part of their marketing and image protection strategies.

Corporate citizenship practices in Mozambique are mainly motivated by CEO (chief executive officer) commitment, internal CSR related challenges and a search for an advantage in the market through effect in distinguishing the enterprise's products.

3.3 CSR projects and practices

Drawing from the questionnaires, the most common types of CSR activities include building health facilities related to HIV/AIDS, construction of educational infrastructures and related capacity building support. There are also environment and food support initiatives. This illustrates the clear and dominant philanthropic nature of CSR in the country, even from well established multi-national companies with strong international CSR policies.

It is important to distinguish between two dimensions of CSR when trying to assess the degree of companies' commitment in Mozambique⁹. There is an "in-house" CSR

dimension with socially responsible practices, which imply, fundamentally, supporting workers and their concerns through investments in human capital, health, safety, well-being and change management. For some companies such an approach ends at the "company's borders", and to few with their workers' families. The "external" dimension of CSR goes beyond the sphere of the own company and extends to the local communities and the environment.

With respect to local companies, there is less involvement in CSR initiatives. The companies are often small and medium size enterprises and do not consider CSR as key component of business, but more of an add-on activity dependent on available financial resources.

It was clear from the survey that the kinds of activities named as being of a CSR nature were more community involvement and would therefore fit better as CSI activities.

The main arenas of activity in the companies surveyed are:

- Education and training with more than 70%
- Health related projects (63%)
- Environmental support projects (25%)
- Skills development and job creation (45%)

3.4 Promoting factors

The findings of the survey resulted in the following factors as promoting factors for CSR/CSI engagement and impact:

- A realisation among companies of the need to project a positive image and hence involvement with some forms of emergent CSR activities
- If companies were confronted by legislation that protects and provides them with some incentives towards incorporation of CSR initiatives into their medium and long-term business strategies, associated with monitoring and evaluation of CSR activities by the government, the level of engagement in CSR initiatives would increase significantly.

⁹ KPMG Mozambique – Corporate Social Responsibility desk study report, commissioned by GTZ, also see GTZ – Impact of voluntary CSR initiatives

3.5 Hindering factors

The findings of the survey pointed to the following factors as hindering the engagement and impact of CSR/CSI:

- A strong bias towards philanthropic and sponsorship activities as opposed to a wider definition and engagement in CSR
- The lack of clear stakeholder involvement in the determination of the nature of spending within CSR
- Lack of clear guidelines, legislation and incentives on CSR from the government
- Lack of a link and coordination of the various CSR concepts and initiatives with government. While the work of the Minister of MMAS should be recognised, the ministry lacks the required resources, authority and profile to lift the understanding of corporate citizenship in Mozambique above its current narrow focus on corporate philanthropy.

4. Future trends and development needs

CSR activities are still in an emergent phase weak in Mozambique, involving very few companies that have adopted a formal corporate social responsibility agenda that ensures healthy working conditions and liveable communities. However, it should be taken as a growing movement, still in its infancy.

A common understanding of CSR and its critical role in sustainable development in Mozambique is needed. Participants felt that the Mozambique Global Compact Forum could play a pivotal role in this regard.

From the ten interviewed companies:

1. Three companies are planning to develop a CSR policy for monitoring and evaluation of the impacts of CSR interventions.
2. Four companies are at final stage of establishing CSR departments in their firms for development of the programmes.
3. Three companies are developing and strengthening their ability to plan for sustainable CSR programmes on the selection process.

It was also emphasised that all the above intentions will depend on the state of the economy and also on the performance of the companies, thus continuation of CSI focus rather than CSR as core business focus. This is the main future challenge to be addressed in Mozambique.

Instruments that would facilitate CSR development in Mozambique cited by participants are:

- Strategy formulation
- Workshops and conferences to educate and inform companies, government departments and communities about CSR
- Learning and best practice sharing forums using case studies
- Assistance with impact assessment skills development

In February 2009, Ernest & Young launched a prize to reward CSR initiatives, which has resulted in several entries. This might lead to a greater awareness of CSR in Mozambique's business sector in the future.



1. Summary of key findings

Fifteen companies were selected for the study aiming to obtain information regarding their CSR initiatives and ultimately identify and gain deeper insights into promoting and hindering factors for company CSR engagement and impact. It is important to note that most of the activities in which the companies are engaged are of a philanthropic nature. It was clear that the term CSR was therefore understood by most of the respondents in a very limited way as being the involvement of the company in acts of charity or even sponsorship.

The survey found that the main arenas of CSR activity in the companies surveyed are education and training with 73%, economic development (47%), sports and cultural activities (33%), and health (33%). It is noted that on the question of whether the health spend was primarily for HIV/AIDS, most companies surveyed responded that they do not have CSR activities that specifically focus on HIV/AIDS.

The survey found low levels of senior management involvement with only two companies reporting on senior management or board involvement in CSR activities. The survey also found that the main reason why companies engage in CSR activities is to engage in socio-economic transformation and development. This may be somewhat ironic, given that most of the current activities are “philanthropic” in nature. Many understood this engagement as providing services and opportunities for economic engagement for people who are from historically disadvantaged backgrounds. The least likely reasons for engaging in CSR activities were to attract investors and to increase profit.

Most of the respondents indicated that the main reasoning behind their engagement in CSR activities seemed to be the need to address government capacity and financial gaps that are adversely affecting service delivery. A common view expressed was that by engaging in CSR, the companies were ‘assisting the government’.

The survey also identified some gaps in the CSR initiatives. Very few companies have stakeholder consultations, indicating that the communities are not involved in the decision-making processes around CSR. The majority of the respondents felt that the government could play a stronger role in promoting CSR by establishing a legislated framework that would require companies operating in Namibia to adhere to responsible business practices. One other factor hindering the engagement and impact of CSR initiatives was the lack of a collective dialogue process around CSR.

2. Country overview

2.1 Demographics

The republic of Namibia, which is situated on the south western coast of Africa, is home to about 2.1 million people with an average population growth rate of 2.6%. About 50% of the people belong to the Oshvambo ethnic group with another seven ethnic groups making up the rest. Politically, Namibia enjoys a stable democracy, having obtained her independence in 1990. This vast country of over 823,000 square miles has a well developed infrastructure system, as well as a sophisticated financial sector.

Namibia’s economy is growing, with the manufacturing sector contributing about 14.3% (2007 figures) of the GDP and mining and energy about 12.7% (2007 figures). Tourism is also a large contributor to the economy and the third largest source of foreign exchange after mining and fisheries.

The economy remains very integrated with the South African one, with the exchange rate linked to the South African Rand. Namibia, which has a relatively high gross domestic product (GDP) per capital among developing countries, also has one of the most unequal income distributions on the continent. Although most Namibians are economically active in

one form or other, the bulk of this economic activity is in the informal sector, with estimates of unemployment in the formal sector ranging between 30 and 40% of the work force.

The majority of those employed work in the agricultural sector (26.6% in 2007) with wholesale and retail trade being the second highest employer (14.0%).

2.2 CSR context

Namibia's long term strategy is set out in the "Namibia Vision 2030" whose aim is to establish a long term plan for the sense of direction, ambition and participation of all Namibians. This document, which was developed after extensive consultative processes, has three key pillars:

1. The quality of life (as it relates to the people)
2. Enabling environment
3. Sustaining the resource base (relating to the ecosystem)

In its detail, Vision 2030 spells out that one of its broad strategies is to establish and sustain business standards of competence, productivity, ethical behaviour and high trust.

While Black Economic Empowerment (BEE) has not been legislated in Namibia, preference in procurement is given to companies that empower previously disadvantaged people. The Transformation Economic and Social Empowerment Framework (TESEF) proposed wealth creation scorecard of 2007 details some of the key pillars and measures that could be expected should the country adopt BEE legislation. The Affirmative Action (Employment) Act of 1998 further provides requirements for employment equity, which deals with minimising discriminatory practices in the workplace, as well as ensuring preferential employment for formerly disadvantaged groups.

Though there is no single legislation or policy regulating CSR, many companies operating in Namibia are multi-nationals whose parent companies operate in countries with more stringent legislative and coordinating regimes. This association has a direct bearing on the

practice of CSR within Namibia, with many of those companies reporting on CSR activities on their websites. It needs to be noted that there are moves towards locally initiated approaches to providing guidelines, self regulating mechanisms and coordination of CSR activities. For example, April 2008 saw the launch of the UN Global Network Namibia¹ with 10 private companies committing to the 10 principles of the Global Compact.

3. Survey findings

3.1 CSR positioning and infrastructures

The majority of the companies surveyed (53%) have their CSR function structured as an individual functionary within a division or department, with most of them having either one or two staff members dedicated to CSR activities. In none of the companies surveyed was the role positioned as a separate department.

The five main reasons as to why companies engage in CSR activities are as follows:

1. To engage in socio-economic transformation and development (67%); this was understood as providing services and opportunities for people who were historically deprived of equal political and economic access.
2. Contributing to the corporate citizenship² agenda (60%)
3. Building stable and empowered communities around the company (47%)
4. To attract and retain employees
5. To improve the image and reputation of the company

It should be noted that most of the respondents saw business involvement in social responsibility as 'assisting the government'. Given that when asked, all the respondents felt that their company was a good corporate citizen, one can postulate then that a good corporate citizen is one who engages in activities that fill in the gaps in the government's delivery of social services.

¹ http://www.unglobalcompact.org/NetworksAroundTheWorld/country_contact/namibia.html

² Corporate citizenship as a concept is gradually gaining ground in Namibia and the understanding of it will differ from company to company.

The main instruments and services identified by the respondents for their development and or support are:

- Research (80%)
- Impact assessment development (80%)
- Publications (73%)
- Policy dialogue (67%)
- Strategy formulation (67%)
- Exchange in networks (67%)

Most of the respondents expressed interest in some form of guidelines as to what kind of projects to focus on, how to monitor and measure impact, as well as peer exchange forums.

3.2 CSR values and policy frameworks

Of the companies surveyed, the majority of them have a CSR policy in place (53%) and most of those without indicated the likelihood of elaborating it in the next one to three years. It was, however, difficult to obtain examples of such policies.

3.3 CSR projects and practices

Ten of the companies surveyed indicated that their expenditure on CSR had increased from the previous year, while the rest (5) indicated that their CSR spend had remained more or less the same as the previous years. The main items included in CSR expenditure were:

- Events and rewards (60%)
- Monitoring and evaluation of CSR projects (40%)
- CSR reporting (40%)
- Marketing and promotion of the CSR programme (33%)

It should be noted that when determining how much should be allocated to CSR activities, the majority of companies make adjustments to the previous year's budget, with only four of the companies relying on a predetermined profit-related formula.

The survey found that the majority of respondents have involved the government as a partner in their CSR initiatives. Notable

however was also the finding that 33% of the companies, except for direct involvement with beneficiaries, did not involve any partners in their CSR initiatives.

Other forms of stakeholder involvement include:

- Employee involvement (33%)
- Stakeholder consultations (20%)
- Senior management involvement (13%)

Only two companies reported on senior management or board involvement in CSR activities.

The respondents indicated that the three factors that have the greatest influence on the selection of projects are

1. The company's core business (products, services and markets) (73%); this is largely untested, as there are no concrete examples that would indicate a direct link between core business and choice of projects.
2. Government and national priorities and key areas identified within specific industries (60%)
3. The desire to continue with projects already started (27%)

It is important to mention here that a closer analysis of the projects and activities is needed to test the link between the company's core business and the choice of CSR activities. From the examples given, it seems that government priorities have a greater influence in the choice and selection of projects. It is not surprising therefore that most of the respondents indicated a desire to be guided by the government on to the key strategic areas of need.

It was clear from the survey that the kinds of activities named as being of a CSR nature were more community involvement and philanthropic in nature and would therefore fit better as CSI activities.

The main arenas of CSR activity in the companies surveyed are:

- Education and training, with 73% of them having activities in this area
- Economic development, e.g. empowering previously disadvantaged people (47%)
- Sports and cultural activities (33%)
- Health (33%)
- Environment (27%)
- Skills development and job creation (27%)

Two companies reported to have activities in the safety and security arena, while two others have projects in food schemes.

3.4 Promoting factors

The findings of the survey pointed to the following factors as promoting the engagement and impact of CSR:

- A realisation among companies of the need to project a positive image and hence involvement with some forms of CSR activities
- A clear link between CSR initiatives and core business practices. However, it needs to be noted from the survey feedback that this relationship still needs further debate and investigation to be better understood and thoroughly developed.

3.5 Hindering factors

The findings of the survey pointed to the following factors as hindering the engagement and impact of CSR:

- A strong bias towards philanthropic and sponsorship activities as opposed to a wider definition and engagement in CSR
- The lack of clear stakeholder involvement in the determination of the nature of spending within CSR
- The lack of capacity, role guidelines and training for CSR practitioners, as well as forums for peer engagement and learning

- Many corporates still view their CSR activities as part of their competitive advantage. This makes it near impossible to share experiences, best practices, policies and even resources. Just recently, a consortium sponsoring football collapsed for this very reason.
- Lack of clear guidelines, legislation and incentives on CSR from the government
- Lack of a link and coordination of the various CSR concepts and initiatives with government

4. Future trends and development needs

The companies interviewed believe that the future of CSR activities remains mainly in education and training, with continued involvement in environmental issues, economic upliftment and agriculture.

Companies seem to be looking for opportunities for partnering with other corporate entities, as well as joint forums for sharing learning.

It is of interest that only one company made mention of 'Vision 2030' in the responses and especially in the determination of key strategic areas for CSR engagement.

Government involvement and partnership with the business sector was noted by the majority of respondents as a factor that will promote the impact of CSR. A number of companies indicated that they would like to see the government more involved in CSR, possibly by giving tax incentives for companies to participate in CSR and also by utilising taxes to augment the developmental work and role played by the business sector. Government should in the view of the companies even coordinate CSR processes by matching the areas of need with certain business sectors.



1. Summary of key findings

Fourteen companies were selected for the survey. Of the companies surveyed, four operate within the retail sector, two are mining companies, three work in the field of the professional service sector, three in consumer goods development and two are in the financial services sector. The majority of the respondents sit at either middle management to senior management level in their companies.

The study found that the five factors that promote CSR impact and implementation are:

- The support and participation of key top leadership
- Alignment of CSR activities with the company's core business
- The impact of government legislation and sector charter guidelines
- Partnerships with other stakeholders, including government and NGO's
- Management of CSR activities by specialised service providers, including NGO's

The study also found that the five factors that hinder CSR implementation and impact, especially in the social and environmental context, are:

- Lack of a shared goal and commitment to CSR projects from the recipient communities, as well as from other key partners
- Lack of capacity and experience in the CSR practitioners - many of the CSR respondents had other roles apart from CSR
- CSR not sufficiently supported and driven by top management - this is the case especially with multinationals where the policy directives are not consistent with local situations
- Poor management of partner NGO's, as well as poorly trained, equipped or illiterate community partners
- Poor identification of CSR projects, as well as lack of focus in project selection

The study also identified a lack of clarity and distinction between CSR and CSI with many of the CSR projects being either philanthropic or even sponsorship and branding in nature.

2. Country overview

2.1 Demographics

South Africa is a multiparty democracy with one of the most liberal constitutions in the world. Parliament consists of two houses, the National Assembly and the National Council of Provinces. In December 2007 a new leadership emerged in the ruling party with people whose power bases are in the trade unions as well as the communist party becoming more central to the decision making process of the ANC.

South Africa has a population of 47.4 million people and a population growth rate of 1.1% per annum. Forty percent of its population live in the rural areas. Since doing away with the racial segregation politics under the apartheid rule, South Africa has embarked on a very ambitious plan seeking to incorporate people

who were previously marginalised into the mainstream economy.

Economically, the exclusionary nature of apartheid and the impact of the international isolation of the 90's has created in South Africa a two tiered economy: the one being a very developed economy that parallels other developed countries and the other a less developed one that has characteristics of a much less developed economy.

A key challenge confronting South Africa is that of the scourge of HIV. With over 5.3 million HIV infected individuals, the country faces a daunting task of providing health care to almost 11 to 12% of the population, as well as over 1.6 million orphans. It is estimated that the epidemic could cost South Africa as much as 17% in GDP growth by 2010¹.

¹ January 2009. The U.S. Department of State; *Diplomacy in action*. Accessed from <http://www.state.gov/r/pa/ei/bgn/2898.html>

Other challenges facing the country include poverty and high levels of income inequality and the distribution of wealth, violent crime, violence against women and children, discrimination against foreigners of African origin as well as sporadic pockets of political intolerance and violence.

On the environmental front, although South Africa is still a developing country, it has extremely high carbon emission levels per unit of GDP in comparison with the rest of the world. In recognition of this fact, the government has made pronouncements aimed at reducing the country's carbon footprint. Recent power shortages that adversely affected economic activity in the country have highlighted the critical need for urgent power management initiatives, including new forms of renewable energy generation.

2.2 The CSR context

The CSR landscape in South Africa has strongly been influenced and to a large extent defined by the legacy of apartheid. It is notable therefore that the practice of CSR within South Africa has a peculiar character, which seeks to undo the effects of the role of big business in propagating the inhumane practices of the apartheid system. A number of key big businesses, especially in industries like mining and the financial services sector, played significant roles in funding the government of the day, as well as in creating other socially destructive elements like the migrant labour system. CSR therefore has often been defined as seeking to ameliorate the harmful role of business during the apartheid legacy. Concepts like transformation, as well as equity and ownership are therefore more pronounced in the South African CSR practice than in most other countries.

CSR in South Africa also includes components that are not as pronounced elsewhere. The inclusion of Broad Based Black Economic Empowerment (BB-BEE) as a key aspect within CSR practice is unique to the South African landscape. It should be pointed out though that the general opinion is that there has not been sufficient linking of BB-BEE and CSR, especially at the conceptual level. It is thought that a stronger linkage would provide

a more integrated CSR practice for many companies who still practice CSR and BB-BEE as two separate entities requiring different management systems.

Other unique elements of CSR in South Africa include the emphasis on affirmative action and skills development, as well as the prominence of HIV/AIDS. It is important to note that the definition of CSR within the South African context also is often synonymous with that of CSI and is characterised mainly by philanthropic activities. Thus for many companies, issues such as environmental care and protection are often ignored in the pursuit of activities that seek to address immediate human needs like nutrition, health and education. The new codes of good practice have now shifted the terminology from CSI to social economic development.

The rationale for CSR involvement in South Africa therefore seems to be driven largely by two key aspects

1. To address socio-economic challenges by providing economic access and opportunities to previously disadvantaged South Africans
2. To address government capacity and financial gaps that hinder service delivery, through philanthropic initiatives²

With the re-entry of South Africa into the global economic space, the CSR debate has also been influenced by international CSR ideas and concerns and the adoption of international CSR norms and policies³.

It is also noteworthy that the South African government plays quite an active role in influencing and regulating the social involvement practices of business. This influence includes the promotion of sector specific charters that provide guidelines and measures for CSR practice. Through the King Commission, the governance of companies as well as other issues including accountability and reporting has all been given prominence in CSR. The establishment of the JSE Socially Responsible Investment Index, which was developed with reference to the FTSE4Good Index Series, has further strengthened the

² GTZ (2007). *The CSR Navigator: Public policies in Africa, the Americas, Asia and Europe*

³ *ibid*

social investment and sustainability debate among companies that are listed on the stock exchange. It has served to provide a measure for the sustainability performance of listed companies and to highlight companies with good sustainability practices.

It also needs to be noted that there is still a high level of distrust between the public sector and the private sector, a factor that can be traced back to apartheid.

3. Survey findings

The primary objective of the survey was to identify factors that promote and those that hinder the engagement and impact of CSR implementation in sub-Saharan Africa.

3.1 CSR positioning and infrastructures

In the majority of companies surveyed, the CSR function is located as a department, with the main decision making of the CSR programmes being in the CSR function as well as the board and senior management. The majority of respondents sit at middle management to senior management level.

The majority of the respondents also believe that engaging in CSR initiatives has a positive influence on the overall profitability of the business and is a source of competitive advantage. While no evidence was given for this link, the respondents indicated that engaging in CSR would have a positive impact on company reputation, employee and consumer attraction and retention.

The three most important reasons why the companies surveyed get involved in CSR are:

- To engage in socio-economic development (probability of 93%). This in the South African context needs to be understood as providing opportunities to people who were historically marginalised and disenfranchised economically as well as politically and is one of the pillars of the Broad-Based Black Economic Empowerment Act of 2003.

- To improve the image of the business (probability of 57%)
- To enhance the implementation of core business (probability of 43%)

The least likely rationale for a company's involvement is to attract investors (probability of 7%).

3.2 CSR values and policy frameworks

The majority of companies surveyed (66.6%) made reference to the Global Compact, the JSE Socially Responsible Investment Index or sector specific charters as having influenced their CSR practice. Most of the companies use these agreements as frameworks for their CSR reporting. It was also clear that the BB-BEE act has played a significant and catalytic role in CSR.

All the companies surveyed attributed the success of their CSR to the support and participation of executive leadership, as well as board members in some instances. In only one company was the response given that the senior executive leadership was not supportive. The extent of their involvement included:

- Participation in the CSR activities
- Giving incentives for staff involvement in CSR activities
- Matters of CSR are discussed at board level
- Approving budget for CSR

Most of the respondents (79%) rated themselves as highly qualified in the field of CSR, with many of them alluding to the number of years of service within CSR or their academic qualifications in fields related to CSR.

3.3 CSR projects and practices

There was a general vagueness as to the approach and practices guiding stakeholder engagement. Most companies indicated that they do not consult externally on CSR decision making. Some companies went as far as

indicating they did not derive much value from stakeholder engagements.

There is a wide range of the type of projects chosen by the different companies surveyed. The five main types of CSR projects are in:

- Education and training (93%)
- Health (71%)
- Skills development (64%)
- Welfare (50%)
- Economic development (43%)

3.4 Promoting factors

The five key factors identified were:

1. The support and participation of top/senior leadership in CSR activities, including the commitment to move beyond compliance
2. Availability and alignment of CSR policy and activities with the company's core business. The ability to make a sound business case for return on investment would ensure stronger commitment at the boardroom level⁴
3. Government driven legislative and regulatory framework
4. Partnerships with other key stakeholders, including communities, government, NGO's and other business entities
5. Management of CSR activities by specialised service providers, including NGO's

Other factors identified, especially with regard to projects in the social and environmental context include:

- The availability and allocation of adequate resources, both financial and otherwise
- Involvement of staff in CSR activities
- Involvement of recipient communities in determining the implementation of CSR activities in their communities.
- The commitment and reliability of partners and key stakeholders
- The CSR activities and products address direct needs of beneficiaries linked to a genuine care and commitment to the

wellbeing of the recipient communities

- The ability to listen to and communicate effectively with the recipient communities and other key stakeholders while having clear memoranda of understanding
- The commitment to continually capture and apply the lessons learnt in the practice of CSR
- Monitoring, evaluation and reporting that serves to highlight the role of CSR activities and projects, as well as the purpose and impact of CSR
- The passion, knowledge and commitment of the key CSR driver or practitioner
- Selection of a few long-term, well managed and focused projects
- Good corporate governance practices from both the corporate as well as the recipient communities

3.5 Hindering factors

The five key factors that hinder CSR with respect to activities in the social and environmental context identified are:

1. Lack of a shared goal and commitment to projects from the recipient communities, as well as from other key partners
2. Lack of capacity and experience in the CSR practitioners. This includes the lack of standards, curriculum and accreditation of CSR practitioners, as well as the lack of skill or tools for external stakeholder engagement
3. CSR not sufficiently supported and driven by top management; this is the case especially with multinationals where the policy directives are not consistent with local situations
4. Poor management of partner NGO's, as well as poorly trained, equipped or illiterate community partners
5. Poor identification of CSR projects as well as projects that are started on the wishes or interests of a senior or powerful individual without proper due diligence done

⁴ De Beers Ltd is a good example of a multinational South African company that has made significant progress with integrating CSR with core business. Mr Stuart Penny, CEO of the company was quoted in the New York Times of 9 August 2008 to say "Botswana's citizens need roads – but so does De Beers, to transport its diamonds. De Beers needs a healthy work force, so its emphasis on H.I.V. awareness and treatment is clearly in its self interest. Indeed, a more prosperous Botswana helps De Beers in every way imaginable, not least by providing a stable environment in which it can do business."

Other factors include:

- Lack of staff capacity and inadequate resources within the CSR departments or foundations
- Government bureaucracy and lack of capacity to adequately support social responsibility initiatives
- There is a need to focus on CSR and not only CSI, as the case is presently in many companies

4. Future trends and development needs

The majority of companies surveyed (79%) indicated their belief that CSR initiatives would assume a lower priority in the current economic slow down. Many companies are cutting back their CSR budgets (which are linked to net profit after tax) in line with reduced returns in the economic downturn. This will certainly mean less money going to the needy causes. A majority of the respondents also indicated their anticipation that education, environmental issues and job creation would become a major focus of their companies.

The main instruments and services requirements identified by the respondents were:

- Strategy formulation (57%)
- Impact assessment (57%)
- Peer exchange (50%)
- Case studies (50%)

The least helpful service would be research (21%), internet platforms (29%), peer exchange (29%) and briefings (29%).

Most of the respondents indicated that the above instruments and services would enable benchmarking and setting of standards, as well as a sharing best practice. Three comments were noted in which the respondents indicated fatigue with attendance to conferences and CSR events.

A number of companies were found to be experimenting with interesting and promising initiatives, some of which are of a more philanthropic nature whilst others are showing a clear link with core business considerations:

- One company in the consumer goods sector is using screen savers to communicate CSR activities with staff.
- A supermarket chain is working to promote small scale garden farming and then linking those farmers with the procurement process, either of the same company or even of a competitor.
- There is an eco schools project for environmental education by a company in the manufacturing and consumer goods industry.
- Some companies sponsor partnerships as well as student exchange programmes between high performing schools and underperforming ones.
- A company in the medical insurance business is providing free medical cover for children in orphanages.
- A company in the mining sector has developed a jewellery school to train people in communities neighbouring mines.

Of the companies surveyed, 71% have a CSR policy. Notable is that a number of them declined to provide a copy indicating that it was an internal document and not available to the public. Most indicated that the CSR function/department was responsible for the implementation of the policy.

It is clear from the survey that very few companies are engaged in activities in the environment, human rights and labour rights arena in their CSR. The lack of focus on environmental activities is of particular interest given the place of South Africa as a leading contributor to carbon emissions. Two of the companies surveyed reported involvement in crime prevention and also food security.

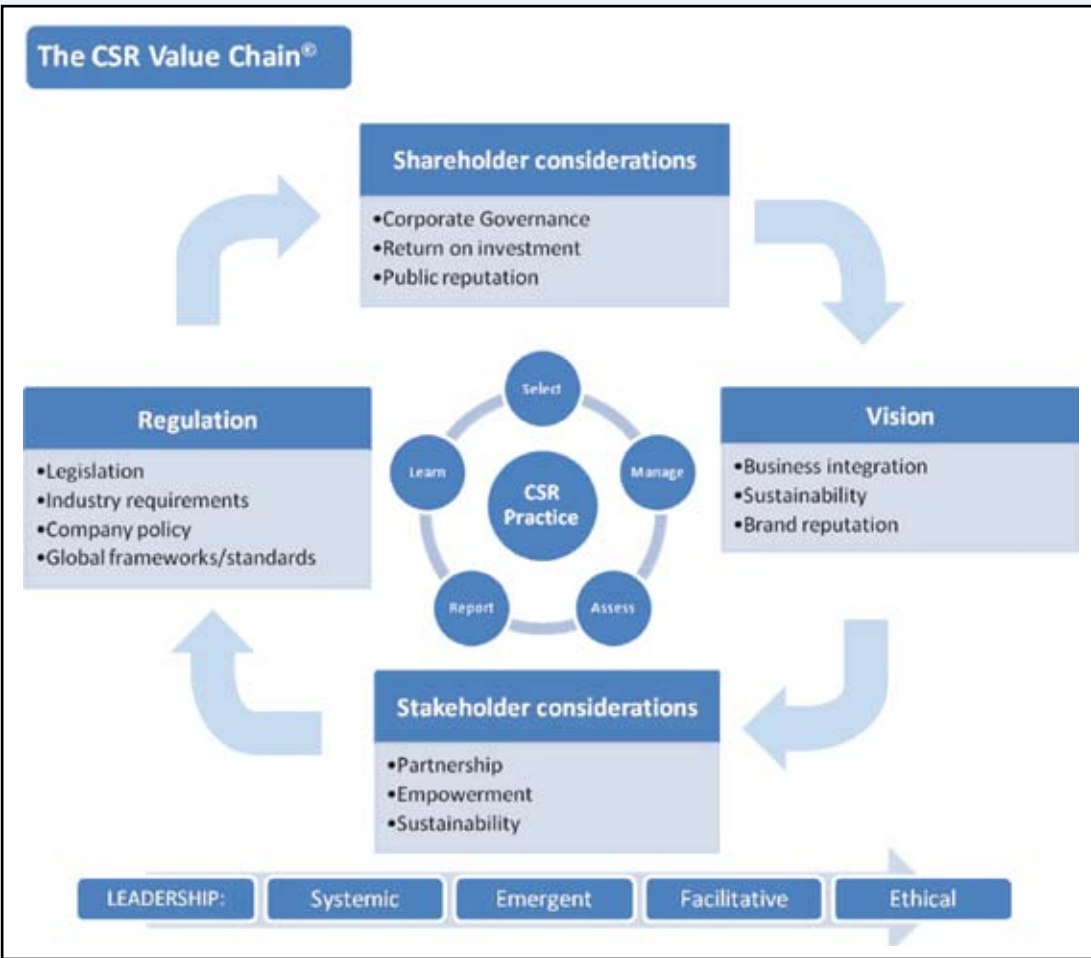
Addendum B - The CSR Value Chain[®]

Introduction

A value chain is an explanatory framework that helps people in an organisational context to understand how structures, functions and people link and work together to contribute towards a desired outcome. The CSR Value Chain[®] is in principle similar to other value chains. It offers a simplified approach to positioning, developing and assessing the CSR initiatives of a company.

A value chain approach does not prescribe a specific pattern of development and it does not require a logical step-by-step approach that should be followed without fail. Rather, it is an integrative framework that keeps polarities in balance and explains the interconnectedness between different aspects of the same operation. In this view it serves as a lens and provides a picture of the broader landscape and offers checkpoints for development, navigation and/or assessment.

The CSR Value Chain[®] consists of two interrelated frameworks portrayed as circles around CSR relevant initiatives or projects. The outer circle represents the broad context oriented framework and links CSR externally with the economic, social, environmental and political context within which it happens. This outer circle also portrays two polarities, namely regulation versus vision and shareholder versus stakeholder considerations. Both polarities need to be kept in a healthy and constructive tension. For CSR to be contextually relevant it needs the regulatory dimension, and to have integrity it needs to be the expression of a business vision and culture



that regards it as imperative. Also, in a business paradigm that has shifted the social and environmental responsibilities of business to share centre stage with the financial considerations, shareholders and various societal stakeholders find themselves before the inescapable necessity to seek dialogue and to work together as partners instead of adversaries.

In more detail these concepts from the broad context oriented outer circle refer to the following:

- **Regulation:** This refers to the level of awareness and/or in-depth knowledge and application of relevant national, and/or global guidelines or directives that determine the social responsibilities of companies. In many countries corporate social responsibility gets more and more embedded in legislation, industry requirements, global frameworks or standards and company policy. Therefore there is cause to ask questions such as the following: To what extent do CSR practitioners have knowledge of such directives or guidelines that impact on their business? To what extent does a particular business already align itself with any such directives or guidelines? And to what extent do companies experience these as helping or hindering the achievement of their business objectives?
- **Vision:** This refers to the presence, or absence, of a unifying vision and commitment to sustainable local and global socio-economic well-being. Research shows that companies that engage in CSR do it not only as a result of regulatory considerations, but also in terms of a sound business case in favour of it. This triggers a series of important questions: To what extent does a company therefore incorporate CSR into its business model? To what extent is a particular company concerned about its economic, social and environmental footprint? To what extent does a company utilise the business case for CSR to build brand affinity and to mitigate reputational risk? Are there any factors at work in a company that promote or hinder a vision of sustainable economic, social and environmental impact for the business?
- **Shareholder considerations:** Here the focus is on shareholding and governance structures and the extent to which these entities are aware of and/or knowledgeable about and committed to apply CSR principles and practices in governing the activities of the business. Worldwide there is an increasing awareness of the responsibilities of boards, and pressure is exerted on and/or by shareholders to keep companies accountable for the economic, social and environmental impacts of their business decisions and activities. Return on investment is moving beyond the mere focus on profit and increasingly includes considerations about the social and environmental beneficitation and public reputation aspects of businesses. Therefore questions such as the following need to be asked: To what extent do a company's board and executive management attend to such considerations? To what extent are these considerations embedded in a company's management culture and practices? What are the promoting or hindering factors towards creating an awareness of CSR principles and practices in the management culture of a company?
- **Stakeholder considerations:** This aspect focuses on the existence and nature of selected beneficiaries of the business's socio-economic investments, as well as those who are co-contributors or partners to such endeavours, and the extent to which they are incorporated in the selection, management and assessment of projects. The days are gone that social beneficiaries are just thankful and passive recipients of corporate grants. They rightfully demand respect as equal partners in whatever initiatives are offered for their benefit. Also gone are the days that communities that are negatively impacted by the social and/or environmental consequences of business activities can be silenced by favourable trade-offs. Stakeholder participation and even activism have come to stay. A further development is the realisation that social and environmental investment and/or redress have become too complicated and sophisticated for a single company to handle, with the result that partnerships

between companies, governments, NGO's and specialist service providers are on the increase. The foregoing leads to questions such as the following: To what extent does a company incorporate the contributions of stakeholders as mentioned above in the execution of its social and environmental mandate? What means does a company employ to interact with these various stakeholder communities? What are the promoting or hindering factors towards successful stakeholder engagement?

The inner circle of the CSR Value Chain[©] is of a more narrow and practice oriented nature. It takes information from the outer circle and translates it into the project selection, management, assessment, reporting and learning aspects of CSR initiatives. Whereas data from the broad framework provides indicators of awareness, knowledge and commitment towards CSR as a factor of good corporate citizenship, the narrow framework offers data in terms of measureable performance and achievement in terms thereof.

Herewith then a more detailed exploration of the various aspect of the inner CSR practice oriented circle:

- **Select:** Project selection should take the into account the extent to which a company's CSR practice as a whole and initiatives in particular
 - o tie into or originate from the company's core business;
 - o comply with the company's CSR policy;
 - o express national and/or industry priorities;
 - o incorporate the interests and expectations of beneficiary communities;
 - o reckon with the involvement and consult with other (corporate) role-players doing business and/or investing in the same communities;
 - o as well as the extent to which a company will be able to meet the resource requirements of both the CSR practice as a whole and each project intended to benefit from it, especially from a sustainability point of view.
- **Manage:** Project management should take into account the extent to which
 - o projects are guided by clear goals, objectives and timelines, are governed by proper agreements between the parties and are well resourced in terms of financial and human resources as well as specialist skills where required;
 - o beneficiaries are incorporated and empowered in terms of project planning and roll-out;
 - o provision is made for staff involvement;
 - o sound management and accounting practices are put in place;
 - o SLA's with third party providers are properly managed;
 - o and regular communication and consultation between all parties are maintained.
- **Assess:** Impact assessment secures return on investment and attends to the extent to which regular assessments ensure that projects
 - o are effective in achieving their intended objectives;
 - o are relevant to the priorities and needs of designated target groups;
 - o are true expressions of the CSR objectives and policies of the company;
 - o are ethical in terms of financial stewardship and management practices;
 - o are well integrated with the activities and priorities of other agencies and organisations;
 - o are sustainable over the long run.
- **Report:** As an essential requirement of modern business, reporting deals essentially with two aspects:
 - o the extent to which and how regularly reporting happens to stakeholders, such as staff, management, board, beneficiary communities, organisations, partners and/or third party providers, the general public, local government and international bodies;
 - o the extent to which reporting incorporates and accounts for the business case for CSR, company policy, a description of and analysis of projects, stakeholder overview, governance practices and results, the

value gained for both business and beneficiaries and future considerations and plans.

- **Learn:** Learning from CSR is about the extent to which the knowledge gained through CSR initiatives is utilised for organisational development, the shaping of the company's social/public reputation and the continued improvement of CSR initiatives.

Finally there is the leadership dimension of the CSR Value Chain[©]. CSR is essentially a value-based reality in the life of a company. It is an expression of the policies and practices that a company designs and implements as a result of its notion of the kind of corporate citizen that it purports to be. Leadership is therefore an indispensable aspect of building a credible CSR reputation in and for a company.

There are essentially four leadership competencies and requirements that are relevant in this regard:

- **Systemic awareness:** This refers to the ability of executive and senior management as well as CSR practitioners to view the importance and promote the implementation of CSR practices within the context of national and global developments and requirements. Therefore, what evidence is there to prove that company leadership understands and shows commitment towards CSR as an essential and integrated aspect of business?
- **Emergent strategies:** This refers to the ability of executive and senior management as well as CSR practitioners to give direction to CSR through vision, policy and strategy, whilst staying in touch with and adjust according to emergent developments at global, national and local community levels. Therefore, how sensitive and responsive is a company's leadership to CSR concerns that may develop as a result of either business decisions and/or activities or developments and/or changes in the macro-economic context of the business, or developments and/or changes in the communities that it operates in or do business with?
- **Facilitative leadership:** This refers to the ability of executive and senior management as well as CSR practitioners to embed a socially responsible understanding of the business case into the character of the company by means of dialogue, consensus-building and participation. It requires to be asked if the predominant leadership culture in the company is conducive to the development of a CSR sensitive business culture? What is being done to involve staff, beneficiaries and other stakeholders in the development and management of CSR practices?
- **Ethical behaviour:** This refers to the extent to which executive and senior management as well as CSR practitioners are able to set an example and exercise CSR leadership characterised by integrity and transparency. It is essential to ask about a company's public reputation in terms of socially responsible behaviour. Ethical leadership provided by a company's executive and senior management cannot be forfeited.

Addendum C - Survey questionnaire

Section 1: CSR positioning and structure

1. Name of company:

2. What is your company's mode of ownership?

- 2.1 Private
- 2.2 Private Limited Liability
- 2.3 Public (Stock exchange listed)

3. The company is a:

- 3.1 Head office
- 3.2 Parent company
- 3.3 Local branch of an international parent company
- 3.4 Subsidiary of multinational
- 3.5 None of the above

4. The regions and countries in which the company operates

Region | Countries

- 4.1 Africa
- 4.2 W. Europe
- 4.3 E. Europe
- 4.4 N. America
- 4.5 S. America
- 4.6 Asia
- 4.7 Other

5. In which sector(s) does your company operate?

- 5.1 Manufacturing
- 5.2 Retail
- 5.3 Financial
- 5.4 Construction
- 5.5 Mining & Extraction
- 5.6 Services
- 5.7 ICT
- 5.8 Other (Please specify)

6. What are the company's primary products and services? (Please specify)

7. Financials (US\$)

Financial Year ending in | Turnover | Profit before tax | Profit after tax | CSR budget/expenses

- 7.1 2008
- 7.2 2007
- 7.3 2006
- 7.4 2005
- 7.5 2004
- 7.6 2003

8. What kind of expenses (excluding internal operational costs) does your CSR budget make provision for?

9. What resources other than funding are allocated to CSR?

10. How is your CSR function structured? (You may select more than one.)

- 10.1 Foundation
- 10.2 Trust
- 10.3 Department
- 10.4 Individual functionary
- 10.5 Other (Please specify)

11. Who decides what CSR development programmes and/or projects your company will pursue? (You may select more than one.)

- 11.1 The board
- 11.2 Senior management
- 11.3 Employees
- 11.4 Cross-Functional Teams
- 11.5 The CSR function

12. Which systems do you have in place to facilitate the participation of external stakeholders in the CSR decision-making process of the company? (You may select more than one.)

- 12.1 Corporate advisory panel
- 12.2 Community consultation panels
- 12.3 Collective bargaining
- 12.4 Employee representation
- 12.5 Other (Please specify)

13. Where are your CSR initiatives determined from? (You may select more than one.)

- 13.1 Central international corporate HQ
- 13.2 Regional HQ
- 13.3 Local country HQ
- 13.4 OtherO Other (Please specify)

14. Please indicate which arenas of CSR you are most active in?

(You may select more than one.)

- 14.1 Education and training
- 14.2 Health
- 14.3 Environment
- 14.4 Sports and cultural events
- 14.5 Downstream enterprise development
- 14.6 Economic development
- 14.7 Governance & Accountability
- 14.8 Skills development
- 14.9 Welfare
- 14.10 Human rights
- 14.11 Labour rights
- 14.12 Other (Please specify)

15. As person responsible for CSR, at what management level do you operate?

- 15.1 Operational
- 15.2 Middle management
- 15.3 Senior management
- 15.4 Executive management

16. What is your job title?

17. To whom do you report to on your CSR initiatives?

18. Apart from your CSR responsibilities, what other tasks do you perform in your company?

19. What percentage of your time do you commit to CSR initiatives?

- 19.1 100%
- 19.2 80%
- 19.3 60%
- 19.4 40%
- 19.5 20%

20. What factors do you personally regard as being the key drivers of CSR in your company?
(Please list three.)

21. Which of the following potential partners have you involved in your CSR initiatives?

(You may select more than one.)

- 21.1 NGO's
- 21.2 Government
- 21.3 Donors
- 21.4 Academia
- 21.5 Other company's
- 21.6 None of these (Please motivate why)

22. Do you believe that engaging in CSR initiatives has a positive influence on the overall profitability of the business?

- 22.1 Yes, absolutely
- 22.2 Yes, to an extent
- 22.3 No, not really
- 22.4 No, not at all
- 22.5 Please motivate your response:

23. Do you believe that engaging in CSR initiatives is a potential source of competitive advantage?

- 23.1 Yes, absolutely
- 23.2 Yes, to an extent
- 23.3 No, not really
- 23.4 No, not at all
- 23.5 Please motivate your response:

24. With the world currently facing an economic slow down, do you believe that CSR initiatives will assume a lower priority?

- 24.1 Yes, absolutely
- 24.2 Yes, to an extent
- 24.3 No, not really
- 24.4 No, not at all
- 24.5 Please motivate your response:

Section 2: CSR values and policy framework

25. Are there any global agreements, e.g. the Millennium Development Goals, the United Nations Global Compact or the Global Reporting Initiative, that impact on your company's CSR strategy, policies and practice?

- 25.1 Yes
- 25.2 No
- 25.3 If yes, please specify which:

26. Are there any directives or guidelines of a national origin, either demanded by government or agreed upon by industry stakeholders, that impact on your company's CSR strategy, policies and practice?

- 26.1 Yes
- 26.2 No
- 26.3 If yes, please specify:

27. Please describe briefly how you go about the incorporation of such frameworks into your company's CSR strategy, policies and practice?

28. Does your company have a CSR policy mandated by your corporate governance structures?

- 28.1 Yes
- 28.2 No
- 28.3 If yes, who is responsible for the implementation thereof?
- 28.4 If yes, can you please provide a copy of such policy?

29. Which three of the following reasons best describe your company's rationale for doing CSR?

- 29.1 To attract investors
- 29.2 To attract employees
- 29.3 To improve the image of the business
- 29.4 To attract customers
- 29.5 To comply with legal requirements
- 29.6 To also increase profit
- 29.7 To engage in socio-economic development
- 29.8 To enhance the implementation of core business activities
- 29.9 Other (Please specify)

30. How do you create cooperation with, consult and manage relationships with CSR stakeholders such as the following:

- 30.1 Communities that are affected by your business decisions and operations:
- 30.2 Beneficiaries (communities, organisations and/or programmes) that gain from your CSR initiatives:
- 30.3 Partners such as government, NGO's, other companies and specialist service providers that you cooperate with in the implementation of your CSR initiatives

31. In which way has your company's leadership understood and showed commitment towards CSR as an essential and integrated aspect of business? Please provide two brief examples:

32. In your opinion, what is the general public's perception of your company's reputation in terms of CSR?

- 32.1 Positive
- 32.2 Negative
- 32.3 Undecided
- 32.4 Please motivate your answer:

Section 3: CSR practice and projects

33. Please provide three brief examples of CSR projects in the development and implementation of which the company has been involved in:

- 33.1 Example1:
- 33.2 Example2:
- 33.3 Example3:

34. Project selection and design: Please mark (with an X) in the right hand column the three factors that have the biggest influence on your selection and design of CSR projects such as referred to in question 33. Mark 3

- 34.1 Global and/or national frameworks or guidelines
- 34.2 The company's core business (products, services, markets)
- 34.3 The company's CSR policy
- 34.4 National and/or industry priorities
- 34.5 The needs, interests and expectations of beneficiary communities
- 34.6 The involvement of and consultation with other (corporate) role-players doing business and/or investing in the same communities
- 34.7 Resource requirements and provision
- 34.8 Other (please specify):

35. Project management: The following table represents a list of factors that determine the successful implementation and management of CSR projects. Referring to your project examples quoted in question 33, indicate in the left hand column the three factors that you have the most success with and in the right hand column the three that you are most challenged with in implementing and managing your CSR projects? Successes (Mark 3) | Challenges (Mark 3)

- 35.1 Clearly documented and well managed goals, objectives and timelines
- 35.2 Proper and written agreements between all stakeholders (e.g. company, beneficiaries, specialist service providers, partners, etc)
- 35.3 The provision and effective utilisation of financial resources by the company
- 35.4 The provision and effective utilisation of human resources provided by the company
- 35.5 The availability and effective utilisation of service providers in specialist areas of your projects
- 35.6 The involvement and empowerment of beneficiaries in terms of project design and implementation
- 35.7 The provision and effective utilisation of volunteer staff involvement by the company
- 35.8 Sound governance, management and accounting practices on the side of beneficiaries
- 35.9 Assurance of ownership and commitment towards the agreed objectives and outcomes of the project on the side of beneficiaries
- 35.10 Assurance of sufficient capacity and competence for project resource delivery on the side of beneficiaries
- 35.11 Regular communication and consultation between all stakeholders
- 35.12 Other (Please specify)

36. Impact assessment: Do you do regular monitoring and evaluation (M&E) of your CSR projects such as referred to in question 33?

- 36.1 Yes
- 36.2 No
- 36.3 If yes, how often do you do it?
- 36.4 Once per quarter
- 36.5 Once per semester
- 36.6 Annually
- 36.7 If yes, by whom is such M&E done?
- 36.8 Internally by own staff
- 36.9 Externally by an independent agency
- 36.10 If yes, please indicate at least five key factors that you and/or an independent evaluator take into account when doing such assessments
- 36.11 Factor 1:
- 36.12 Factor 2:
- 36.13 Factor 3:
- 36.14 Factor 4:
- 36.15 Factor 5:

37. Reporting: Consider your CSR projects such as referred to in question 33, do you do CSR reporting?

- 37.1 Yes
- 37.2 No
- 37.3 If no, please briefly specify why:
- 37.4 If yes, which of the following constituencies do your report to? (Mark each column with an X)
- 37.5 Staff
- 37.6 Management
- 37.7 Board
- 37.8 Beneficiary communities and/or organisations
- 37.9 Partners and/or third party providers
- 37.10 The general public
- 37.11 National and/or local government
- 37.12 International bodies
- 37.13 Other (please specify):
- 37.14 If yes, which of the following aspects do you include in your report?
Yes | No
- 37.15 The business rationale for CSR
- 37.16 Company policy
- 37.17 A description of and analysis of projects
- 37.18 Stakeholder overview
- 37.19 Governance practices and results
- 37.20 The value of return on investment gained for both business and beneficiaries
- 37.21 Future considerations and plans
- 37.22 Other (please specify):
- 37.23. If you do reporting such as referred to above do you have copies of such reports available?
- 37.24 Yes
- 37.25 No
- 37.26 If yes, can you please provide a copy?

38. Learning: Do you use the knowledge and experience gained from such projects as quoted in question 33 to convene learning meetings?

- 38.1 Yes
- 38.2 No
- 38.3 If yes, who participates in such learning meetings in terms of:
- 38.4 Internal stakeholders (specify):
- 38.5 External stakeholders(specify):
- 38.6 In having such learning events, what do you and your internal and external stakeholders learn about return on investment (ROI) in monetary and non-monetary terms?
- 38.7 For company:
- 38.8 For beneficiaries:
- 38.9 How are the outcomes of such learning events utilised for the benefit of
- 38.10 the company:
- 38.11 beneficiaries:

39. Best experience: What CSR project do you currently regard as your flagship, the one that represents for you the best expression of an effective and sustainable effort?

39.1 Why is the project so successful?

40. Bad experience: What CSR initiative do you currently regard as your biggest disappointment or even failure, the one that represents for you the worst expression of what an effective and sustainable CSR project should look like?

40.1 Why does the project not meet your expectations?

41. Having now assessed your CSR practice in the light of three projects as quoted in question 33, what do you regard as five key factors that contribute to making your company's CSR initiatives effective and successful?

41.1 Factor 1:

41.2 Factor 2:

41.3 Factor 3:

41.4 Factor 4:

41.5 Factor 5:

42. As the opposite of the previous question, what do you regard as the five key factors that hinder the achievement of success in your company's CSR initiatives?

42.1 Factor 1:

42.2 Factor 2:

42.3 Factor 3:

42.4 Factor 4:

42.5 Factor 5:

Section 4: CSR future trends and development needs

43. What do you anticipate the focus of CSR in your company to be 5 years from now?

44. To what extent do you experience yourself as suitably equipped to give direction to your company's CSR practice?

44.1 Highly equipped

44.2 Moderately equipped

44.3 Under equipped

44.4 Please motivate your answer:

45. In relation to your CSR experience, which instruments and services do you think would be of benefit to you and your company?

- 45.1 Specific training
- 45.2 Briefings
- 45.3 Publications
- 45.4 Workshops
- 45.5 Conferences
- 45.6 Case studies
- 45.7 Consultation
- 45.8 Policy dialogue
- 45.9 Strategy formulation
- 45.10 Learning forums
- 45.11 Internet platforms
- 45.12 Peer exchange
- 45.13 Exchange in networks
- 45.14 Research
- 45.15 Impact assessment development
- 45.16 Other (Please specify):

46. Why are these instruments and services important for your company? Please specify your concrete needs in this regard.

47. How can these instruments and services be successfully implemented in your country? What obstacles do you foresee regarding such implementation?

48. What role should the government play to foster CSR in your country? How would your company be willing to assist the government in that?



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